



Climate and Land Use Alliance
Cultivating solutions for people and the planet

Strategic Focus and Priorities

Mexico & Central America Initiative 2013-2016





THE CLIMATE AND LAND USE ALLIANCE:

An Overview

The mission of the Climate and Land Use Alliance (CLUA) is to realize the potential of forested and agricultural landscapes to mitigate climate change, benefit people, and protect the environment. The Alliance's members include the ClimateWorks Foundation, the David & Lucile Packard Foundation, the Ford Foundation, and the Gordon and Betty Moore Foundation. Each of the member foundations brings to this mission distinct organizational perspectives and priorities that inform the development of CLUA strategies and their implementation. The Margaret A. Cargill Foundation works in alignment with CLUA and supports its strategies through the implementation of site-specific activities.

WITH THE RIGHT POLICIES AND PRACTICES IN PLACE, CHANGES IN LAND USE PRACTICES CAN:

- ▶ **Yield substantial, cost-effective emission reductions**
- ▶ **Provide sustainable socio-economic development opportunities**
- ▶ **Improve the livelihoods and control over natural resources of forest-dependent communities, including indigenous peoples and smallholder farmers**
- ▶ **Provide many environmental and social “co-benefits,” including biodiversity protection, reduced air and water pollution, and protection of watersheds, which improve local and regional resilience to climate change**

CLUA strategies are currently organized into four geographically focused initiatives (Brazil, Indonesia, Mexico and Central America, and the United States) and one Global Initiative that focuses on relevant public and private sector policies and finance that are international in scope. Our multi-foundation teams bring diverse expertise and seek to develop and maintain strong relationships with partners—ranging from grantees and contractors to other donors, government agencies, and the private sector. We put priority on strategic interventions, aim to fill important gaps, and work collaboratively with others.

CLUA faces a complicated global landscape. International negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) process are too slow and alone will not achieve the fundamental objective for which the UNFCCC was intended—“the stabilization of greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous anthropogenic interference with the climate system”—or the more specific land-use-related task to which it committed itself to “slow, halt, and reverse forest cover and carbon loss.”

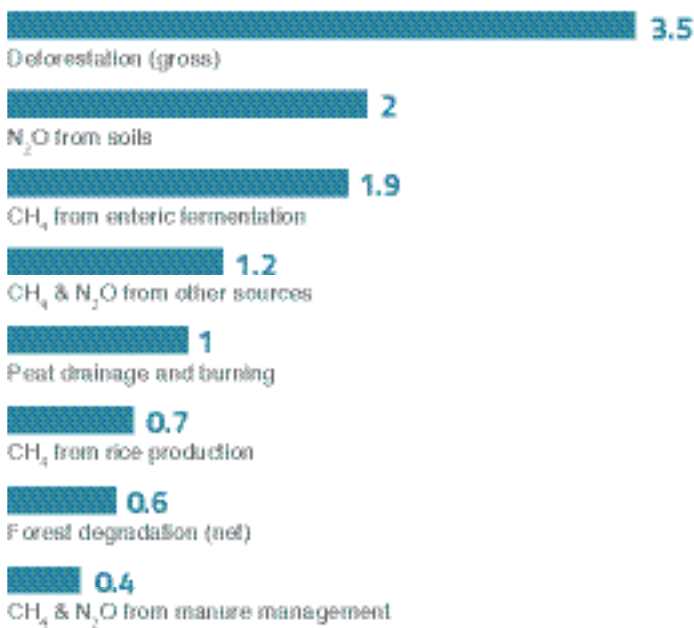
A scientific and political consensus has emerged around the imperative of limiting climate change to an increase of no more than 2 degrees Celsius. The opportunity to stabilize greenhouse gas concentrations in the atmosphere at a level that would achieve that result, however, is rapidly slipping away, with current “business-as-usual” projections at 4 to 6 degrees Celsius.



Land use is currently responsible for about 25% of greenhouse gas emissions caused by human activity—more than the transportation sector worldwide. These emissions come predominantly in the form of carbon dioxide (CO₂) from deforestation, forest degradation, and the draining and burning of tropical peatlands, as well as nitrous oxide (N₂O) production from fertilizer application to agricultural fields and methane (CH₄) from rice and cattle production. Avoiding dangerous climate change will be significantly more difficult and costly if emissions from land use are not substantially reduced.

