

Voices from the Field

Participant perspectives on growth and sustainability opportunities for Water Producer Projects.



This brief aims to aid Brazilian Water Producer Project advocates, designers and policy-makers in the design and promotion of future projects based on lessons learned from three existing projects in Brazil's Atlantic Forest Region.

This brief was prepared as part of the ClimateWise Project in collaboration with The Nature Conservancy Brazil and the Natural Capital Project. The content is based on feedback provided during Community Listening Sessions with Water Producer Project participants and management from three regions; Guandu (Produtores de Agua e Floresta), Camboriú (Projeto Produtor de Agua), and Extrema (Conservadores da Agua).

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Executive Summary

The initial formation of Water Producer Projects (WPP) in Brazil, consisting of 36 projects across five states, was premised on the idea that upstream landowners can play a vital role in restoring and conserving landscapes important for soil conservation, water regulation, and water quality. WPPs are a type of Payment for Ecosystem Service (PES) program in which direct payments are made to upstream landowners in exchange for land management strategies, including forest restoration and conservation. These programs have achieved substantial support from both upstream and downstream actors and provide an opportunity reflect on successes and opportunities for improvement. Providing spaces for open and productive dialog between participants and institutions managing the projects (e.g. municipal governments and NGO's) is key to enhancing the sustainability and impact of existing WPPs and future projects.

Community Listening Sessions (CLS) completed in August and September, 2017, with project participants and management from three operating WPPs in the municipalities of Extrema, Balneário Camboriú and Rio Claro highlighted opportunities to increase communication, trust and credibility between participants and managing institutions. Participant satisfaction varied among and within sites, with some participants expressing satisfaction with the delivery of the payments, continued upkeep of reforested areas by project management and reach of the project into often overlooked rural areas. Areas of concern raised by participants included a lack of communication and alignment on restoration and conservation activities especially regarding the growth and expansion of the project into new private lands and the sentiment that their voices and concerns were not meaningfully included in project design and management. Project managers noted that greater incorporation of participant's ideas and concerns is a key opportunity for improving project outreach, growth, sustainability and positive outcomes.

CLS findings suggest that increasing interaction between participants and management through participatory governance in existing and future WPPs in Brazil recruitment has the potential to enhance the hydrological and socio-economic outcomes of the projects as well as substantially increase their durability. Participatory governance increases landowner participation in WPP processes by creating opportunities to meaningfully engage landowners in outreach, recruitment and management of a WPP. This often results in increased communication, transparency, local ownership, and trust between project participants and management, ultimately increasing WPP durability and impact.

This brief proposes participatory governance strategies informed by learnings from the CLSs and produced by the author in collaboration with current WPP management personnel for three core phases of the project cycle: Design, Creation, Operation. These strategies will increase the likelihood of achieving initiatives aimed at scaling WPPs, including the Conservador de Mantiqueira initiative which aims to increase the number of operational WPPs by two orders of magnitude over the next five years.

Key recommendations from Community Listening Sessions for current and future WPPs include:

- Consider alternative incentives packages as an alternative to direct payments to increase enrollment in the project.
- Provide participants with opportunities to design benefits packages, fostering participant ownership, buy-in and sustained commitment to the project.
- Work with community leaders in outreach, project design, and monitoring to establish trust and credibility between participants and project management. Local champions are critical to WPP success.
- Invest in thorough stakeholder analyses to ensure inclusion of local institutions in project management and support.
- Include Producers Associations or other local groups in project management units to ensure that participant perspectives are incorporated into project design and to foster community pride in the project activities and outcomes.

I. Background

Brazil's Payment for Ecosystem Service Programs – Brazil has received international acclaim for its leadership in Payment for Ecosystem Services programs, including through the National Water Agency's (ANA) initiated Water Producer Project (WPP) initiative. WPPs compensate landowners to manage land (through conservation, restoration, and/or sustainable agricultural management) with the goal of maintaining or increasing the provision the freshwater ecosystem services. ANA, in partnership with municipal governments and NGOs including The Nature Conservancy (TNC), has facilitated establishment 36 WPPs as of 2017.



