

Conservation Strategy Fund

BUILD Year 2 Annual Report

October 1, 2012 – September 30, 2013



I: Summary of Activity Status and Progress

a. Introduction:

Between October 1, 2012 and September 30, 2013, Conservation Strategy Fund (CSF) and partners implemented the second year of the USAID program: Biodiversity Understanding in Infrastructure and Landscape Development (BUILD). The program aims to harmonize the development of infrastructure with the maintenance of biodiversity in the Andes, Amazon, the Albertine Rift and the Himalayas.

During Year 2 of BUILD, CSF provided technical support to governments and stakeholders in the Andes-Amazon and Albertine Rift to incorporate biodiversity impacts into infrastructure planning, approval and implementation. CSF focused on the following activities in Year 2: intensifying capacity building via [in-house training in Peru](#) and follow-up [infrastructure project analyses in Uganda](#), creating [opportunities for media](#) to focus on infrastructure and biodiversity in the Andes-Amazon region, synthesizing information from the ELAW (Environmental Law Alliance Worldwide) policy review and working with governments and stakeholders in focus regions on policy reform opportunities and information-sharing approaches. CSF participated in diverse forums and meetings in Uganda, Peru, and Brazil to promote mitigation and compensation of environmental impacts of infrastructure projects in the region. In Peru, a Draft Ministerial Resolution on environmental compensation has been circulated for revision. This resolution incorporates important policy guidelines and input provided by CSF. CSF also identified options for financial incentive mechanisms for mitigation and compensation and [published a discussion paper](#) on the subject.

Other activities were carried out during Year 2 to incorporate biodiversity variables and impacts into infrastructure planning, approval and implementation. In the Albertine Rift, an economic tools training course was successfully [delivered in DRC](#), and significant progress was made in gathering information on infrastructure projects in Uganda. The [improved version](#) of the HydroCalculator (HCT) was launched, policy briefs about the [HydroCalculator](#) and [Roads Filter](#) were disseminated, and the [Infrastructure section](#) of our website was developed and launched internally among partners. CSF has also continued analysis of several major infrastructure projects that are not supported by BUILD funds but contribute to the overall goals of the BUILD program in the region, including the Inambari dam in Peru and the Pucallpa-Cruzeiro do Sul Road between Peru and Brazil. The results of the [Inambari Dam cost-benefit analysis](#) were published at the end of 2012.

Implementation has been largely successful. Among management issues worthy of note, implementation of the fieldwork analysis projects in Uganda following the 2012 economic tools course has required considerable coordination effort on our part and on that of the Uganda National Environmental Management Authority (NEMA), Wildlife Conservation Society (WCS) and International Gorilla Conservation Programme (IGCP). CSF's partnership with NEMA has been amended to include a fieldwork analysis project implemented by NEMA with CSF's technical support. CSF has also made agreements with WCS and IGCP, respectively, to conduct two additional fieldwork analysis projects. All three projects are currently underway and in the data collection phase.

In Brazil, working at a policy level has proven to be challenging. Therefore, we have devoted our efforts to strategizing with partners on ways in which communication activities will help move the mitigation and compensation of infrastructure projects discussion forward. Further activities will be implemented during Year 3 of the program.

In the Albertine Rift, securing specific and concrete results in terms of integration of biodiversity into infrastructure planning and development will require important CSF technical and communication efforts during 2014. Gathering and sharing information on infrastructure projects in Uganda continues to be challenging. Nevertheless, NEMA has indicated a willingness to improve information sharing, and we hope to see greater results on this front in Year 3 of BUILD.

In general, directly involving potentially affected people across the regions in monitoring mitigation and compensation has proven challenging because of political and social tensions around infrastructure development. CSF plans to share the information we have gathered on infrastructure projects and policies with social and community organizations that are engaged with people at the local level. Identifying how infrastructure policy best practices can be applied to other regions and contexts has also proven to be challenging. CSF will work intensively on these two activities during Year 3 of the program and share progress and successes within regions and globally.

b. Highlights:

- Economics Tools for Conservation and Infrastructure Planning course offered from June 17-28, 2013 in Kinshasa, the Democratic Republic of Congo with excellent cohorts and high ratings on participant evaluations.
- Three analysis projects chosen in the Albertine Rift are currently underway:

- Uganda National Environmental Management Authority (NEMA) and Uganda Wildlife Authority: *Estimating the environmental and biodiversity costs accruing from planned oil pipeline development in the Albertine Rift, the Case of Murchison Falls National Park.*
- Wildlife Conservation Society (WCS): *Cost Effectiveness Analysis of Oil Pipeline Construction in the Albertine Rift.*
- International Gorilla Conservation Programme (IGCP): *Cost-Benefit analysis of the proposed upgrading of the Ikumba-Ruhija-Buhoma road, through Bwindi Impenetrable National Park, South Western Uganda.*
- In-house training partnership planned and being delivered in partnership with Peru's Ministry of Environment of Peru (MINAM). Agency's staff is currently being trained in environmental valuation methods.
- Media Training delivered in Puerto Maldonado, Peru. The event, called *Amazon Dialogue for Journalists*, took place between the 10th and the 13th of December 2012. During the event, 22 journalists from: Peru, Ecuador, Colombia, Bolivia and Brazil received training on the value of biodiversity and ecosystems management.
- In Brazil we continued to participate in the Infrastructure Working Group "Grupo de Trabalho (GT)" meetings and held meetings and discussion session with Fundación AVINA, The Nature Conservancy (TNC), Associação O Eco (O-ECO) and WWF to plan the media training. We plan to deliver a media training in Brazil by the end of 2013, either as part of the forum the infrastructure-working group is planning, or as an independent event with partners from the group. During these forum/media training, policies discussing project: selection, mitigation, and compensation will be discussed.
- *Financial Mechanism for Environmental Compliance of Infrastructure Projects* discussion paper written and disseminated. This document describes financial mechanisms that could be used by banks and governments to improve the environmental performance of infrastructure projects.
- Final report completed by ELAW reviewing best practices and innovations in infrastructure policy in the Andes-Amazon (in-depth in Brazil and Peru, and on innovations in Colombia), Albertine Rift (in-depth in Uganda and DRC) and Himalayas (innovations in Nepal) regions, and also including examples of innovative and successful policies from the Philippines. The review also included an assessment of whether gender impacts are being explicitly considered.
- As part of the BUILD program, NEMA is conducting infrastructure information sharing meetings with key Government Ministries, Departments and Agencies (MDAs), the Private Sector, and Civil Society Organizations (CSOs).

- Information gathered by ELAW is being analyzed to define policy work to be carried out in Uganda and potentially in Brazil. We are in the process of writing a Policy Brief with ELAW for Governments and NGOs on measures that governments have been applying around the world to move towards greener infrastructure.
- Continued to gather information on innovative compensation mechanisms, as well as continuous participation in discussions on the subject, with national and international organizations such as the Amazon Infrastructure Working Group, Initiative for Conservation in the Andean Amazon (ICAA II), Inter-American Development Bank (IDB), WCN, SPDA and the Peruvian government. Information about these mechanisms was included in the course held in DRC.
- Draft Ministerial Resolution on environmental compensation circulated by the Peruvian Ministry of Environment for comments (February of 2013). It contained key provisions from the original 2011 MINAM-CSF guidelines document, including the importance of long-term compensation commitments, financial guarantees, coverage of indirect impacts and a practical approach to economic valuation.
- Information gathered on infrastructure projects in the Albertine Rift.
- Infrastructure web resource area designed and rolled-out.
- HydroCalculator upgrades launched including dynamic map, improved satellite imagery and more detailed vegetation types.
- CSF has pursued continued analysis of several major infrastructure projects leveraged, but not paid directly, by BUILD funds, including the Inambari dam in Peru, and the Pucallpa-Cruzeiro do Sul Road between Peru and Brazil. CSF published the Inambari's Hydroelectric Project cost-benefit analysis, and the second phase of the Pulcallpa – Cruzeiro do Sol analysis will be ready by March 2014.
- CSF Executive Director in Brazil, Susan Seehusen, was hired. She is currently coordinating BUILD activities in Brazil, including media training/policy forum and follow-up analyses. Susan is an economist from the University of Campinas, Brazil, and holds a master's degree in Sustainable Forestry and Land Use Management from the University of Freiburg, Germany. Susan is based in Rio de Janeiro.

c. Challenges:

- The politically sensitive nature of oil development in Uganda is an issue that CSF continues to take very seriously, maintaining good communication with our government partners to ensure that BUILD has the greatest positive impact possible.

