

MacArthur Foundation

Grant Guidelines

International Programs

Conservation and Sustainable Development

Watersheds of the Tropical Andes Region of South America

Request for Letters of Inquiry for the Southern Tropical Andes (Peru & Bolivia) for 2012

Introduction

The John D. and Catherine T. MacArthur Foundation's Conservation and Sustainable Development (CSD) program is launching a 10-year grant making initiative in the Watersheds of the Tropical Andes.

The 2012 call for Letters of Inquiry announced here will target three Andes-Amazon watersheds and thematic priorities in the Southern Tropical Andes countries of Peru and Bolivia. In 2013 the foundation will invest in training, research, and policy initiatives that have a region-wide influence. Additional Andes-Amazon plus Andes-Choco watersheds and thematic priorities will eventually be selected for grant making in the Northern Tropical Andes countries of Ecuador and Colombia in 2014. Ultimately up to six Class 3 and 4 watersheds¹ will be identified for concentrated investment in the entire Andean region. This sets the order for subsequent annual cycling of grant packages for the remainder of the 10-year strategy, thus providing three rounds for each of the three portfolios.

¹ Watershed delineation follows Fitzhugh (2005) GIS Tools for Freshwater Biodiversity Conservation Planning. *Trans. GIS* 9: 247–263; Level 4 (10^5 – 10^6 km²) and Level 3 (10^4 – 10^5 km²).

The overall goal of the Foundation's investment in the Tropical Andes, Choco and western Amazon program area is to reduce current rates of biodiversity and natural habitat loss and sustain the ecosystem services that underpin human well being.

The theory of change guiding our strategy here is that an understanding of the benefits ecosystems provide to humans is necessary, but insufficient to spur effective conservation responses at the appropriate scales. To close the gap that exists between concern and effective action, sufficient incentives must be created for societies to slow current trends of ecosystem degradation and service loss and eventually reverse them.

We will test the theory of change by supporting actions that:

- *Describe the importance of high biodiversity ecosystems* to sustainable economic growth persuasively to key decision makers;
- *Illustrate ways to generate positive incentives* for environmental stewardship at the highest priority watersheds and sites;
- *Strengthen resource use rights of local communities*, including Indigenous Peoples, who manage many of the high biodiversity ecosystems that provide benefits to themselves and others in society;
- *Contribute to testing and evaluating policies* that distribute the costs and benefits of ecosystem management efficiently and more equitably among the users and providers of ecosystem services;
- Integrate and downscale to the Tropical Andes actions that address certain global drivers of natural resource destruction and degradation, including
 - *Environmental impact of foreign financial flows* for development by China and Brazil;
 - *Influence of global climate change on biodiversity*, with a focus on adaptation actions; and
 - *Assimilating social and environmental standards* into international commodities markets;

- *Monitor the status and trend* in the health of ecosystems, pressures on them, and the effectiveness of conservation responses, and sharing this information with a broad audience.

Priorities

Priority grant making in this region was informed by structured expert and stakeholder workshops to assess comparable needs and opportunities for conservation among watersheds of the Amazonian slope of the Andes and among watersheds of the Choco slope. Together these evaluations cover the geography of interest to the Foundation in the Andean region (see map). Additionally, Foundation staff consulted with representatives of civil society, government, affinity private donors, bilateral aid providers, and intra-regional organizations in 2011 and 2012 on priority thematic investments. These exercises and consultations resulted in selection of a limited number of watersheds that are:

- Significant *providers of ecosystem services* (biodiversity, water generation, and carbon storage);
- Highly *threatened by specific human activities* (infrastructure development, extractive industry, agro-commodities, climate change);
- Offer well *developed enabling conditions* for conservation investment (policy frameworks, technical capacity, political commitment, social benefits, reasonable costs);
- Represent attractive opportunities for the Foundation to *leverage its future investment* with donor allies; and
- Build upon the Foundation's *past legacy* in the region.

The watersheds identified in this call, and those to be identified in subsequent calls, will receive primary attention during the life span of the strategy. In addition to this core support, projects will be considered that are located in other watersheds in Peru and Bolivia when they offer an unusual opportunity to engage on the central objectives of our strategy and in a way that might influence a policy or sector with broad regional relevance. Support for these projects will be more limited in time and are not likely to be funded for more than three years.