ANA, local municipalities, watershed committees, TNC, and other stakeholders plan to expand the number and impact of WPPs in Brazil, building on experience from existing projects. For example, the Conservador de Mantiqueira initiative, inspired by the experience of the Conservadores das Aguas in the Extrema Municipality with the support of ANA and TNC, aims to create WPPs in 280 additional municipalities in the states of Minas Gerais, São Paulo and Rio de Janeiro, enrolling an additional 1.2 million hectares of land in forest restoration and conservation. As programs are developed to achieve these goals, understanding the barriers to success in operational projects and developing strategies to overcome them is vital to future success.

² Pagiola, Stefano, Helena Carrascosa von Glehn, and Denise Taffarello. "Brazil's experience with payments for environmental services." (2013).

³ "RESULTADO FINAL DO CHAMAMENTO PÚBLICO 001/2017 - PROGRAMA PRODUTOR DE ÁGUA." Programa Produtor de Água. 26 June, 2017. Accessed 10 October, 2017. < <http://produtordeagua.ana.gov.br/Resultado.aspx>>

⁴ Rodrigues, Ricardo R., et al. "On the restoration of high diversity forests: 30 years of experience in the Brazilian Atlantic Forest." *Biological conservation* 142.6 (2009): 1242-1251.

⁵ "Proposta da Iniciativa Mantiqueira." *Município de Extrema*. (2016).

2. Methodology

This brief is based on findings from Community Listening Sessions in three operational WPPs in Brazil's Mata Atlantic region offering a range of local conditions and WPP design approaches - Extrema (Conservadores da Agua, 2005), Guandu (Produtores de Agua e Floresta, 2009) and Camboriú (Projeto Produtor de Agua, 2012). The CLSs, completed during August and September of 2017, brought together eleven working groups of four to ten people composed of project participants, management and advisory stakeholders to, (1) discuss the current state of each project, and, (2) brainstorm strategies for improving effectiveness, equity, and durability into the future.

Community Listening Sessions

A Community Listening Session creates a space where citizens (participants in the case of WPPs) can give constructive feedback and discuss best practices in an open and judgement-free conversational environment.

● Extrema WPP | Conservadores de Agua

START DATE: 2005 PARTICIPANTS IN 2017: 230

HECTARES ENROLLED IN 2017: Forest Restoration - 500 ha, Forest conservation - 2000 ha

MANAGEMENT: Secretariat of the Environment within municipal government

● Guandu WPP | Produtores de Agua e Floresta

STARTED: 2009 PARTICIPANTS IN 2017: 70

HECTARES ENROLLED IN 2017: Restoration - 494 ha, Conservation - 4500 ha

MANAGEMENT: Currently seeking new NGO to manage project

● Camboriú WPP | Projeto Produtor de Agua

STARTED: 2012 PARTICIPANTS IN 2017: 17

HECTARES ENROLLED IN 2017: Restoration - 38 ha, Conservation - 515 ha

MANAGEMENT: Balneário Camboriú Municipal Water Utility (EMASA)

3. Recommendations

The overarching theme that arose during the CLSs was the need to create meaningful opportunities for project participants to inform project design, creation, and operation through participatory governance structures. Principal concerns raised by participants were that they had limited ownership over the project, lacked understanding of project objectives/motivations, and felt the managing institution was developing and expanding the project in a manner that did not sufficiently consider the desires of the landowners. Project managers agreed that facilitating more inclusion of participants in the design, creation and operations of a WPP, would increase trust and buy-in leading to improved effectiveness, equity, and durability.

Participatory Governance

Participatory governance aims to increase participation of landowners in WPP processes with the ultimate goals of increasing transparency, trust and sustainability. Establishing a participatory governance model within a new WPP will lead to more **representative information** on local conditions, establish **trust** between project administrators and potential participants, increase **transparency**, enhance the recruitment process by identifying and **stewarding relationships** between early adopters/change agents, and foster the sentiment of project **ownership** by participants.

The research team analyzed the learnings from the CLSs and through collaboration with current WPP management, developed **strategies to increase participatory governance opportunities within WPPs by leveraging local conditions**. These participatory governance strategies link landowner interests and motivations with local government capacity and functionality to increase project cost effectiveness and durability. Strategies were developed for three stages of the lifecycle of WPPs:

1) Design

Engage stakeholders and develop the technical structure of the project.

2) Creation

Launch activities to publicize project and begin enrollment of upstream landowners.

3) Operation

Implement conservation and restoration activities and adapt operations based on monitoring of physical results and community feedback.