- Facilitating access of information on infrastructure projects to the general public in the Albertine Rift continues to be challenging.
- Providing technical support from international experts to NEMA has proven to be controversial for the institution.
- Delay of output delivery by IGCP and NEMA analysis teams has led us to take a more active role in guiding the analyses.
- Security issues in DRC created a stressful situation for implementing the course.
- In our evaluation of infrastructure policies incorporating biodiversity issues, we have found it difficult to find ones that have been applied in similar enough contexts for comparison.
- Working at a policy level in Brazil has proven to be challenging, as from our experience the government has not been opened to discussion on large-infrastructure planning and implementation.
- Moving compensation policy initiative forward in Peru is challenging, as with moving any policy initiative forward, given that government officials are required to deal with many competing priorities at once. While the compensation policy might be a major priority for the Minister of Environment, it sometimes must go on hold while other urgent matters are handled.

d. Adaptive Management in Action:

During Year 2 of BUILD we have explored different ways in which the program can promote making infrastructure project information more readily available to the public. We have had long discussions with NEMA that has resulted in specific information sharing outcomes in the NEMA-CSF work plan. During the next year we expect that NEMA will be sharing more information on infrastructure project information. CSF has also played an important role in providing technical support to NEMA, mainly through finding local experts who are already receiving international technical backstopping. Given that there is limited national expertise on pipeline routing, valuation, GIS and GIS modeling, provision of international technical support is essential to carry out analysis projects. Providing this technical support to NEMA through national experts as well as through CSF has proven to be essential in maintaining a healthy partnership with NEMA.

Two of the three partners that are carrying out the analysis projects have experienced significant delays in submitting outputs. From our experience, we know that when conducting this type of pilot analysis with students, analyses are often delayed, and maintaining effective communication is essential. When two of the analysis teams were not responding timely to CSF communications, CSF staff traveled to Uganda to

follow up in person. After CSF field visits with the teams, in person meetings, workshops and follow up skype meetings, communications effectiveness has improved and outcomes have been delivered. CSF would call this the “art” of providing technical support to professionals with extensive on the ground knowledge and responsibilities but little experience conducting an economic analysis and limited time.

For the training course in DRC, CSF developed a partnership with the Regional Post-graduate Training School on Integrated Management of Tropical Forests and Lands (ERAIFT) in Kinshasa to deliver the course, and kept the USAID DRC mission informed about course activities. Both ERAIFT and the USAID mission provided security support during course planning and implementation. Protests at the University of Kinshasa one week prior to the course necessitated that the CSF course facilitator move to Kinshasa until assurances were made that the unrest posed no security threat. USAID mission and ERAIFT provided timely information about the University campus security status that enabled the course facilitator to proceed with the course coordination and delivery.

We continue to work with ELAW to find applied examples of infrastructure policies that incorporate biodiversity issues that can serve as useful examples to governments willing to implement policy improvements in infrastructure in terms of incorporating biodiversity issues.

In Brazil, we have been participating in different infrastructure forums and meetings, and planning communication activities that we think essential to open channels of discussion with the government in terms of infrastructure planning and implementation. We continue to believe we will have greater policy impact by concentrating our efforts in participating more intensively in already existing groups, such as the Amazon Infrastructure Working Group, and planning communication activities as part of these groups. CSF’s contribution to these working groups is bringing an innovative technical approach that partners in the groups continue to value. In addition, we have hired a new Brazil Executive Director who is serving as the Brazil BUILD Coordinator, and who has successfully carried out all of the Year 2 Brazil-based activities, including engagement in policy discussions with partners and planning of events. The media training will be carried out in Year 3 of the program so that it can be implemented with Amazon Infrastructure Working Group partners.

Sharing knowledge about the Peruvian compensation policy among several different CSF staff members has proven a good strategy towards being available whenever the need arises to participate in discussions to move forward the policy initiative

e. Table of Activity Status:

Activity Number	Activity Title	Status
Objective 1: Government and civil society understand, discuss and use information on the real economic and ecological tradeoffs of infrastructure projects to improve ecological and economic outcomes.		
1-1	Train key people inside and outside government to perform integrated environmental-economic project analysis.	On-track
1-2	Improve groups' access to information required to analyze and compare infrastructure options.	On-track
1-3	Use training and case analysis to change outcomes of specific infrastructure project to protect biodiversity	On-track
Objective 2: There are clear policies governing project selection, mitigation and compensation.		
2-1	Ensure that policy-makers have access to good models.	On-track
2-2	Provide technical assistance to decision-makers and advocates formulating policies.	On-track
Objective 3: There are financial mechanisms that maximize compliance with mitigation and compensation agreements and regulations.		
3-1	Promote adoption of financial mechanisms.	On-track
3-2	Ensure local people affected by infrastructure projects and compensatory measures are involved in monitoring mitigation and compensation.	Mixed performance

II. Detailed Description of Progress

a. Key short and long-term program objectives.

The overall goal of Conservation Strategy Fund's (CSF) BUILD program is development of infrastructure policies and investment decisions that are ecologically sound, economically efficient and socially equitable to different populations and genders. CSF will gather, test and disseminate best practices at a global level, while investing in capacity and policy change in specific regions: the Amazon and Andes and the Albertine Rift. Limited activities will also be directed to the Serengeti and Himalayan regions.

CSF's BUILD program will create lasting human capacity for infrastructure analysis, gather and aggressively share information globally on what countries are doing *right*, and work intensively with several governments in the Albertine Rift and Andes-Amazon regions on policy innovations to reduce biodiversity loss due to infrastructure

development. By improving selection, design and mitigation of key infrastructure projects, BUILD will impact biodiversity conservation in the focus region in the short term. In the long-term, BUILD will have biodiversity impacts by building analytical talent, technical knowledge and better policies, which together will determine the scale of biodiversity and social impacts of dozens of infrastructure decisions over the coming decades of economic growth.

CSF recognizes that there are economic, institutional, cultural and legal barriers to the adoption of biodiversity-friendly infrastructure policies. We will spotlight the leverage points that can bring about systemic change in on-the-ground outcomes and work with the actors in control of those levers.

In this way, CSF's BUILD program will work towards USAID's overall BUILD goal to *"Improve policy, regulatory and planning approaches to avoid or reduce negative impacts of infrastructure development on biodiversity through innovation and learning, focused on engagement with government, local stakeholders and civil society."*

We have three major objectives that we believe are necessary conditions for achieving the overall goal of our BUILD program:

1. Government and civil society understand and discuss the real economic and ecological tradeoffs of infrastructure projects.

Activities under this Objective include formal training in environmental economics for governments, NGOs and other stakeholders, mentored environmental-economic analyses, in-house technical capacity building, media training, and improved access to information required to analyze and compare infrastructure options.

2. There are clear policies and procedures governing project selection, mitigation and compensation.

Activities under this Objective include a review of best practices in infrastructure policy, recommendations for policy improvement, dissemination of existing policy innovations, and policy design support for government, NGOs and affected peoples.

3. There are financial mechanisms to maximize compliance with environmental requirements.

Activities under this Objective include reviewing options for financial mechanisms and channels, promoting the adoption of those mechanisms by policymakers, and ensuring involvement of local people in monitoring mitigation and compensation.

Year 1 of CSF's BUILD program focused on efforts to plan, coordinate and launch the program, deliver training courses in the Amazon-Andes and Albertine Rift regions, launch in-house technical support programs, gather information on proposed infrastructure projects, invite proposals for follow-up analysis in the Albertine Rift, and review infrastructure policy best-practices and financial compensation mechanisms at regional and global levels.

Year 2 of CSF's BUILD program has focused on efforts to coordinate and implement with partners follow-up analyses in the Albertine Rift, implement the in-house training program in Peru, deliver media and economic tools training courses in the Amazon-Andes and Albertine Rift regions, provide technical support to the Peruvian government to design and implement biodiversity compensation policy, participate in infrastructure policy forums and networks in Brazil, promote sharing of infrastructure project information in Uganda, provide technical support to NEMA to identify potential policy improvements, document different financial compensation mechanisms, and assess with partners innovative policy measures that could improve biodiversity safeguarding in infrastructure planning, approval and implementation around the world.

b. Summary of Progress for Each Site

Andes-Amazon

In the Andes-Amazon region, we made significant progress in Year 1 building capacity in economic analysis, implementing two-week training courses in Economics Tools for Conservation and Infrastructure Planning in both Peru and Brazil. In Year 2, we continued our capacity building efforts by implementing a 3.3-day regional media training in Peru, and selecting two organizations (one in Peru that is match for BUILD and one in Bolivia that is non-BUILD) to receive In-house technical support for economic valuation analysis. The In-house training in Peru is 50% complete. Also, we have collected data on major road and hydroelectric infrastructure projects and information bottlenecks throughout the region, and have updated and developed online tools and platforms for sharing this information to the public.

We have also made strides in the policy arena in the Andes-Amazon, assessing infrastructure best practices and financial compensation mechanisms in Peru, Brazil

and Colombia, and assisting the Peruvian government in designing and drafting policies for ecological compensation for development projects. In February 2013, the Peruvian Ministry of Environment circulated for comments a Draft Ministerial Resolution on environmental compensation that includes key guidance from CSF. In related efforts, we have also completed analyses of the Inambari dam in Peru and Pucallpa-Cruzeiro do Sul Road between Peru and Brazil.

