



Payment of Environmental Services: disbursement of funds for integrated landscape management

October 2013

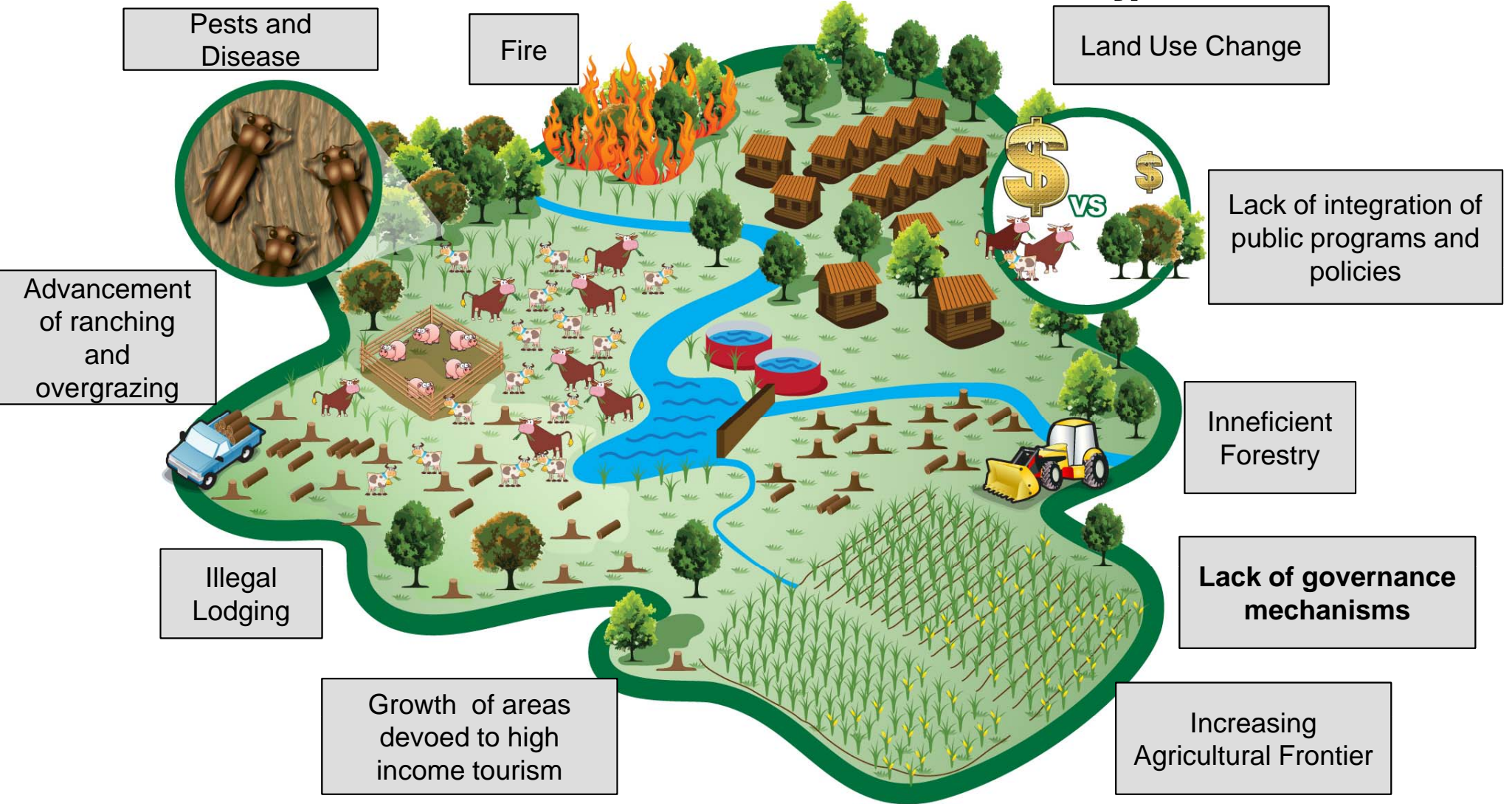
- **“The Environmental Services generated through forests are a essential public value.”**
- **Forest deforestation and degradation, as well as unsustainable practices affect the provision of environmental services**
- **Complex, multidimensional problem.**
- **The loss of forest cover accounts for important CO2 emissions:**
 - 17% from the global total
 - 10% from the national total