Greenhouse Gas Emissions From Land Use

Measured in CO₂e per year (billions of tons)



New risks to CLUA's mission include less political attention to climate change, generally, and to the role of land use, specifically. In addition, unrealistic expectations that accompanied new initiatives to reduce emissions from deforestation and forest degradation (REDD+) have not been realized, despite some very significant progress. Recent poor performance of carbon markets, and the risks of linking forests to those markets, has raised concerns about the “payment-for-performance” approach associated with REDD+.

Meanwhile, the expansion of commodity production and infrastructure expansion—major drivers of deforestation and the displacement of indigenous peoples and smallholder farmers—increasingly threatens tropical forests and the people who inhabit them. Agricultural commodity production itself is no longer driven primarily by demand from the industrial world but by demand from “emerging” economies.

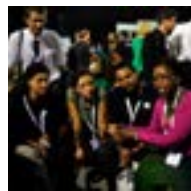
Our strategies must recognize these realities and address the challenges and opportunities they present. We recently developed revised strategies for each of our geographically focused initiatives in Brazil, Indonesia, Mexico and Central America, and the United States, and for our Global Initiative. Collectively, this work is linked by our crosscutting intent to:



Shift the expansion of commodity production away from native forests and peatlands to areas that are already under cultivation, where sustainable productivity increases are achievable, or to areas that were previously degraded and are currently underused



Increase recognition of the rights of indigenous peoples and rural communities over forests as a critical part of achieving clear and more coherent land and resource tenure



Encourage incentives for emission reductions through policies, measures, and actions that are consistent with internationally recognized guidance on safeguards, monitoring reporting and verification, and carbon reference levels



Promote transparency and strategic communications



Build relevant capacities and capabilities within our focal geographies

Mexico and Central America



The goal of our Mexico and Central America Initiative is to support the development and implementation of an effective, sustainable, and equitable strategy for cutting forest emissions in Mexico to zero by 2020 and for reducing them in Central America by 75% in ways that protect the rights and improve the incomes of indigenous peoples and rural communities and that reduce forest emissions elsewhere by disseminating elements of that strategy to other regions by:

1

Ensuring that relevant stakeholders outside the region adopt community rights to forests based on the lessons from Mexico and Central America

2

Having Mexico's forest policies strengthen community management of forests

3

Securing greater support for community forest rights in Central America



THE CLIMATE AND LAND USE ALLIANCE:

Mexico and Central America Initiative

Public policies in most tropical countries have failed to effectively protect forests and biodiversity, respect the rights of forest dwellers, and provide them with adequate standards of living. This had led to massive carbon emissions from deforestation and degradation, contributing to global warming. The dominant forest policy approaches—which rely heavily on state ownership of forests, logging concessions, state-managed protected areas, and tree-planting campaigns—have occasionally proved effective but often disappointed. Many government agencies have lacked capacity to manage forests or have been corrupted and captured by powerful interest groups, rather than serving the public good.

Community rights over forests and community management of them is one of the most promising sets of options for reducing forest carbon emissions as well as for improving local governance and maintaining livelihoods and biodiversity and other environmental services. Community rights and management can take various forms, including recognition of ancestral land claims, allocation of public forests to local groups that agree to manage them well, support for small-scale and communal forestry enterprises, co-management of protected areas, and the removal of obstacles that restrict the ability of communities and smallholders to harvest and sell forest products.

Mexico and Central America have gone further than any other region in promoting a diverse set of community forestry options. And the region has great potential both for improving existing community forestry efforts and for disseminating the lessons to other regions. There are promising opportunities to reduce carbon emissions and the loss of other environmental services resulting from the clearing and degradation of the region’s 85 million hectares of forests, as well as to sequester carbon by applying silvicultural practices and restoring forests on abandoned pastures and croplands.

The assertion that this Initiative can significantly reduce forest loss outside of Mexico and Central America is difficult to demonstrate but is not farfetched. Academics have documented many cases in

which forest policies have spread across countries. For example, Costa Rica’s experience with payments for environmental service and national parks has influenced global thinking about these issues and contributed to the adoption of similar policies in other countries. If Mexico and Central America took further steps to support community rights and communities improved their capacity to manage their forests, the region’s success story could be even more compelling for decision makers elsewhere.