We are stretched in terms of staff and budget to implement all of the activities in all of the Andes-Amazon countries, so our strategy in this region continues to be to take advantage of existing civil society networks and our own regional staff to maximize the impact of the project. For example, in the Andes-Amazon, we are focusing the in-house capacity building for economic analysis in Peru, where our permanent staff presence will ensure a greater likelihood of success. In Brazil, we continue to believe that we will have greater policy impact by participating more intensively in already existing groups, such as the Amazon Infrastructure Working Group, and other initiatives involved in promising infrastructure and conservation efforts. CSF's contribution to these working groups is bringing an innovative technical approach that partners in the groups greatly value.

Albertine Rift

We have successfully launched and implemented key training, analysis and policy activities of our BUILD program in the Albertine Rift region, thanks to our efforts as well as those of the Uganda National Environmental Management Authority (NEMA), DRC's Regional Post-graduate Training School on Integrated Management of Tropical Forests and Lands (ERAIFT), Wildlife Conservation Society (WCS) in Uganda and DRC, International Gorilla Conservation Programme IGCP, Uganda Wildlife Authority (UWA), and ELAW local partners in the region. CSF and NEMA agreed on a formal partnership, which has proven important to the success of training activities, implementation of analysis projects, provision of technical support to government officials, and to CSF's overall understanding of the government's objectives and challenges. We have spent considerable effort building connections and relationships with other NGOs and national and district government offices in the region, which resulted in our agreement with ERAIFT to hold an economic tool course in DRC, an agreements with IGCP and WCS to carry out analysis projects.

In both Year 1 and 2 of the BUILD program, we made significant progress in building capacity in economic analysis, implementing two two-week training courses in Economics Tools for Conservation and Infrastructure Planning in Uganda (Year 1) and in DRC (Year 2). Following the course in Uganda, we received 11 proposals by course graduates for follow-up economic analysis of infrastructure projects, and

selected three projects for support. These projects will analyze oil pipelines in Uganda and evaluate roads affecting protected areas in Uganda. As part of the technical support CSF is providing to these analyses projects, a workshop on valuation techniques was delivered for NEMA/UWA government officials, and site visits and works sessions were conducted with analysis teams and CSF staff.

During Year 1 of the program, we had limited success collecting and sharing information on infrastructure projects in the Albertine Rift region, given the politically sensitive nature of infrastructure development and lack of public discourse in policy debates. In an effort to mitigate this challenge, we have continued to maintain good communication and collaboration with our government partners, and during Year 2 the Ugandan government has shown more willingness to share information on infrastructure projects. Also, as part of the BUILD program, NEMA is conducting infrastructure information sharing meetings with key Government Ministries, Departments and Agencies (MDAs), the Private Sector, and Civil Society Organizations (CSOs). As part of our partnership with ELAW, we have also gathered information on infrastructure policy best practices around the world and on the current situation in Uganda and DRC. We are discussing with NEMA the results from this research to assess their priorities and willingness to receive CSF technical support to implement some of the best practices.

c. Activity Description

Objective 1: Government and civil society understand, discuss and use information on the real economic and ecological tradeoffs of infrastructure projects to improve ecological and economic outcomes.

Activity A1-1: Train key people inside and outside government to perform integrated environmental-economic project analysis.

Major Achievements and Progress in Year 2:

- Expected Year 2 Outcome: Economic Tools for Biodiversity Conservation in Infrastructure Development course delivered with BUILD funds in Kinshasa in the Democratic Republic of Congo (DRC), resulting in 25 environmental professionals trained in environmental-economic analysis of infrastructure development.

Result: [Economic Tools for Conservation and Infrastructure Development in the Albertine Rift](#) course for 29 participants implemented from June 17-28, 2013 in Kinshasa, DRC in partnership with ERAIFT. Curriculum, materials and exercises developed in French and new instructors recruited for the. The course

focused on economic theory and analysis tools applied to biodiversity conservation and infrastructure development. The courses included a presentation on infrastructure legal frameworks via our ELAW partners. The course received an overall rating of over 4 on a 5-point scale in course evaluations, and 100% of participants stated that they plan to apply the skills and tools they learned to their work. We received 144 applications for the course, and 29 participants, 23 men and 6 women, attended the course. The course schedules and participant lists are included as Appendices.

- Expected Year 2 Outcome: Process and priorities for selection of post-course analysis project agreed upon with partners following DRC course. One infrastructure analysis project selected in the Albertine Rift region following the course in DRC to analyze the environmental-economic impacts of a specific infrastructure threat.

Result: We have yet not selected a fieldwork analysis project following the DRC course. During the course, participants working in the Albertine Rift indicated a preference for working together to identify a common priority for a project that would be useful and safe to implement in the region. If during the first quarter of Year 3, we find we have enough resources, and there is genuine interest and commitment by graduates to work on an analysis project that could have potential benefits to biodiversity, we will provide technical and financial resources to carry out this activity.

- Expected Year 2 Outcome: Implementation of between two and four economic analysis projects in the Albertine Rift region with graduates from the Uganda course to analyze the environmental-economic impacts of specific infrastructure threats.

Result: Three analysis projects chosen in the Albertine Rift and currently underway:

- Uganda National Environmental Management Authority (NEMA) and Uganda Wildlife Authority: *Estimating the environmental and biodiversity costs accruing from planned oil pipeline development in the Albertine Rift, the Case of Murchison Falls National Park.*
- Wildlife Conservation Society (WCS): *Cost Effectiveness Analysis of Oil Pipeline Construction in the Albertine Rift.*
- International Gorilla Conservation Programme (IGCP): *Cost-Benefit analysis of the proposed upgrading of the Ikumba-Ruhija-Buhoma road, through Bwindi Impenetrable National Park, South Western Uganda.*

- Expected Year 2 Outcome: One infrastructure analysis project completed in the Andes-Amazon region with in-house capacity building support to the Autoridad Nacional de Licencias Ambientales (ANLA) in Colombia.

In-house training partnership changed to a partnership with Peru's Ministry of Environment of Peru (MINAM) and focused on intensive training in environmental valuation methods in lieu of an analysis project

Regional Detail

Andes-Amazon:

In the Andes and Brazilian Amazon regions, CSF has already carried out dozens of courses and analyses over the past 12 years. In Year 1, we built on this experience to deliver two infrastructure-focused economic tools course in the region, in Peru and Brazil. During Year 2, CSF organized and began implementing In-house capacity building support in the Andes-Amazon with the Environmental Ministry of Peru (MINAM) in the *Dirección General de Evaluación, Valoración y Financiamiento del Patrimonio Natural* (DGEVFPN). Between December 2012 and January 2013, we worked on designing a training program to build MINAM's capacity in environmental valuation techniques. Training activities began at the end of April 2013. CSF-MINAM's In-house training in Economic Valuation of Environmental Impacts consists of guided readings, with weekly discussions and three workshops. 22 government officials have been participating during the training, and so far two workshops have been held.

We would also like to note that we have completed an analysis of the Pucallpa-Cruzeiro road between Peru and Brazil, which is part of the proposed Inter-Oceanica highway. We are currently in the second phase of the project to analyze alternative road routes, which will be ready by March 2014. This project is being funded by the Gordon and Betty Moore Foundation, but will not serve as cost share for BUILD. Also as part of the ICAA II program, CSF published the [Inambari's Hydroelectric Project Cost-Benefit Analysis](#). While these are not BUILD-funded analysis projects, they contribute to the overall activities and goals of the BUILD Program in the region.

Albertine Rift:

In Year 2, we conducted the second infrastructure-focused Economic Tools for Conservation course in the Albertine Rift region. This time the course was held in

DRC in French. We delivered the course in partnership with ERAIFT (Regional Post-graduate Training School on Integrated Management of Tropical Forests and Lands); and in collaboration with Wildlife Conservation Society (WCS), Cambridge Resources International (CRI) and ELAW's local partner Avocats Verts. Even though the focus area in DRC continues to be the Albertine Region, we delivered the course in ERAIFT's facilities, which are in the periphery of Kinshasa. We were unable to hold the course in Goma or nearby areas due to current conflicts and insecurity in the region. ERAIFT was an excellent partner in terms of their reputation and network for the course announcement, logistical and administrative support, and teaching talent of their Director, Baudouin Michel. For participant selection, we targeted people involved in planning and decisions around energy and infrastructure development in the Albertine Rift, including NGO representatives and government staff of protected areas, district planning offices, and EIA licensing authorities. A Selection Committee comprised of representatives from CSF, ERAIFT, and WCS DRC selected the 29 course participants. We shared the participant list with the USAID-DRC mission, and they gave us very positive feedback about the list.

During the comprehensive two-week program, participants learned to use economics to be more strategic and successful in their planning and development efforts related to infrastructure and the environment. The course covered the fundamentals of microeconomics, natural resource economics, environmental valuation methods, environmental policy, communication and negotiation techniques, as well as hands-on experience with cost-benefit analysis. We spent a significant amount of time recruiting and working with instructors to develop and translate curriculum and materials in French. We hope this effort will facilitate implementation of additional French-language courses in the region, and several course graduates have indicated strong interest in developing partnerships for delivering more courses in the near future.