Deforestation in Mexico



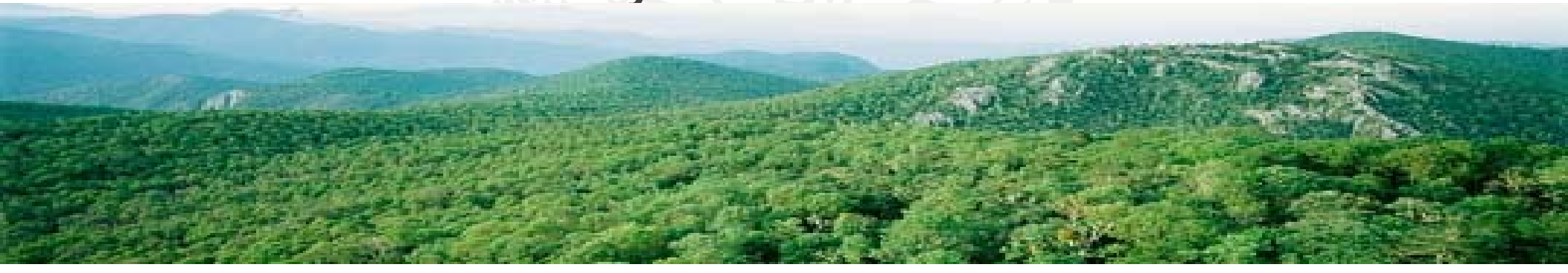
Drivers of Deforestation and Forest Degradation