Local Conditions

Local conditions include the diverse culture, **ideology, customs, governance** and **livelihood strategies** of a community. Externally imposed rules are unlikely to be equitably enforced if they do not match local customs, governance and livelihood strategies.



3a. Design Phase

***Voices from the field** - Participants appreciated that they had a voice in co-designing project activities directly associated with their personal land, but expressed a desire to have been included in the initial design of the entire WPP project structure. In all three WPPs, participants noted that they felt they were not meaningfully consulted during the WPP design process. They noted that project recruitment may be limited in part due to the fact that the benefits scheme developed by project management did not include sufficient community consultation, thus leaving communities feeling as if they had no ownership over the project.*

A thorough stakeholder analysis of the full suite of local actors that could be engaged in and/or affected by the WPP is a vital first step in designing a WPP. A stakeholder analysis is best conducted via **open conversations with landowners**, engaging all potential project participants in group conversational settings which will also **establish trust**. A stakeholder analysis should include assessment of:

- **Current land use and livelihoods.** Landowners rely to varying degrees on their land for their livelihoods. Understanding current land use and how this relates to livelihoods has an important influence on motivations to participate and project outcomes.
- **Opportunity cost of conservation.** Most landowners have a variety of different income generating activities on their farms. Accordingly, an opportunity cost of conservation based on dairy production per hectare (commonly used in WPPs) does not always capture the true cost of removing land from production; a benefits structure that effectively engages landowners takes these diverse income streams into account.
- **Landowner motivations to participate (or to not participate).** Assessing what factors will motivate participation in WPPs is key. In community listening sessions, direct payments were the overwhelming motivation reported by those directly dependent on their land, with an appreciation of the environmental benefits (drinking and irrigation water, reduced landslides, more wildlife, fresh air, healthier soils), coming after a few years of participation. Those less dependent on their land were principally motivated by environmental concerns, stating that they would participate without payment.
- **Potential alternative incentive packages.** The majority of CLS participants said they would be interested in alternative benefits that included broader socioeconomic development instead of direct payments. For example, CLS participants pointed to alternative benefits packages like rural electricity and support with productive projects which would not require funding in perpetuity (e.g. agroforestry).
- **Perceptions of previous environmental initiatives.** Landowner perceptions of current environmental initiatives can be heavily influenced by their experience with previous initiatives. Understanding perceptions of previous initiatives can help a WPP align with positive previous initiatives and distance itself from negative initiatives to decrease landowner resistance to enrolling.

Giving landowners a choice in their received benefits by co-designing benefits packages is key to fostering feelings of ownership and sustained commitment to the project. CLS participants gave suggestions as to which alternative benefits they thought would be more attractive to landowners more dependent on on-farm or off-farm income. Participants in CLSs felt strongly that **beginning a project by incentivizing participation with direct benefits creates goodwill** within communities compared to regulatory tactics. WPP incentives are often the first exposure rural landowners have to the idea that environmental protection can benefit them. The financial benefits of participating in a WPP are the carrot that makes the complimentary stick of regulation more palatable, should the municipal government choose to subsequently enforce environmental laws more strictly.

Proposed benefits for participants mainly dependent on on-farm income:

- Sanitation - both for human and animal waste
- Technical Assistance
 - Agroforestry
 - Dairy
 - Horticulture
 - Soil Restoration
 - Apiculture
 - Assistance to achieve organic certification for products
 - Connections to markets
- Road Infrastructure
- Direct employment by the WPP for restoration activities
- Health Posts and Services
- Rural Schools/Education
- Fixed telephone cables
- Scholarships for advanced education for youth
- Veterinarian assistance
- Tax breaks - Rural agricultural producers often get tax breaks on vehicle purchase; this should also apply to rural water producers

Proposed benefits for participants mainly dependent on off-farm income:

- Increased Environmental Law Enforcement
- Environmental Education Programming
- Tax breaks
- Ecotourism infrastructure and promotional support
- Road Infrastructure
- Health Posts and Services
- Rural Schools/Education
- Fixed telephone cables
- Scholarships for advanced education for youth
- Veterinarian assistance
- Tax breaks - Rural agricultural producers often get tax breaks on vehicle purchase; this should also apply to rural water producers

3b. Creation Phase

Voices from the field - Participants in the Extrema WPP noted that the increased community meetings and outreach focusing on developing personal connections between project management and potential participants was key to establishing early trust and credibility. Many CLS participants felt that investing time and resources to ensure community members fully understand project intentions and trust the managing institution can greatly increase participation at the outset of the project. Furthermore, one of the most surprising learnings from the CLSs was the desire of multiple participants (change agents) to take a more active role in project outreach and recruitment. The Association Limeira in Camboriú (civil society organization that is devoted to conservation and environmental protection) demonstrated a strong desire lead local outreach efforts and increase recruitment.