In Year 1, we invited proposals from Ugandan course graduates for follow-up analysis of priority biodiversity and infrastructure issues in the region. This model of follow-on analysis support is based on over ten years of experience conducting projects with course graduates. In Year 2 we made our final selection decisions for analysis and began the analysis process. Selection criteria for the analysis projects included the following:

- relevance of the research proposal to conservation and infrastructure priorities in the region;
- technical feasibility of the research plan;
- the capacity of the proponent(s) to conduct research, including previous

- research experience; and
- probability of the results being taken into account by decision makers to impact conservation and infrastructure outcomes.

The following three field research projects that analyze the environmental-economic impacts of specific infrastructure threats to biodiversity were selected:

- i. **Estimating the environmental and biodiversity costs accruing from planned oil pipeline development in the Albertine Rift, the Case of Murchison Falls National Park.** The National Environmental Management Authority (NEMA) / Ugandan Wildlife Authority (UWA) analysis project aims to identify and quantify the environmental impacts on biodiversity of the planned oil pipeline development in Murchison Falls National Park. NEMA plans to use the results to inform policy and decision-making on the sustainable development of oil pipeline infrastructure in the Albertine Rift and in protected areas in general.
- ii. **Cost Effectiveness Analysis of Oil Pipeline Construction in the Albertine Rift.** The objective of the Wildlife Conservation Society (WCS) Uganda analysis project is to use GIS analysis to determine the most economically viable (most financially and environmentally acceptable) route for the proposed oil pipeline to transport oil from the central processing facilities that will be located just below Murchison Falls National Park to the refinery located in Kabale parish in Hoima district. They plan share the findings with stakeholders in the pipeline route decision.
- iii. **Cost-Benefit analysis of the proposed upgrading of the Ikumba-Ruhija-Buhoma road, through Bwindi Impenetrable National Park, South Western Uganda.** The objective of the International Gorilla Conservation Programme (IGCP) analysis project is to evaluate the economic and environmental impacts of upgrading a road that crosses the Bwindi Impenetrable Forest National Park, and compare them with those of building an alternative road that does not cross the park but serves communities that lack road access. Information and recommendations will be provided to stakeholders and decision makers.

These analyses were launched and are currently receiving technical and financial support from CSF. During November and December 2012, CSF provided technical and coordination support to research groups to define their objectives, methodology and work plan. In 2013, CSF support has focused on how to conduct and write literature reviews and how to select and design the

methodology. Activities carried out to support the methodology design include guidance on methodology selection, a workshop provided to NEMA/UWA on valuation techniques, field visits with research teams, survey design support, and work sessions with research teams. The analysis projects will be completed in Year 3 of the program.

We have yet not selected a fieldwork analysis project following the DRC course. During the course, participants working in the Albertine Rift indicated a preference for working together to identify a common priority for a project that would be useful and safe to implement in the region. If during the first quarter of Year 3, we find we have enough resources, and there is genuine interest and commitment by graduates to work on an analysis project that could have potential benefits to biodiversity, we will provide technical and financial resources to carry out this activity.

Key management issues and challenges in Year 2:

One challenge we have found during our training courses in Uganda, Brazil and DRC is that the Internet connections have been too slow to have all 25-30 participants simultaneously online using the HCT and Roads Filter tools “live” during the course. This is not because the online tools require any extra bandwidth, in fact they do not require downloading or uploading any information, but simply because the Internet connections could not handle everyone online at once. We adapted our curriculum to give presentations about the tools and live demonstrations, and taught the methods for using them in order to inform our participants of the availability and usefulness of these resources. We will continue to develop offline versions in Excel for teaching purposes in places where the bandwidth cannot handle multiple users accessing the Internet at once. Participants will be able to use the tools once they are back in their home offices, since it will be one or two users needing to access the Internet instead of 25-30 at once.

In an effort to avoid problems that could arise from having one particular government agency involved in analysis project selection following the Uganda course (in which other agencies and countries were also applying), we decided to carry out the request and review of analysis proposals as a CSF initiative instead of a joint CSF-NEMA initiative. This also opened the possibility for NEMA to apply as an implementing organization. CSF has since developed direct collaborations with the organizations selected, including NEMA, to carry out the analysis projects. We have had to devote more time than anticipated to technical support and coordination to achieve the timelines set for the projects. Two of the three partners that are carrying out the

analysis projects have experienced significant delays in submitting outputs. From our experience, we know that when conducting this type of pilot analysis with students, analyses are often delayed, and maintaining effective communication is essential. When two of the analysis teams were not responding timely to CSF communications, CSF staff traveled to Uganda to follow up in person. After CSF field visits with the teams, in person meetings, workshops and follow up skype meetings, communications effectiveness has improved and outcomes have been delivered. CSF would call this the “art” of providing technical support to people with extensive on-the-ground knowledge but little experience conducting economic analysis.

Because of safety concerns in eastern DRC, as well as the practical difficulties of partnering with NEMA to hold a course in DRC, we decided to hold the Year 2 Albertine Rift training course in Kinshasa instead of Goma, and in collaboration with the Regional Post-graduate Training School on Integrated Management of Tropical Forests and Lands (ERAIFT). Both ERAIFT and the USAID-DRC mission provided security support during course planning and implementation. Protests at the University of Kinshasa one week prior to the course necessitated that the CSF course facilitator move to Kinshasa until assurances were made that the unrest posed no security threat. USAID mission provided timely information about the University campus security status that enabled the course facilitator to proceed with the course coordination and delivery.

Providing technical analysis support from international experts to NEMA has proven to be controversial for the institution and complicated. CSF has also played an important role in providing technical support to NEMA, mainly through finding local experts who are already receiving international technical backstopping. Given that there is limited national expertise on pipeline routing, valuation, GIS and GIS modeling, provision of international technical support is essential to carry out analysis projects. Providing this technical support to NEMA through national experts as well as through CSF has proven to be essential in maintaining a healthy partnership with NEMA.

In Colombia we encountered internal bottlenecks within *Autoridad Nacional de Licencias Ambientales* (ANLA) to timely implement the In-house capacity building. We were unable to execute the agreement, and ultimately had to cancel the project in October 2012. We subsequently began conversations with the Environmental Ministry of Peru (MINAM) in November 2012 to develop a training program in the *Dirección General de Evaluación, Valoración y Financiamiento del Patrimonio Natural* (DGEVFPN).

Activity A1-2: Improve groups' access to information required to analyze and compare infrastructure options.

Major Achievements and Progress in Year 2:

- Expected Year 2 Outcome: Information on several key infrastructure projects and their financing is collected from Uganda and information bottlenecks identified..

Result: Information on key infrastructure projects and their financing has been collected from Peru, Ecuador, Colombia, Brazil, and Uganda; and information bottlenecks identified. In Uganda, NEMA provided a list of major projects with specific information that they are willing to share to the general public. NEMA and CSF are still in the process of reviewing and discussing different possibilities for sharing this information.

- Expected Year 2 Outcome: Media training implemented in Peru, Brazil and Uganda on basic technical aspects of infrastructure projects' environmental and economic impacts, and standards and policies for mitigation and compensation.

Result: Media Training delivered in Puerto Maldonado Peru. The event, called *Amazon Dialogue for Journalists*, took place in Puerto Maldonado between the 10th and the 13th of December 2012. During the event 22 journalists from Peru, Ecuador, Colombia, Bolivia and Brazil received training on the value of biodiversity and ecosystems management. The Media Training in Brazil is planned for the first quarter of Year 3, and the Uganda Media Training has been postponed to later in Year 3 to include results of the applied economic analysis projects with course graduates (see Activity A1-1).

- Expected Year 2 Outcome: At least one meeting held with governments and banks to promote their provision of protocols and channels to publicize economic and environmental information on infrastructure projects and to receive public input on the different stages of infrastructure project development. In Uganda, we will meet with NEMA to determine what level of information sharing is feasible. In Peru, we will continue to collaborate with the Environmental Ministry. In Brazil, we will coordinate our efforts through the infrastructure working group.

Result: We continued to meet and work with our current collaborators including NEMA, MINAM in Peru, the ICAA II network, and the GT Amazon Infrastructure Working Group in Brazil (CSF, Imazon, Insituto Centro de Vida, Idesam, WWF, Instituto Socioambiental, Avina Foundation, TNC, O-ECO and others). We also developed new relationships, such as with Internews, and Instituto Socioambiental (ISA). As part of the BUILD program, NEMA held a meeting on information sharing to discuss environmental information sharing and

analysis. The meeting was attended by representatives from key Government Ministries, Departments and Agencies (MDAs), the Private Sector and CSOs.

- Expected Year 2 Outcome: Publish an infrastructure article in each quarterly CSF newsletter as well as at least two policy briefs or discussion papers. These will be focused on current analysis projects, such as the Inambari dam and Pucallpa road analyses and the Albertine Rift follow-up analysis projects, as well as on results from the infrastructure best practices review and our work on mitigation and compensation mechanisms. These will be digital newsletters sent via email as well as online documents housed on CSF's website.