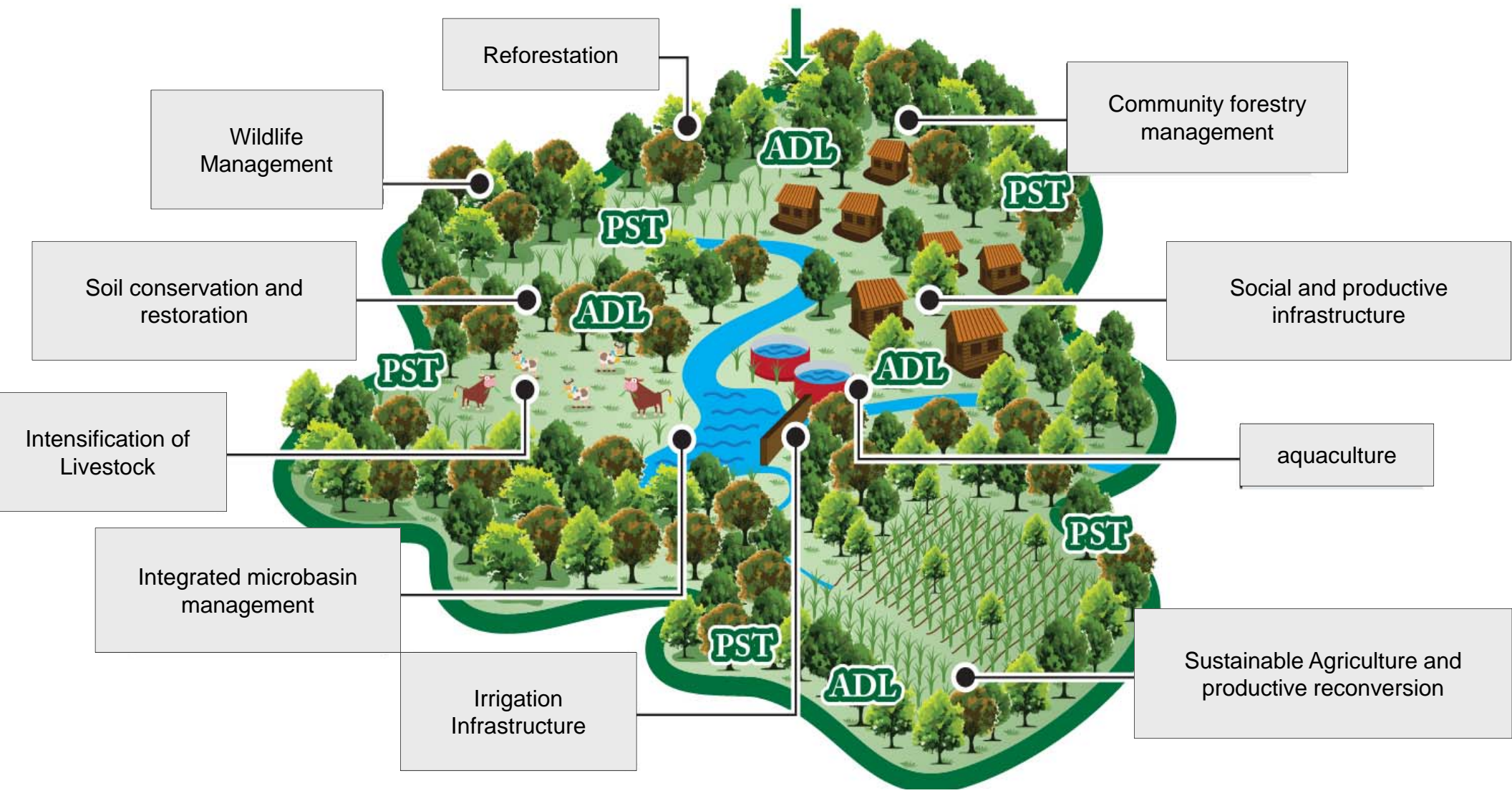
Mexico's Vision on REDD+

The best way to develop REDD+ in Mexico is through **Sustainable Rural Development (SRD)** which promotes a **territorial and multi-sectorial approach**, in order to reduce the pressures that lead to deforestation and forest degradation.

- **Integrating public policies** that promote SRD.
- Incorporating and strengthening **community management of forests and biodiversity conservation**.
- Through a **participatory process**, in conjunction with **land owners and civil society**



Integrated landscape management



Financial Support for conservation and environmental services

1. National PES Program
2. Local mechanism through matching funds
3. Biodiversity Endowment Fund
4. PES in REDD+ Early Action Areas



National PES Program

Economic incentive for land owners that generate the services

- Targeted to the conservation of forest ecosystems while compensating for the opportunity cost of implementing other activities that would decrease the forest cover
- Promote good practices for forest

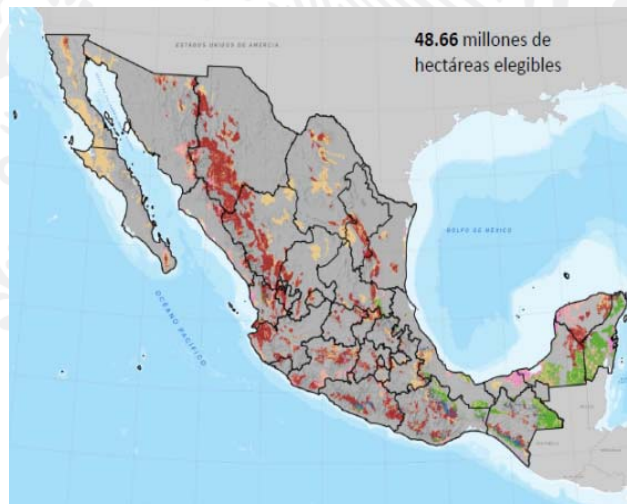


COMISIÓN NACIONAL FORESTAL

FFM

\$ Annual payment for conserved hectare

- ✓ PES for 5 years
- ✓ Eleggible areas



Better management practices



Local PES mechanisms – matching funds

To transfer resources from environmental services (ES) users (cities, water utilities, factories, etc.) to ES providers (forestlands owners).

- Users agree to make a payment or compensation to to maintain ES.
- Providers are compensated for conservation activities

Apply on the interest areas that CONAFOR and the other party agree, under an implementation approach based on:

- Hydrographic basins and watersheds,
- Biological corridors, and/or
- Conservation Areas.

