

## El Salvador – PASOLAC Initiatives

*Municipal PES schemes in Morazán, Tacuba and Chalatenango*

### **SUMMARY**

The Programme for Sustainable Agriculture on the Hillsides of Central America (PASOLAC), funded by the Swiss Agency for Development and Cooperation (SDC/COSUDE), is supporting the development of three local PES schemes in El Salvador (along with seven others in Nicaragua and Honduras). PASOLAC provides technical support with the design and implementation of the schemes and assists with initial funds. The schemes are developed in association with local municipalities and promote the adoption of soil and water conservation techniques and pollution control measures.

### **MATURITY OF THE INITIATIVE**

Ongoing since 2002.

### **DRIVER**

Municipal interest in protection and improvement of water resources.

### **STAKEHOLDERS**

#### **Supply**

The initiatives in El Salvador are in the Cerro Cacahuatique in Morazán (involving the municipalities of Sesembra, Yamabal and Guatajagua), public utility company of Tacuba (Ahuachapán) and Municipalities of La Palma and San Ignacio (Chalatenango).

*In the case of Yamabal:* the watershed of the river Gualabo is small (24.5 km<sup>2</sup>), with steep slopes. It is highly degraded. Forest covers 30% of the watershed in the form of shade coffee, living fences and small remnants of forests. Approximately 602 families live in the watershed. Most of them are poor (average of 2.5 ha) dedicated to subsistence agriculture.

#### **Demand**

Local municipalities and water utilities on behalf of water users.

#### **Intermediary**

In the Yamabal case there is a local NGO, CODECA, supporting the negotiation process.

#### **Facilitator**

PASOLAC (SDC/COSUDE)

### **MARKET DESIGN**

#### **Service**

Improved water flows and water quality.

#### **Commodity**

*Improved management practices* through avoiding slash-and-burn practices, crop-residue management, construction of water cut-off drains, hedgerows and improved agroforestry systems (140 to 200 tree/ha).

#### **Payment mechanism**

*Environmental Services Fund* For example, the municipality of Yamabal created a fund with seed capital from PASOLAC and with revenue from a new added fee to the existing water use charges.

#### **Terms of payment**

Users contribute with a new environmental fee, added onto their water charges.

Providers, in Tacuba, received free water installation and provision from the municipality, in return for agreeing to protect the forest and improve coffee management. Twenty farmers benefited from water pipe installations and the rest of the members of the cooperative benefit from free water.

**Funds involved**

Unclear.

**ANALYSIS OF COSTS AND BENEFITS****Economic**

No information available.

**Environmental**

Farmers already observe water sources recovering, with more water available during the dry season (Perez, 2005), but there is no hydrological evidence available to confirm this.

**Social**

No information available.

**LEGISLATION ISSUES**

No information available.

**MONITORING**

No information available.

**MAIN CONSTRAINTS**

No information available.

**MAIN POLICY LESSONS**

No information available.

**OTHER INFORMATION**

In the department of **Chalatenango**, the Local Environmental Committee has, for many years, been working on an Environmental Management Plan for the province. The plan stresses the role of the province in providing environmental services- as an "environmental service-providing zone"-, especially water, since this area is the catchment for the River Lempa that services El Salvador's metropolitan area and it also supplies considerable hydroelectricity generation. (Herrador, 2002 in Rosa et al 2003; Comite Ambiental Chalatenango,1999;)

**CONTACT**

Xenia Marín, PASOLAC El Salvador [pasolac@intercom.com.sv](mailto:pasolac@intercom.com.sv)

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## LINKS