Result: CSF published an infrastructure article in each quarterly CSF newsletter, two policy briefs about the **HydroCalculator** and **Roads Filter**, and a discussion paper on financial incentive mechanisms for infrastructure mitigation and compensation entitled *Financial Mechanisms for Environmental Compliance in Infrastructure Projects*. These documents are available on CSF's website and were publicized via CSF's network of colleagues, partners and course graduates, as well as shared during relevant BUILD courses, media trainings, policy forums, and other meetings related to BUILD infrastructure policy work. CSF has also drafted an infrastructure policy synthesis document for public dissemination, "Moving towards Greener Infrastructure: innovative measures governments implement across the world", that is based on the ELAW report on infrastructure policy best practices and innovation. This draft is attached as an Appendix.

- Expected Year 2 Outcome: HydroCalculator updates completed. The updated HCT will have a more detailed vegetation type selector, a more accurate map location picker, and geo data by satellite imagery to help the user better determine the vegetation types. It will also have updates to facilitate input from users from users in Africa. All information from hydroelectric dam projects over 100MW in Andes and Brazil was collected in Year 1 and will be entered in Year 2 once version 3.0 is ready.

Result: HydroCalculator updates completed. The updated HCT has more detailed vegetation type selector, a more accurate map location picker, and geo data by satellite imagery to help the user better determine the vegetation types. Information collected on specific dams in Peru, Ecuador, Colombia and Brazil has been shared through the new versions of the HCT. We will continue to collect and enter information on hydroelectric dam projects over 100MW in Andes and Brazil in Year 3. We are still in discussions with NEMA about hydroelectric project information in Uganda that we can share publicly via the HCT.

- Expected Year 2 Outcome: Roads Filter tool updates completed. Completed Year 1 updates include an online sortable table, detailed description of variable

weights, help articles and availability in all three languages. Year 2 updates will include a map feature that shows roads and detailed information for each. Roads will also be color-coded to show varying risks. The user will also be able to adjust weights and create a custom filter according to their idea of what holds more importance among Economic, Environmental, Social and Cultural factors.

Result: Year 2 updates for the [Roads Filter](#) completed that include a map feature that shows the road location and detailed information for each road. Roads have also been color-coded on the map to show varying levels of risks. Users are now also able to adjust weights and create a custom filter according to their idea of what holds more importance among Economic, Environmental, Social and Cultural factors. Information collected on specific roads in Peru, Ecuador, Colombia and Brazil has been shared through the new version of the Roads Filter.

- Expected Year 2 Outcome: Infrastructure website resources launched. This will be a dedicated section of CSF's website focusing on infrastructure resources. Components will include an infrastructure project inventory, policy tools and standards, interactive tools, publications, training offerings, and analysis resources. In Year 1 we built the back-end of the infrastructure portion of the website, and in Year 2 we will add content and launch the revised site.

Result: We have developed the [infrastructure resources](#) portion of our website that provides a portal to infrastructure resources both within and outside of CSF's website. Components include an infrastructure project inventory, policy tools and standards, interactive analysis tools, publications, news, training offerings, and links to other resources. This part of our site has been made live and shared internally with partners and collaborators who will contribute information and resources to prepare for a public launch during Year 3.

Andes/Amazon:

Focus countries in the Andes-Amazon region for Activity A1-2 are Colombia, Ecuador, Peru and Brazil. In the Andes and Amazon, we continued to work with our current collaborators such as and the Amazon Infrastructure Working Group in Brazil (CSF, Imazon, Insituto Centro de Vida, Idesam, WWF, Instituto Socioambiental, Avina Foundation, TNC, O-ECO and others) and ICAA II network, as well as to develop new relationships, such as with Internews, and Instituto Socioambiental (ISA).

Information collected on specific road and Dams in Peru, Ecuador, Colombia and Brazil has been launched through the new versions of the HCT and the Roads Filter.

During Year 2, we delivered our first media training in partnership with the [Iniciativa para la Conservación en la Amazonía Andina \(ICAA II\)](#), [Instituto Prensa y Sociedad \(IPYS\)](#), [Alianza Clima y Desarrollo \(CDKN\)](#), la [Sociedad Peruana de Derecho Ambiental \(SPDA\)](#). The training, *Amazon Dialogue for Journalists*, was held from December 10-13, 2012 in Madre de Dios, Peru. In attendance were twenty-two journalists, twelve women and ten men, representing the nations of Peru, Bolivia, Ecuador, Colombia, Brazil and Chile. Training themes included Climate Security in the Amazon, Economic Incentives for Conservation, Biodiversity and Development Planning, and Incorporating Biodiversity and Social Aspects into Infrastructure Decisions. During the 3.3-day event journalist were trained on the value of biodiversity and ecosystems management. CSF's staff discussed how environmental economics can improve decision-making and lead to positive outcomes. Examples were given of CSF analyses focusing on road and hydroelectric projects in the Amazon, and CSF staff explained how the analyses aim to evaluate the financial and economic feasibility of such projects and demonstrated how externalities such as deforestation are internalized in the analyses. They also explained how decision-makers can use these methodologies to reduce the negative environmental and social impacts of large infrastructure projects. During the forum there were other presentations related to biodiversity and ecosystem management and a field visit to help participants understand the real life implications of what they had learned. Photos from the event can be found at <http://www.flickr.com/photos/87753611@N06/sets/72157632289850526/>. An article about the event can be found at <http://www.amazonia-andina.org/amazonia-activa/noticias/periodistas-reunidos-para-hablar-sobre-amenazas-retos-amazonia>.

In Brazil, we will hold the media training in Year 3 in November either as part of the forum convened by the GT infrastructure working group, or as an independent event that will include partners from the group. During the forum and media training, policies for project selection, mitigation, and compensation will be discussed.

Albertine Rift:

NEMA and CSF are in the process of reviewing and discussing different possibilities to share infrastructure project information. In order to improve information sharing, NEMA has conducted as part of the BUILD project, infrastructure information sharing meetings with key Government Ministries,

Departments and Agencies (MDAs), the Private Sector and CSOs to improve decision-making. During this meeting, NEMA/UWA and WCS presented their analysis projects as well.

The meeting discussions raised pertinent issues, highlighted opportunities for the analysis projects, and made recommendations as summarized below:

1. Increased access to information is a key issue in addressing information gaps, the project results will greatly inform how this can be addressed. The tool on information bottlenecks should be shared electronically with many stakeholders.
2. There is need for economic analysis guidelines; therefore the project should speed up the studies and outputs.
3. Create linkages and synergies to the ongoing interventions and draw sustainability plans for the project results.
4. Develop capacity to utilize products and results early and give additional training targeting EIA practitioners too.
5. Despite resource constraints, there is need to accommodate ideas from stakeholders. Thus consider including social impacts of infrastructure developments across the Albertine region.
6. In the development/revision of guidelines, provide for and incorporate realistic timelines to promote compliance.
7. Politicians are key stakeholders that need to be informed and engaged for project results adoption, especially and policy engagement level. However, they should be involved at the end of the analytical studies.
8. In future such a meeting should be outside the office and out of town to enable maximum focus and participation in discussions.
9. Align the analytical studies to the pace of the Oil and Gas developments in the country in order to be relevant and timely in informing the processes; and
10. Build human capacity in the use of economic analysis tools to support decision-making.

Key management issues and challenges in Year 2:

In the Andes-Amazon, we changed the original target dates for the Media Trainings, but this flexibility allowed us to achieve more than we expected in the Andes region. We were able to train journalists from Colombia, Bolivia, Ecuador and Peru for 3.3 days; when we had originally thought we could only provide training for 1 day with a focus only on Peru. In Brazil we have adopted the same approach in terms of taking the time to partner with other organizations to be able to host a better event. Similarly, given the fast pace of oil exploration and petroleum-related infrastructure

development in this region, we had hoped to implement the media training in Uganda in Year 1, with a focus on these issues. However, our desire is for the training to be based in practical examples, and we have had to postpone the event in light of the challenges we have faced collecting information about infrastructure development in the region. We plan to implement the training in Year 3, using local examples from the follow-up analysis projects, information collected from the information meetings, as well as case studies from other regions.

Sharing and collecting information on infrastructure projects in the Albertine Rift region has continued to be difficult given the politically sensitive nature of infrastructure development and lack of public discourse in policy debates. In an effort to mitigate this challenge, during Year 2 we have maintained as good communication and collaboration with our government partners as possible, and we will be conducting a follow-up project with NEMA to analyze a proposed oil pipeline development. During Year 2 we held specific meetings within NEMA to determine how our program would be able to facilitate sharing information on infrastructure development, and during Year 3 we believe NEMA might be more open to sharing information with the general public.

Activity A1-3: Use training and case analysis to change outcomes of specific infrastructure projects to protect biodiversity.

Major Achievements and Progress in Year 2:

- Expected Year 2 Outcome: Results of Pucallpa road and Inambari dam analyses presented to stakeholder monitoring groups and government officials in Peru via online and print publications, in-person presentations, and via the ICAA II consortium network.