Biodiversity Endowment Fund

- Long term financing mechanism that allows the conservation of forest ecosystems with high biodiversity.
- Use of interests generated from the PES to landowners in eligible areas to promote the conservation of their forests and incentivize good practices



REDD+ Early Action Areas

Articulated efforts at sub-national level to address the causes of forest and carbon loss in a territory, through different policy instruments and specific actions of different actors aligned to public policy.



REDD+ Early Action Areas

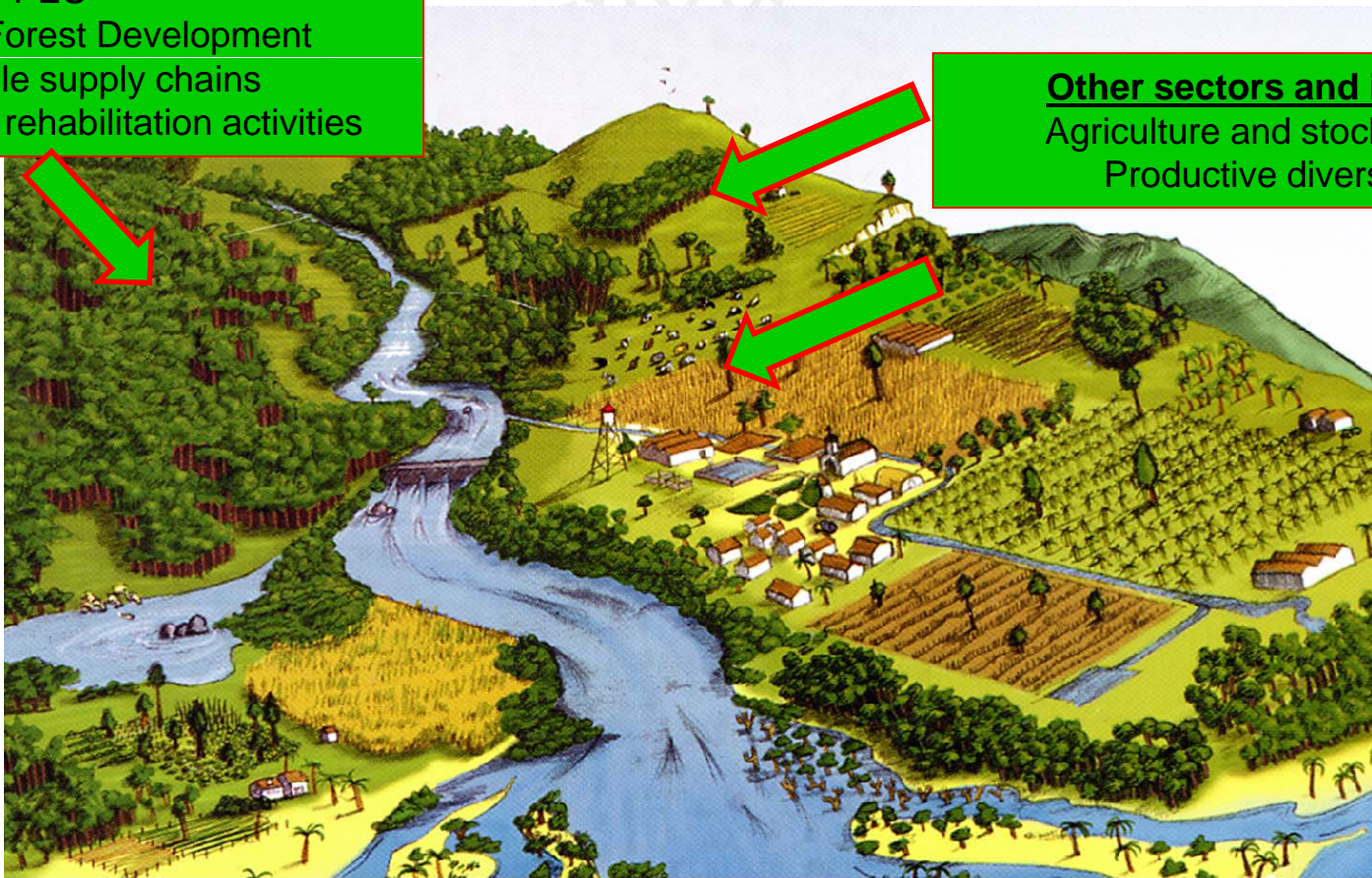
- Comprehensiveness of public policy: joint implementation in special programs (CONAFOR, CONABIO, SAGARPA, State Governments).
- Implementation with technical agents
- Competitiveness of rural economies associated with the forest: community forestry and forest enterprises
- Generation of replicable and scalable models for territorial management.