Grant making will be prioritized in 2012 in the following Level 4 watersheds:

The Marañon Watershed of Ecuador and Peru. *The Marañon drains the Corridor del Condor range shared by Peru and Ecuador and is the seventh largest tributary of the Amazon River. About 85% of the 453,000 sq km watershed is in Peru while 15% is in Ecuador. Protected areas include Santiago-Comaina, Pacaya-Samiria, Abiseo, and Cordillera Azul parks and reserves and the Pastaza Ramsar site in Peru; and Podocarpus National Park in Ecuador. Much of the Upper Marañon is ancestral territory of the Shuar in Ecuador, and the Achuar, Kandoshi, Wampis, Shapara, Urarina, and others in Peru. The Marañon Watershed is characterized by some of the highest values for unprotected but irreplaceable vertebrate and plant biodiversity and provision of freshwater ecosystem services. It is extensively overlain by hydrocarbon and hard rock mining concessions in both countries. Mining is expected to expand significantly in the higher elevations and oil and gas development in the lower elevations in the future. Because of the overall threats and the maximum overall values for biodiversity, conservation urgency, and ecosystem service benefits relative to cost it ranks as highly urgent for conservation investment. The most pressing Level 3 watersheds for investment include the upper Marañon and Tigre basins. Work in this watershed will be limited in 2012 to Peru, but consideration will be expanded to Ecuador in the 2014 call.*

The Ucayali Watershed of Peru. *The Ucayali River is considered the main headwater tributary of the Amazon River and its entire 352,000 sq km basin is in Peru. The Ucayali's geography ranges from wet rainforest-covered lowlands to snow-clad mountain peaks. Two spectacular mountain ranges—Cordillera Vilcabamba, and Cordillera Vilcanota—source much of the valley's headwaters. The watershed has several protected areas including Yanachaga-Chemillen, Otishi, Megantoni, and San Matias-San Carlos parks, sanctuary, and forests. These and the extensive network of communal reserves encompass large and intact representations of the highly biodiverse Yungus ecoregion and are critical for the maintenance of ecosystem services throughout the valley. Much of the landscape, particularly the main stem of the Ucayali River, is homeland for Machiguenga, Ashaninka, Yanasha, Yine, Shipibo, and Nahua indigenous peoples. These are both titled and demarcated community lands, or set aside as territory*

for voluntarily uncontacted ethnic groups. The main pressures on biodiversity and people relate to expansion of gas extraction efforts and delivery pipelines, dam construction, overfishing and deforestation from advancing small scale agriculture. The Ucayali Watershed has some of the highest values for unprotected but irreplaceable mammal, bird, and plant biodiversity, and provision of hydrological ecosystem services to human communities of all of the region's Level 4 watersheds, as well as being among the most threatened. The most urgent Level 3 watersheds for investment here include the central main stem of the Ucayali, the main stem headwaters, and the north-eastern sub-basins.

The Madre de Dios/Beni watersheds of Peru and Bolivia. *The Madre de Dios River drains Manu, Bahuaja-Sonene, and Tambopata parks in Southeastern Peru while the Beni River drains portions of Madidi, Pilon Lajas, Manuripi and other protected areas in Northern Bolivia. The two join at Riberalta, Bolivia and flow on to Brazil to join the Madeira River, the largest tributary in the Amazon Basin. Combined, the watershed covers 281,500 sq km, 61% of which is in Bolivia and 39% is in Peru. It is one of the most promising headwater regions in the Amazon Basin for long-term conservation, with nearly 50% of the watershed protected by a complex of parks and reserves. This does not guarantee preservation of forest cover and freshwater ecosystems, as the watershed, particularly the Madre de Dios arm, has the highest levels of predicted future threat from deforestation for agriculture, mining and hydrocarbon development, and hydrologic disruptions by dam construction in the region. Site-based and watershed-wide actions should recognize a relatively low cost structure for investments and very high potential ecosystem service values. More attention should be directed to settling tenure and improving management of indigenous lands. The most urgent Level 3 watersheds for investment include the upper and middle stretches of the Madre de Dios River, headwaters of the Beni River, and forests of eastern Madre de Dios and Pando.*

We will prioritize grants that support our objectives, either within these areas or as more broadly designed topics. Illustrative examples of interesting lines of work responding to our objectives include:

Understand and respond to increased environmental pressures from development and climate change impacts

- Analyze development policies, plans and programs, evaluate their impact on biodiversity and ecosystem services, and propose alternative development scenarios and appropriate mitigating measures.
- Strengthen the voice of affected communities in approval processes for agro-industrial plantations, hydropower dams, mining and oil extraction, and other large-scale developments.
- Work with the private sector to develop best practices or guidelines for locating, developing, and operating agro-industrial plantations, mining and oil extraction, and dams in an environmentally and socially responsible manner.
- Strengthen the capacity of subnational governance structures to effectively design and manage natural resources for protection and development.
- Develop climate change narrative that is based on real experiences and that impacts public thinking and public policy.