Result: In the Andes, results of the Pucallpa road and Inambari dam analyses were presented to stakeholder monitoring groups and government officials in Peru via online and print publications, in-person presentations, and via the ICAA II consortium network.

In the Andes, the final report of the Inambari dam was published on CSF's website. Communication and dissemination efforts for the Pucallpa-Cruzeiro Road are planned for Year 3

- Expected Year 2 Outcome: Handbook for incorporating valuation into EIAs for proposed road developments developed for ANLA in Colombia.

Result: In Colombia we encountered internal bottlenecks within *Autoridad Nacional de Licencias Ambientales* (ANLA) to timely implement the In-house capacity building. We were unable to execute the agreement, and ultimately had

to cancel the project in October 2012. We subsequently began conversations with the Environmental Ministry of Peru (MINAM) in November 2012 to develop a training program in the *Dirección General de Evaluación, Valoración y Financiamiento del Patrimonio Natural* (DGEVFPN). Training activities began at the end of April 2013. CSF-MINAM's In-house training in Economic Valuation of Environmental Impacts consists of guided readings, with weekly discussions and three workshops. 22 government officials have been participating during the training, and so far two workshops have been held.

- Expected Year 2 Outcome: Communication and dissemination plans developed and communication efforts initiated for each follow-up economic analysis project in the Albertine Rift.

Result: In the Albertine Rift, research teams have communicated with stakeholders about the analysis projects and developed dissemination and communications plans for analysis projects.

We have continued to hold meetings and communicate via phone and email with key partners and government policymakers in Andes-Amazon and Albertine Rift region to discuss priorities for infrastructure analysis and also to lay the groundwork for communication and dissemination of project results in Year 3:

- In Uganda, we have had meetings with the following organizations and institutions: NEMA, Uganda National Road Authority, Hoima District Government, Bulisa District Local Government, Kasese District Local Government, Ministry of Finance, Planning and Economic Development, Uganda Wildlife Authority, ACODE, STAR program Uganda, WCS Uganda, Bwindi Mgahinga Conservation Trust, Tullow, and Makerere University, Uganda National Road Authority (UNRA) among others. In Rwanda, we also had a meeting with the Rwanda Development Board Authority and WCS Rwanda. We also introduced the program to the Rwandan Environment Management Authority via e-mail.
- In Brazil, our work has focused on conducting meetings with partners and collaborators, including the Amazon Infrastructure Working group in Brazil (CSF, Imazon, Instituto Centro de Vida, Idesam, WWF, Instituto Socioambiental, Avina Foundation, TNC and others) to discuss infrastructure projects and activities that can jointly be coordinated.

We have also received guidance on infrastructure analysis and policy priorities during the meetings held with USAID country missions, including the Uganda Mission, DRC Mission, Peru Mission, and Brazil Mission.

Key management issues and challenges in Year 2:

In the Andes, we have found that emails to partners and collaborators requesting their input about priority infrastructure projects has proven to be a fairly good way to involve them in the process, however we need to find a better way to solicit their actual opinions. Only one organization has responded giving their opinions about the projects. All the others have only thanked us for providing the information. In the Albertine Rift, obtaining information about infrastructure projects and priorities continues to be a challenge, but we have found carrying out the analysis projects and holding activities to share information is a good way to make information more publicly available.

Objective 2: There are clear policies governing project selection, mitigation and compensation

Activity A2-1: Ensure that policy-makers have access to good models.

Major Achievements and Progress in Year 2:

- Expected Year 2 Outcome: Best practices of infrastructure policy report completed by ELAW and its network of local partners, focusing on the Andes-Amazon, Albertine Rift and Himalayas regions but also including examples of innovative and successful policies from other countries. Analyses will reflect gender-disaggregated impacts and valuations where applicable. This will be completed early in Year 2.

Result: The review of best practices and innovations in infrastructure policy was completed by ELAW and its network of local partners in November 2012, focusing on the Andes-Amazon (in-depth in Brazil and Peru, and on innovations in Colombia), Albertine Rift (in-depth in Uganda and DRC) and Himalayas (innovations in Nepal) regions, and also including examples of innovative and successful policies from the Philippines. The review also included an assessment of whether gender impacts are being explicitly considered. ELAW worked with their partners to conduct the assessment based on three questionnaires that were reviewed by CSF staff. ELAW maintained an iterative process via email, phone and in person interviews with partners and collaborators to determine best practices and innovations in infrastructure policy. The final results of the survey were delivered by ELAW in November and sent with the revised Year 1 report.

- Expected Year 2 Outcome: Infrastructure policy best practices and innovations disseminated and publicized via CSF's Infrastructure website and other channels.

Result: We have disseminated the ELAW report internally among partners and collaborators to get feedback and additional information before creating a

synthesis document that will be publicly disseminated via CSF's infrastructure website page and other channels.

- Expected Year 2 Outcome: Information from the ELAW policy review synthesized and opportunities identified to improve existing infrastructure policies in focus regions. We will also identify opportunities via analysis projects in the Andes-Amazon and Albertine Rift regions. This process will inform Activity A2-2 and our technical assistance to partners on infrastructure policy reform.

Result: CSF, with guidance from ELAW and other collaborators, has been working on synthesizing these policy reports to share with partners to identify opportunities for improving existing infrastructure policies in focus regions. We have drafted a policy document entitled "Moving towards Greener Infrastructure: innovative measures governments implement across the world" for public dissemination to Governments and NGOs on measures that governments have been applying around the world to move towards greener infrastructure. The draft policy document is attached as an Appendix, and will be finalized by the end of the 2nd quarter of Year 3.

We have already shared with NEMA a draft of the revised and compiled version of the ELAW report for Uganda. Based on their feedback, we will evaluate opportunities to work with them on specific policy issues. Also, we have asked ELAW to gather additional information on the specific application of some of the examples mentioned in their effective and innovative policy report. Similarly, we are discussing with collaborators in Peru and Brazil about what recommendations from the ELAW report might be useful and realistic to apply in each national context.

- Expected Year 2 Outcome: Participate and collaborate in regional forums on biodiversity and infrastructure policy in the Andes and Brazil.

Result: During Year 1, we laid the groundwork in order to participate and collaborate on infrastructure-related forums both in the Andes and in Brazil. During Year 1 and 2 of the project, we have been involved in the Initiative for Conservation of the Andes Amazon Phase II (ICAA II), and we have participated in infrastructure and biodiversity policy activities. In Peru, due to our experience in the Andes-Amazon region, network of partners, and programs other that are financing analysis projects, through BUILD we have been able to work intensively at a policy level making sure policy-makers have access to good models of project mitigation and compensation. In July of 2013, CSF presented at an international conference hosted by MINAM on compensation, again sharing insights on how economic analysis should be used in compensation schemes to quantify the long-term cost of compensation measures rather than to value

damage directly at impact sites. At the event, CSF met with partners, including TNC, SPDA and WCS, and continued to emphasize that indirect impacts need to be addressed in the policy. In parallel to this process, the compensation working group has begun a direct dialogue with some of the industries that would be affected by the policy. CSF attended the first of these meetings in July 2013 and will be present at the next one, planned for September 2013.

In Brazil we continued to participate in the GT meetings and held meetings and discussion session with AVINA, TNC, O-ECO and WWF to plan the media training. We plan to deliver the media training in Brazil by the end of 2013, either as part of the forum being convened by the GT infrastructure-working group, or as an independent event organized with partners from the group. During the forum and media training, policies for project selection, mitigation, and compensation will be discussed.

- Expected Year 2 Outcome: Plan and deliver a national forum in Uganda on biodiversity and infrastructure policy, including identification of co-sponsors.

Result: We postponed the Uganda forum to Year 3 due to lack of publicly accessible information on infrastructure projects, and will focus the forum on results of the follow-up economic analysis projects (Activity A1-1). The forum will also include a presentation of policy best practices, opportunities for policy reform, and financial mechanisms for mitigation and compensation.

We will deliver an additional policy forum in Year 3 in either Bhutan or Nepal to extend the reach of the program beyond the Andes-Amazon and Albertine Rift regions. In Year 2 we began discussions with our partners in Bhutan, the Ugyen Wangchuck Institute for Conservation and Environment (UWICE), to plan for a regional infrastructure policy forum on biodiversity and infrastructure policy in the Himalayas in April or May 2013.

Key management issues and challenges in Year 2:

The difficulty accessing information on infrastructure projects in the Albertine Rift has affected our planning for the infrastructure forum in Uganda. As described in our Year 2 Work Plan, if we were able to access to share information publicly on infrastructure projects and policies, we were going to try to hold a policy forum in Uganda in Year 2. Given that information bottlenecks persisted, we postponed the forum to Year 3 and will focus on results of the follow-up analysis projects. The forum will also include a presentation of policy best practices, opportunities for policy reform, and financial mechanisms for mitigation and compensation. As described in Objective 1, NEMA as part of the BUILD program has been hosting information sharing meetings, which we expect will lay the groundwork for discussion on policy reforms needed for selection, mitigation and compensation of

projects.