The potential benefits from improving forest policies for Mexico and Central America are important in their own right. Twelve million people live in the region’s forest communities, many of whom have low incomes and suffer discrimination. There is an urgent need to defend their rights and improve their well-being. Rural Mexico and Central America is vulnerable to droughts, floods, hurricanes, fires, pests, and diseases associated with climate change; community resource management can make these areas more resilient. Collective efforts to manage forests create sorely needed social capital and improved local governance and gender equality. The investments, regulatory and tenure reforms, and related efforts promoted in this Initiative could benefit several thousand communities that engage in commercial timber production, as well as many others that depend on forests for fuelwood, medicinal plants, fodder, housing materials, and other products and services. Other expected co-benefits include less violence and fewer illicit activities in forested regions, less loss of biodiversity, less erosion and sedimentation, and greater resilience in the face of climate change.

With this in mind, the goal of the Mexico and Central America Initiative is to support the development and implementation of an effective, sustainable, and equitable strategy for cutting forest emissions in Mexico to zero by 2020 and for reducing them in Central America by 75% in ways that protect the rights and improve the incomes of indigenous peoples and rural communities and that reduce forest emissions elsewhere by disseminating elements of that strategy to other regions.



THE CENTRAL CHALLENGES THAT THIS INITIATIVE ADDRESSES ARE TO:

- (1) Help to overcome obstacles that limit the contribution of community forests in Mexico and Central America to reducing emissions, improving livelihoods, conserving biodiversity, providing hydrological services, and strengthening social capital and governance.
- (2) Provide decision-makers and opinion leaders from other regions with convincing reasons to adopt community rights based on Mexican and Central American experiences and help them to learn from those experiences.

From 2005 to 2010, Mexico lost an average of 155,000 hectares of forest per year (net) and Central America lost 250,000 hectares per year (net). During this period, forest degradation severe enough to be detectable by traditional remote sensing in Mexico was roughly 300,000 hectares per year. Deforestation and forest degradation accounted for an estimated 13% of Mexico’s total greenhouse gas emissions in 2006, although this may be a significant underestimate since it does not include forest degradation that is not visible using traditional remote sensing methods.

Deforestation rates have gradually declined over the last two decades as more accessible forests have already been cleared, as an increasing portion of remaining forests are in protected areas, indigenous territories, or community forests, and as government policies have provided fewer incentives for agricultural expansion. Appropriate policies and investments could accelerate this process and favor widespread reforestation and regeneration of forests. Community forest management is particularly promising for addressing forest degradation, since there are many low-cost opportunities for reducing degradation and enhancing regrowth in the areas that communities have kept as forest.

In Central America, deforestation remains the most pressing threat. Degradation would be harder to address there because governments are weaker and there are fewer commercial community forestry enterprises. One key reason CLUA decided to include Central America in this Initiative is that it offers a greater diversity of community rights options than Mexico. Mexico’s community forests

are all in *ejidos* or agrarian communities—two uniquely Mexican institutions.

CENTRAL AMERICA HAS A MULTIPLICITY OF ARRANGEMENTS, INCLUDING:

- ▶ **Multivillage indigenous territories**
- ▶ **Individual villages with land titles**
- ▶ **Community forestry concessions**
- ▶ **Community usufruct agreements**
- ▶ **Municipal forests**
- ▶ **Forestry cooperatives**

Central America’s weak governments and heavy reliance on donors are also more representative of most tropical forest countries.

This section describes the three priority objectives and implementing strategies that CLUA identified as goals on which it could have the greatest impact with the limited resources at its disposal—mostly activities where CLUA’s role is expected to be catalytic.

1 Our first objective is to have relevant stakeholders outside the region adopt community rights to forests based on the lessons from Mexico and Central America.

Communities own more than 60% of Mexico’s forests, and they own or manage a large share of the forests of Central America. Almost 2,000 Mexican communities hold permits to harvest timber, and Mexico has more independently certified community forests than any other country. The region has also pioneered innovative schemes for paying communities for environmental services. In general, the evidence suggests that the region’s policies favoring community rights have benefited both people and forests.