Special Programs in REDD+ Early Action Areas

CONAFOR:
PES

Community Forest Development
Sustainable supply chains
Restoration and rehabilitation activities

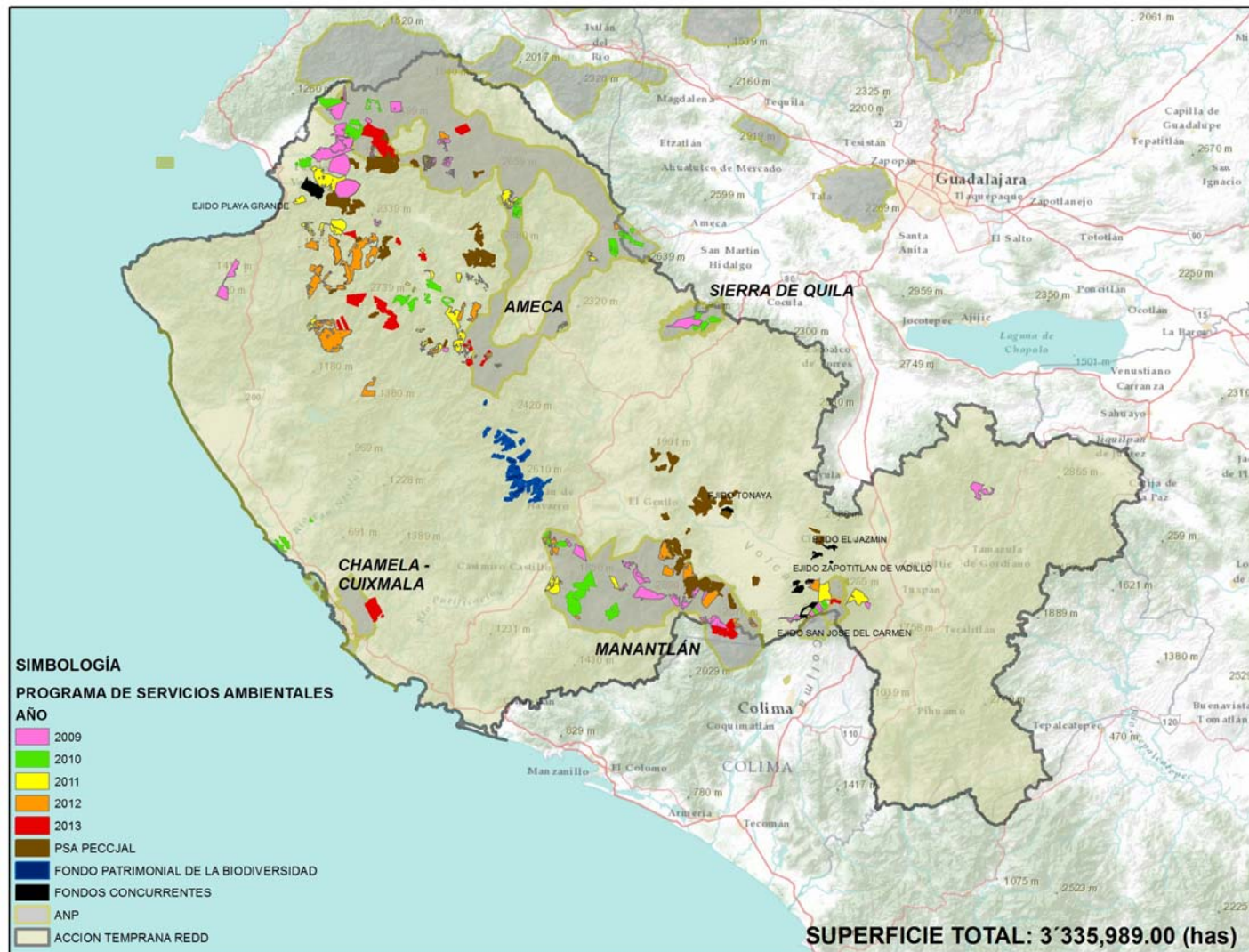
Other sectors and institutions
Agriculture and stock production
Productive diversification