In Brazil, coordinating the policy forum and media training events as part of the GT Infrastructure Working Group has required a longer timeline than expected, and we plan to deliver a media training in Brazil in November 2013 as part of the policy forum being convened by the Infrastructure Working Group or as an independent event with partners from the group.

Activity A2-2: Provide technical assistance to decision-makers and advocates formulating policies.

Major Achievements and Progress in Year 2:

- Expected Year 2 Outcome: Partners, policymakers and other stakeholders given technical assistance for policy reform. We will continue working with the Peruvian government, NEMA, ANLA and the Brazilian infrastructure working group on opportunities to change policies such as the environmental impact assessment process and policies regarding mitigation and compensation.

Result: During Year 2 we continued to provide technical assistance to the Ministry of Environment in Peru (MINAM) to improve regulation and build the government's staff capacity to integrate biodiversity when planning, approving and implementing infrastructure projects. As a result of this work, a Draft Ministerial Resolution on environmental compensation, which contained key guidance from CSF, was circulated by MINAM for comments in February 2013.

In Brazil we continued to participate in the GT meetings and held meetings and discussion session with AVINA, TNC, O-ECO and WWF to identify specific opportunities for policy reform in Brazil. While we have found it difficult to influence national level policy, we are working to plan a policy forum and media training event for the first quarter of Year 3 in collaboration with the GT infrastructure working group.

NEMA has identified as a priority for technical support the creation of guidelines for economic analysis that include environmental costs and benefits. In Year 2 NEMA shared with CSF outlines of how they would like the guidelines to look and we have submitted feedback. The goal is for the guidelines to give specific and useful guidance to practitioners on how to conduct economic analysis in the context of Uganda. In order for these guidelines to be useful, they need to be developed with Ugandan technical participation and stakeholder involvement. If we find that there is a high probability of the guidelines being used and improving

biodiversity conservation, we will make all the efforts possible to provide the technical support needed.

- Expected Year 2 Outcome: Opportunities for infrastructure policy reform identified in Peru, Brazil, Uganda and DRC. This will be based on the synthesis of ELAW results.

Result: Through ELAW's work, other opportunities for infrastructure policy reform have been identified in Peru, Brazil, Uganda and DRC. ELAW conducted surveys via email, phone and in person interviews with partners and collaborators to determine the baseline legal framework for infrastructure policy reform and its current implementation. The survey also collected data about gender issues in infrastructure policy and the existence of a window of opportunity for policy reform. The review includes information about opportunities to improve existing policies in the Andes-Amazon and Albertine Rift. We have requested that ELAW conduct additional research on specific examples of how these innovative policies have been applied in various countries.

During Year 1 and 2, the four training courses (Uganda, Brazil, Peru, DRC) and discussions with participants also gave us valuable input into opportunities for policy reform. Other work we have been doing, such as with the Environmental Ministry in Peru, the Amazon Infrastructure working group in Brazil, and NEMA in Uganda, has given us additional insight into opportunities for infrastructure policy improvement. Also, after NEMA reviews the draft of the revised and compiled version of the ELAW country report for Uganda, we will evaluate opportunities to work with them on other specific policy issues.

- Expected Year 2 Outcome: Continue outreach support to government in soliciting and incorporating public feedback into policy proposals via media and other communication networks for Andes-Amazon and Albertine Rift regions. We have a list of media in Uganda and contacts for communication people, although it is unclear what level of information sharing will be possible in the region. In Andes our strategic plan is to use the ICAA network, and in Brazil we have held meetings with media and plan to work with ISA and solicit assistance and contacts via the Amazon infrastructure working group.

Result: Partners, policymakers and other stakeholders have been identified for outreach on policy reform opportunities. Partners and other collaborators include our current networks in the Andes (e.g. ICAA, MINAM partnership), Brazil (e.g. Instituto Socioambiental - ISA, Amazon GT Infrastructure working group, TNC, WWF), Uganda (e.g. NEMA, District government offices, Uganda Wildlife Authority, ACODE, WCS Uganda, the USAID-Uganda mission), and DRC (e.g. ERAIFT, WCS, Avocats Verts, EREST- Renewable Energies and Healthier

Environment for All, TCCB -Tayna Center for Conservation Biology), as well as new networks with course graduates.

Key management issues and challenges in Year 2:

Through the process of providing technical support to the Peruvian government we have learned that it is essential to share knowledge across issues with several different CSF staff members, so that we can be available whenever the need arises to participate in discussions to move forward the policy initiatives.

In Brazil, working at a policy level has proven to be challenging. Therefore, we have continued devoting our efforts to strategizing with the Infrastructure Working Group and other collaborators on ways in which communication activities will help move the mitigation and compensation of infrastructure projects discussion forward. Further activities will be implemented during Year 3 of the program.

In Uganda, we have identified a clear opportunity to provide technical support for economic analysis that could ultimately support the application of selection, mitigation and compensation of infrastructure projects. Nevertheless carrying out a process that ensures the use of the guidelines is essential.

Objective 3: There are financial mechanisms that maximize compliance with mitigation and compensation agreements and regulations.

Activity A3-1: Promote adoption of financial mechanisms.

Major Achievements and Progress in Year 2:

- Expected Year 2 Outcome: Document produced on financial incentive mechanisms. This policy paper will incorporate the final results of the ELAW surveys and information on legal frameworks, as well as new information we are collecting on other mechanisms such as biodiversity offsets. The paper will be incorporated into the policy forums.

Result: [“Financial Mechanism for Environmental Compliance of Infrastructure Projects”](#) discussion paper completed. This document describes financial mechanisms that could be used by banks and governments to improve the environmental performance of infrastructure projects. The document, which includes a menu of financial mechanism options, has been published on CSF’s website, disseminated through our network, and presented at relevant trainings and meetings.

- Expected Year 2 Outcome: Disseminate a menu of financial mechanism options via CSF's Infrastructure website and other channels.

Result: The financial mechanism document, which includes a menu of financial mechanism options, has been shared via CSF's website and network.

- Expected Year 2 Outcome: Continued outreach and collaboration with Peruvian government.

Result: In Year 1 and 2 we concentrated on working with the Peruvian government on opportunities to create an innovative compensation system. We have been intensively engaged through a series of weekly meetings with the Ministry of Environment of Peru and with a working group of civil society organizations on a policy for ecological compensation for infrastructure impacts. Our proposal includes an environmental fund as a mechanism to direct payments from project developers to high priority compensation sites. The Draft Ministerial Resolution on environmental compensation circulated by the Peruvian Ministry of Environment for comments in February of 2013, contained key provisions from the original 2011 MINAM-CSF guidelines document, including the importance of long-term compensation commitments, financial guarantees, coverage of indirect impacts and a practical approach to economic valuation.

- Expected Year 2 Outcome: Additional data collected in focus countries in Andes-Amazon and Albertine Rift regions on financial mechanism options for compliance, including the existence and operation of environmental funds for compensation and indirect impact mitigation. In Year 1 we conducted research about the existence of legal framework for these mechanisms, and in Year 2 we will be collecting more data to determine whether a mechanism is functioning. This process will also identify options for improving financial channels for focus countries in Andes-Amazon and Albertine Rift regions.

Result: We have found that few data or examples exist on functioning financial mechanisms in the Andes-Amazon and Albertine Rift. These financial mechanisms are predicated on a robust and functioning environmental compensation policy, thus we have been focusing our efforts primarily on providing technical support and guidance regarding compensation policies. We have also shifted our focus from data collection to a discussion process and dialogue regarding compensation and financial mechanisms with our various government partners and collaborators, including NEMA, MINAM, and the GT Infrastructure Working group in Brazil.

- Expected Year 2 Outcome: Materials drafted for media, policymakers, bank representatives, industry and advocates in Andes-Amazon and Albertine Rift regions to inform and encourage them to adopt financial incentive mechanisms.

These will be based on the financial incentive mechanisms document and our ongoing work with government institutions and other collaborators.

Result: As described above, we have shifted our primary focus from encouraging adoption of financial incentive mechanisms to information and technical guidance on compensation strategies and policies. As a result, the proposed financial mechanism materials have evolved into presentations, meetings, and discussions with partners and collaborators about economic incentives and compensation strategies. For example, during the media training in Peru, presentations were made on economic incentives and standards and policies for mitigation and compensation. CSF also delivered a presentation in July of 2013 at the international conference on compensation hosted by MINAM, sharing insights on how economic analysis should be used in compensation schemes to quantify the long-term cost of compensation measures. In the Albertine Rift, we have shared the document “Financial Mechanism for Environmental Compliance of Infrastructure Projects” with NEMA and have discussed it with the lead economist of the institution. As part of the work plan with NEMA, they will carry out research on current application of existing financial mechanisms linked to infrastructure development in Uganda.