CLUA MEXICO & CENTRAL AMERICA INITIATIVE – OBJECTIVE 1

Relevant stakeholders outside Mexico and Central America (MCA) adopt community rights to forests based on the lessons from MCA

CHANGES NEEDED

- ▶ Policy makers and opinion leaders are convinced by and learn from MCA’s experiences with community rights

IMPLEMENTING STRATEGIES

- ▶ CLUA and grantees document and disseminate MCA lessons
- ▶ MCA governments share lessons about community rights
- ▶ International agencies disseminate MCA lessons related to community rights



This first objective provides one of the main rationales for CLUA to give priority to this region due to its potential to inspire decision-makers and opinion leaders in other regions and to provide relevant lessons that can help improve their policies and practices. To meet this objective, Mexican and Central American community rights efforts must be as successful as possible, and CLUA must have a well-designed strategy for disseminating the lessons to other regions. The groundwork for this objective will be laid during 2013–2016. The main achievements will probably occur after that.

Our second objective is to have Mexico’s forest policies strengthen community management of forests.

Existing forest policies in Mexico have nurtured a successful community forestry enterprise sector. Nevertheless, there is room to make the policies affecting community forests much more effective, efficient, and equitable. There is a particular need for policies that are suited for forests with little valuable timber and for communities that are poorly organized or have conflicts, which is where most deforestation and degradation is currently occurring. Similarly, non-timber forest products are very important for rural women, yet current policies largely ignore them.

Mexico has a strong federal government, which invests hundreds of millions of dollars in forestry each year. Given the scope and the magnitude of those investments, it makes sense for the Initiative’s work in Mexico to focus on improving the federal forest policies, both directly and through state-level initiatives and demonstration projects.

There is great potential for reducing carbon emissions and achieving other benefits by:

- ▶ **Improving community logging techniques, silvicultural and grazing practices, fire control, and assisted natural regeneration**
- ▶ **Promoting non-timber forest products, among other goods**

CLUA MEXICO & CENTRAL AMERICA INITIATIVE – OBJECTIVE 2

Mexico’s forest policies strengthen community management of forests

CHANGES NEEDED

- ▶ More funds for community forestry; prioritize degradation; PES for management; less over-regulation; more participation of other stakeholders; policies consider regional specificities; attention to needs of Indigenous Peoples and women; training and certification of service providers; better monitoring and evaluation

IMPLEMENTING STRATEGIES

- ▶ Advocacy and communications by Mexican NGOs
- ▶ Pilot projects and alliances with state and municipal governments
- ▶ Analysis and information sharing
- ▶ Alliances with other donors
- ▶ Alliances with Mexican legislators



Our third objective is to secure greater support for community forest rights in Central America.



Indigenous peoples and other forest communities manage a large share of Central America’s forests and have helped keep them from being cleared. Nonetheless, forests are under increasing threat from outside groups and the weakening of local traditions.

THIS IS PARTICULARLY RELEVANT IN THE LARGE REMAINING BLOCKS OF FOREST IN GUATEMALA AND ALONG THE CARIBBEAN COAST, WHICH FACE SERIOUS THREATS FROM:

- ▶ **Ranchers**
- ▶ **Palm oil companies**
- ▶ **Small-scale farmers**
- ▶ **Loggers**
- ▶ **Mining companies**

Unlike Mexico, most of Central America does not have strong forestry and environment agencies. Donor projects often overshadow government programs, and the region includes seven separate countries. In addition, a relatively small number of grassroots organizations influence a significant share of community-managed forests. There is also a history of intraregional networks and exchanges. This suggests that the best way to support community rights in Central America would be to work regionally with the main grassroots organizations involved with forests. A regional platform could work with a wider set of stakeholders as opportunities arise, while creating enough of a critical mass of forest and capacity at the regional level to attract outside attention and resources.

CLUA MEXICO & CENTRAL AMERICA INITIATIVE – OBJECTIVE 3

Greater support for community forest rights in Central America

CHANGES NEEDED

- ▶ Greater community participation in decisions about forest and climate policies; more funds for territories and community forest; secure tenure for community forests; investments respect FPIC; reduce regulatory burden; allow communities to benefit from carbon markets; incorporate a gender perspective

IMPLEMENTING STRATEGIES

- ▶ Consolidate a regional platform for community and indigenous forestry organizations
- ▶ National advocacy in support of community and indigenous forestry
- ▶ Pilot projects

CLUA also identified two other overall objectives that it does not expect to be heavily involved in at this time: efforts to improve protected area management and to change agricultural policies and practices in order to reduce pressure on forests.



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