Recruit actively and through multiple channels.

- In partnership with civil society leaders and municipal government representatives, **host community-wide meetings** engaging civil society organizations (especially religious institutions) to present the project and its vision to establish trust, project credibility and encourage community-wide buy in.
- Understand how **information is shared and spread** within the community and tap into **local champions**, whether in civil society or local government to assist in project outreach.
- **“Word of mouth” recruitment** - Support **early adopter/change agents** to promote project with neighbors, family and friends.
- **“Door to door” recruitment** - visit each potential participant at their home and speaking directly to their personal benefits of participation in the project. (This effort can begin during the rural diagnostic data collection)

Leverage existing motivations to increase project participation.

- **Environmental benefits are strong motivators**; increase broader environmental education outreach in parallel with WPP activities.
- **Hope and opportunity are stronger motivators** than fear and punishment. Fear is a powerful tool (command/control), but fear causes people to act in their short-term interests; it doesn't allow for the resource user to consider long-term outcomes. Encourage landowners to be in a mental space of depth and imagination as they think about what future they want for their children. Leverage this concept to increase environmental motivations to increase participation.
- CLS participants stated that **religion is a strong influence** on the majority of landowner day to day decisions. WPPs would be wise to tap into religion as a motivator for environmental action, creating relationships with local religious institutions.

3c. Operation Phase

Voices from the field – CLS participants noted their desire to have a voice in WPP activities and future decisions impacting WPP participants. Furthermore, CLS participants noted the lack of communication channels that currently exist which limits their ability to understand the current state of the project (participants in Guandu learned during the CLS sessions that the WPP was undergoing a transition to new NGO project management). Additionally, participants simply wanted to be recognized for their contributions; they wanted to be appreciated. Participants are proud of their land and they have an inclination to have pride in the WPP, which the managing institution can facilitate.

Key Finding: Including a Producers Association on the project management unit is a key way to ensure that participant perspectives are incorporated. This sub-community within the group of project participants enables collective action by participants. WPP management can facilitate by creating an environment in which a Producers Association forms organically or an existing civil society organization assumes that role. The formation of a Producers Association should be driven by participants to ensure ownership that will support sustained engagement.

Empower the Producers Association for project promotion, recruitment, and monitoring

- Provide opportunities **to get involved in project promotion and recruitment.**
- Recruit and empower **community members to monitor their natural resources.** This increases their sense of ownership of the project.
- Include a **representative of the Producer Association on the UGP** (Project Management Advisory Unit).



Foster pride in the WPP to increase participation and community ownership of the project, which is key to long-term sustainability.

- **Collective Pride** - Host events, such as a festival, to appreciate and recognize project participants and publicize the project to the broader community.
- **Individual Pride** - Recognize participants and their specific contributions/successes, for example, publicity in the local newspaper and/or on social media. Pride in private lands increases individual support of project activities.
- **Share upstream experiences** between projects and with downstream stakeholders - Provide opportunities for participants from an existing project to speak about their experience with other communities and with downstream stakeholders, enabling participants to recognize they are a part of something larger and motivating increased financial engagement by downstream stakeholders through this human connection.

4. Conclusions

Durable and effective Water Producer Projects require careful attention to local conditions and have participatory governance at their core. The policy strategies detailed in this report are designed to help guide the creation of new WPPs and strengthen existing projects. Future projects must engage local actors for the entire duration of the project, beginning with the design stage, empowering key change agents within communities to lead the initiative, motivating community involvement and creating participatory governance structures. Successful projects access the powers of hope and inclusion to change opinions, change motivations and ultimately change behavior.

About the author:

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Special Thanks

Hendrik Mansur, Andre Cavassani, Rafaela Santos, Henrique Bracale, Iran Borges, Carla Josef and Ana Fiorini for assistance in facilitating CLSs