Create and expand incentives to conserve ecosystems

- Raise awareness of the value of natural goods and services and increase the capacity of public decision-makers and civil society leaders to apply valuation methods that improve natural resource management, enhance local livelihoods and integrate natural assets to national accounting systems.
- Integrate the biodiversity and terrestrial and aquatic ecosystem service values into local, municipal, and regional land-use and development planning.
- Pilot and expand payment/compensation for ecosystem service and similar reciprocal agreement approaches.
- Develop and strengthen non-economic incentives for natural and cultural resource stewardship, including the development of indigenous life plans.
- Engage the media as a way of increasing the accountability of public officials on environmental issues.

Assist the rural poor in managing their resources for multiple benefits

- Support land tenure registration at priority sites for local communities and ethnic groups that recognizes historical and ancestral territorial claims.
- Pilot and expand community-managed forestry, fisheries and natural resource enterprises that include value added certification of commodities and greater local involvement in the supply chain.
- Develop co-management mechanisms for formal protected areas that enable community participation.
- Pilot and expand innovative approaches to site conservation, including linking livelihood support to conservation actions through negotiated agreements and private management of land through conservation concessions.

Evaluate the impacts of conservation investment on biodiversity and human wellbeing through systematic monitoring

- Develop common standards and systems for monitoring the impacts and effectiveness of conservation actions.
- Invest in the professional development of current and future conservation leaders and practitioners through support to established academic and training institutions in the region.
- Develop and test mechanisms for ensuring that monitoring results inform national policy debates and local adaptive management.
- Develop innovative means to finance conservation and sustainably monitor its impact

Eligibility

Letters of Inquiry should respond to one or more of these geographic and thematic priorities. Organizations may submit more than one Letter of Inquiry. Letters should be succinct three page summaries of the proposed project, identifying its purpose, the significance of the issue, actions to be carried out and how they respond to the issue, geographic location, time period of the project, institutional competency and legal status, and estimates of the total cost and how much is being requested of MacArthur.

CSD typically makes three year grants with the possibility of renewal based on performance and continued relevance of the project.

Please note that the Foundation does not support political activities or attempts to influence action on specific legislation. We do not provide scholarships or tuition assistance for undergraduate, graduate, or postgraduate studies; nor do we support annual fundraising drives, institutional benefits, honorary functions, or similar projects.

Review Process

All eligible Letters of Inquiry will be evaluated by the Foundation.

The MacArthur Foundation's Conservation and Sustainable Development (CSD) program is collaborating with the several other private foundations in making grants in the Tropical Andes. As part of this collaboration, Foundation staff may circulate Letters of Inquiry, proposals or other information provided by applicants requesting funding for projects in the Southern Tropical Andes to staff of these foundations for review. By submitting your LOI or other information in response to a request for proposal or otherwise to seek funding in connection with work in the Southern Tropical Andes, you agree that the MacArthur Foundation may share the LOI and other information you provide with other potential donors unless we agree otherwise with you in writing. The Foundation may also ask outside experts or persons with relevant professional experience to review them or provide input. All material submitted becomes the property of the MacArthur Foundation.

Decisions to invite full proposals based on the review of submitted LOIs are anticipated by mid August 2012. Final decisions regarding approval of invited proposals will be made by early November 2012.

Deadlines

LOIs should be submitted no later than July 13, 2012 by e-mail to: 4answers@macfound.org

A suggested LOI format is available at:

http://www.macfound.org/site/c.1kLXJ8MQKrH/b.913959/k.E1BE/Applying_for_Grants.htm

This map shows the MacArthur Foundation's Southern Andes priority watersheds within the Andean focal area. The Marañon, The Ucayali, and the Madre de Dios-Beni watersheds are priority investment areas for MacArthur's Southern Andes conservation program.



Map created by Kate Barnes, June 2012
Data sources: NatureServe, USGS Hydrosheds, Natural Earth
WGS 84 Coordinate System