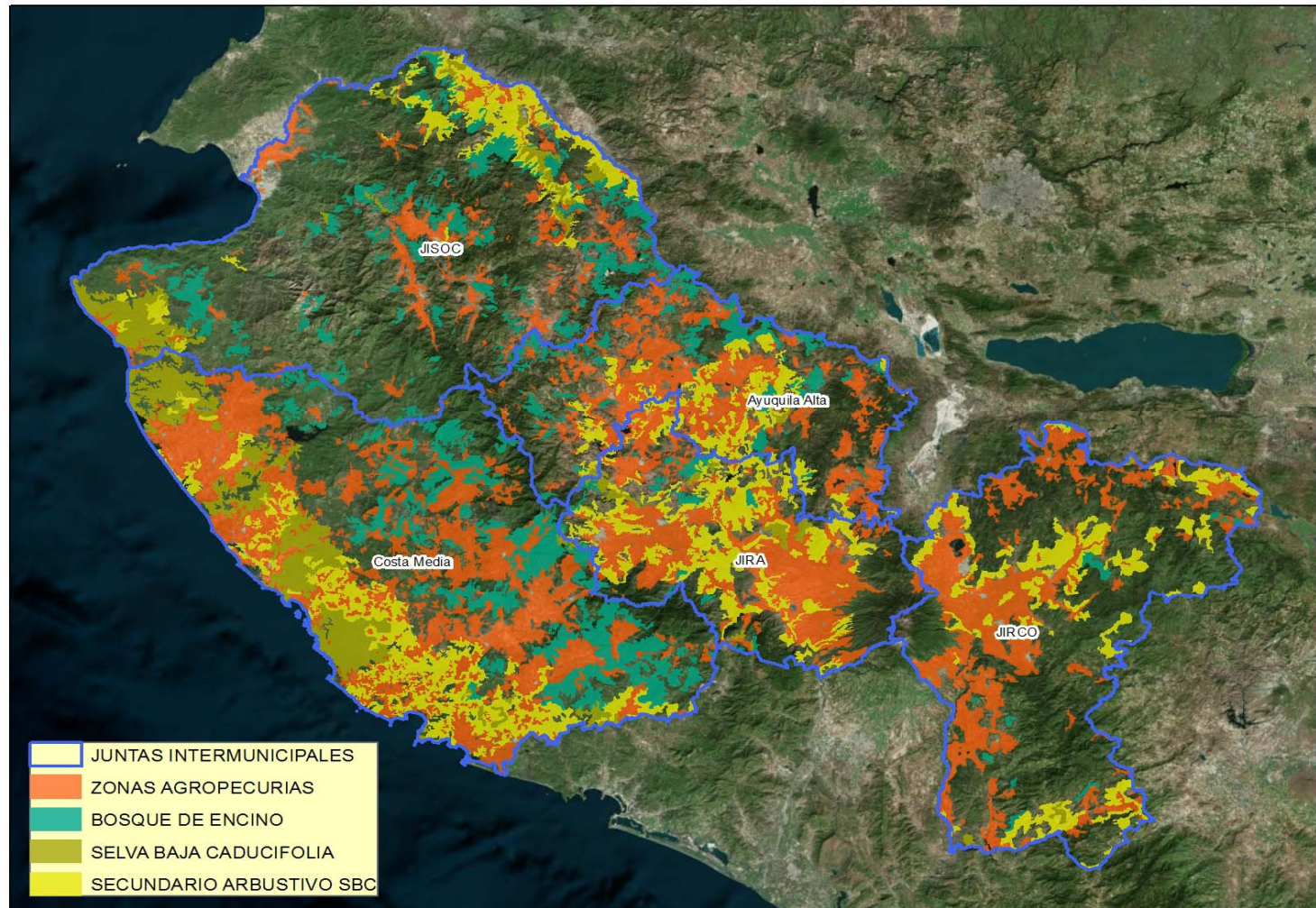


Fuente INE

**Integrated landscape management
approach**

REDD+ Early Action Area - JALISCO (CUENCAS COSTERAS)