- Expected Year 2 Outcome: Continue to promote collaboration in each focus region between public interest law NGOs and biodiversity conservation groups. In each course we have included legal NGO representatives as participants and have incorporated a policy and law module, which has been an eye opener for conservation representatives. We plan to keep building these connections through policy forums, and if possible we will try to set up specific meetings and facilitate interactions among various individuals and organizations.

Result: We continued to promote collaboration in each focus region between public interest law NGOs and biodiversity conservation groups. In each course we have included legal NGO representatives as participants and have incorporated a policy and law module, which has been an eye opener for conservation representatives. In Year 3 we plan to keep building these connections through policy forums, and if possible we will try to set up specific meetings and facilitate interactions among various individuals and organizations.

Key management issues and challenges in Year 2:

Determining how functional a given financial mechanism is in safeguarding biodiversity in a specific context requires building partnerships with policy implementers and stakeholders, as well as having experience in infrastructure planning and development process in each country and even state. Building

partnership relationships with governments takes time and a lot of management efforts. Therefore, for governments to adopt and implement financial mechanisms that maximize compliance with mitigation and compensation agreements, more time than expected will be needed in all regions, especially in the Albertine Rift.

Activity A3-2: Ensure local people affected by infrastructure projects and compensatory measures are involved in monitoring mitigation and compensation.

Major Achievements and Progress in Year 2:

- Expected Year 2 Outcome: Clear, simple information drafted on mitigation and compensation measures in target areas.

Result: Rather than drafting information ourselves for local communities, we have decided a better and more politically acceptable strategy is sharing with national and community organizations our information on compensation, our guidance documents on financial mechanisms, and our forthcoming synthesis document on infrastructure policy best practices and innovations. We have shared information on compensation and financial mechanisms with the Pucallpa and Inambari monitoring groups, and with the partners for the Uganda analysis projects (NEMA, UWA, WCS, and IGCP).

- Expected Year 2 Outcome: Connections established with media, protected areas staff, and local social organizations in focus countries.
- Result: We have established connections with journalists throughout the Andes-Amazon region via the Media Training event held in December 10-13, 2012 in Puerto Maldonado, Peru. We have initiated meeting with stakeholders in Uganda and will continue to make connections with journalists, local Protected Areas staff and social organizations in the Albertine Rift via the Year 3 media training, follow-up economic analysis projects, and network of graduates from the DRC course. During fieldwork conducted with research partners in the Albertine Rift and around Bwindi National Park, meetings were held with local governments, community representatives and Protected Areas staff to discuss the analysis projects.
- Expected Year 2 Outcome: Target sites or projects selected for information campaigns.

Result: Local communications efforts will focus on areas where analysis projects are currently taking place. This includes the Pucallpa and Inambari analyses, and the Uganda analysis projects taking place in and around Murchison Falls National Park and Bwindi Impenetrable National Park.

- Expected Year 2 Outcome: Outreach plan developed with media and other locally appropriate channels.

Result: In Uganda, local partners will implement any activity that has to do with involvement of local communities in policy processes (NEMA) or with the infrastructure analysis projects under analysis (UWA, NEMA, WCS, IGCP). Similarly, in the Andes, local communications efforts have focused relevant social organizations and outlets in areas where analysis projects are currently taking place, via the Pucallpa and Inambari monitoring groups comprised of local and regional government officials, community representatives, and conservation organizations. We have also disseminated our results through the ICAA II Consortium led by The Nature Conservancy.

- Expected Year 2 Outcome: Training plan developed for protected areas staff to track and report on funding and fulfillment of mitigation and compensation measures.

Result: Because of political and social tensions around infrastructure development, and the lack of clear mitigation and compensation measures and processes in our focus areas, it is not feasible to develop a specific training plan in monitoring mitigation and compensation for protected areas staff. We have instead focused our efforts in engaging in the Peruvian compensation policy process, involving protected area staff in BUILD Economic Tools courses, and sharing relevant information on infrastructure policies, mitigation and compensation, and financial mechanisms with local social and community organizations in areas where analysis projects are taking place, as described above.

Key management issues and challenges in Year 2:

We have found that directly involving potentially affected people across the regions in monitoring mitigation and compensation has proven challenging because of political and social tensions around infrastructure development. This is especially true for a foreign NGO in Uganda. Local communications efforts will focus on areas where analysis projects are currently taking place. In Uganda, local partners will implement any activity that has to do with involvement of local communities in policy processes (NEMA) or with the infrastructure analysis projects under analysis (UWA, NEMA, WCS, IGCP). Similarly, in the Andes, local communications efforts have focused on areas where analysis projects are currently taking place, via the Pucallpa and Inambari monitoring groups comprised of local and regional government officials, community representatives, and conservation organizations.

III. Success Stories and Lessons Learned

In the first 2 years of the BUILD program we have been able to hold a total of four Economic Tools Courses (in Peru, Uganda, Brazil and the Democratic Republic of Congo) with a focus on infrastructure planning and biodiversity conservation. A total of 108 people were trained using BUILD economic tools curriculum, 57 in the Albertine Rift Region and 51 in the Andes-Amazon Region. During the comprehensive two-week sessions, professionals were trained in: economic fundamentals, natural resource economics, environmental valuation methods, environmental policies, communication and negotiation techniques, and hands-on experience with cost-benefit analysis. All four courses were rated highly in end-of-course evaluations. A year after the course, 92% of Brazil and 100% of Uganda alumni survey respondents reported that their training experience was one of the most useful short courses they have attended.

Courses implemented as part of the BUILD program have been a success in terms of training relevant stakeholders with tools to integrate biodiversity conservation into infrastructure planning, approval, and development. As Joël Wengamulay, DRC course participant and Communications Director in the Virunga Landscape for the Economic Community of Central African States (ECCAS), answered with regards to training relevance: *“there are two main challenges [in DRC]: one has to do with valuing protected areas where we work, and the other with lack of infrastructure in the region... Therefore, we need to know that the dollar that we invest, we invest it in the right place, that we invest it right, and most importantly that we do not cause more problems than the ones we currently see in the field.”*

BUILD has enabled us to leverage our years of experience in the Andes-Amazon region with both training and analysis, and our deep network of partners, to work intensively at a policy level in Peru. We have provided technical assistance to the Ministry of Environment in Peru (MINAM) to design policy, and build the government’s staff capacity to integrate biodiversity when planning, approving and implementing infrastructure projects. As a result of this work, a Draft Ministerial Resolution on environmental compensation, which contains key inputs from CSF, has been drafted and was circulated by MINAM for comments in early 2013.

IV. Next Steps and Priorities

In Year 3, our priorities for BUILD are to conclude the infrastructure project analyses in the Albertine Rift, deliver an infrastructure policy forum in the Himalayas,

complete the in-house training in the Andes, deliver a media training in Brazil, disseminate results of analyses and ideas for policy reform, and work on policy reform in the Andes-Amazon and Albertine Rift. We will continue our policy reform work with the Peruvian government, and work with NEMA, the Amazon Infrastructure working group, and other collaborators on identifying opportunities for policy improvement and reform, such as economic valuation methodology, the environmental impact assessment process and policies regarding mitigation and compensation.

We will hold three media/policy forums, in Brazil, Uganda, and the Himalayas, that will showcase best practices in infrastructure policy, ideas for policy reform opportunities, information on financial incentives for mitigation and compensation, and results from any CSF infrastructure analysis projects in the region. CSF will continue to work with media, protected areas staff, and local social organizations to provide clear, simple information on mitigation and compensation. This activity will be closely related to the analysis projects. Our work will involve media specialists at a regional and national level, and local communications efforts will focus on areas where analysis projects are currently taking place. We will provide technical information and support for communications efforts, but collaborating organizations will take the lead on communicating with local organizations and communities. We will also continue improving and expanding our online resources, tools and communications for analysis of infrastructure projects and policies.

V. Photos and Videos

1. DRC Course – Group Picture
2. DRC Course Video: Joël Wengamulay
3. Uganda Valuation/Methodology Workshop CSF-WCS attended: NEMA-UWA
4. Uganda Field Work Murchison Falls UWA-WCS-CSF
5. Uganda Field Work along the Albertine Rift WCS-CSF
6. Uganda Field Work Bwindi Alternative Road Route IGCP-CSF
7. Uganda Work Session Bwindi IGCP-CSF
8. Uganda Marxan Workshop WCS attended: UWA, NEMA, CSF
9. Peru In-House Training Pictures MINAM
10. Peru Media Training Picture Madre de Dios_Renzo_CSF Picture
11. Peru Media Training Picture Madre de Dios_Group_ICAAII Picture

VI. Other Appendices

12. DRC Course Schedule
13. DRC Course Participant List
14. Uganda NEMA-UWA Valuation Workshop participant List
15. Uganda Information Sharing Meeting
16. Peru Madre de Dios Media Training Schedule
17. Peru Madre de Dios Media ICAA II Report
18. Peru In-House Training Program Schedule
19. Peru In-House Training Participant List
20. Financial Mechanisms Discussion Paper
21. Draft of Infrastructure Policy synthesis document