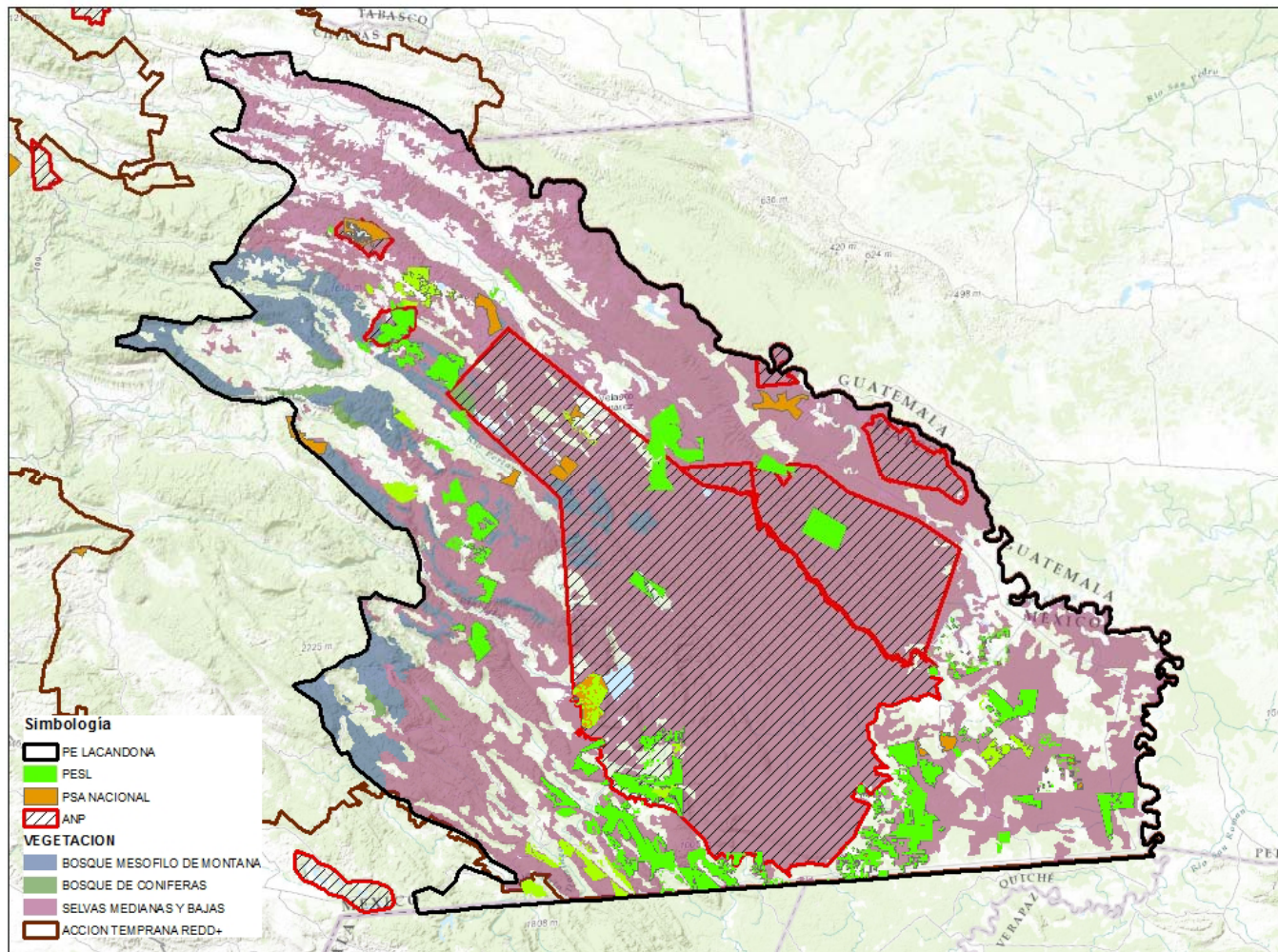
Type of actions:

Target of PES – type of ecosystem

Restoration of degraded areas

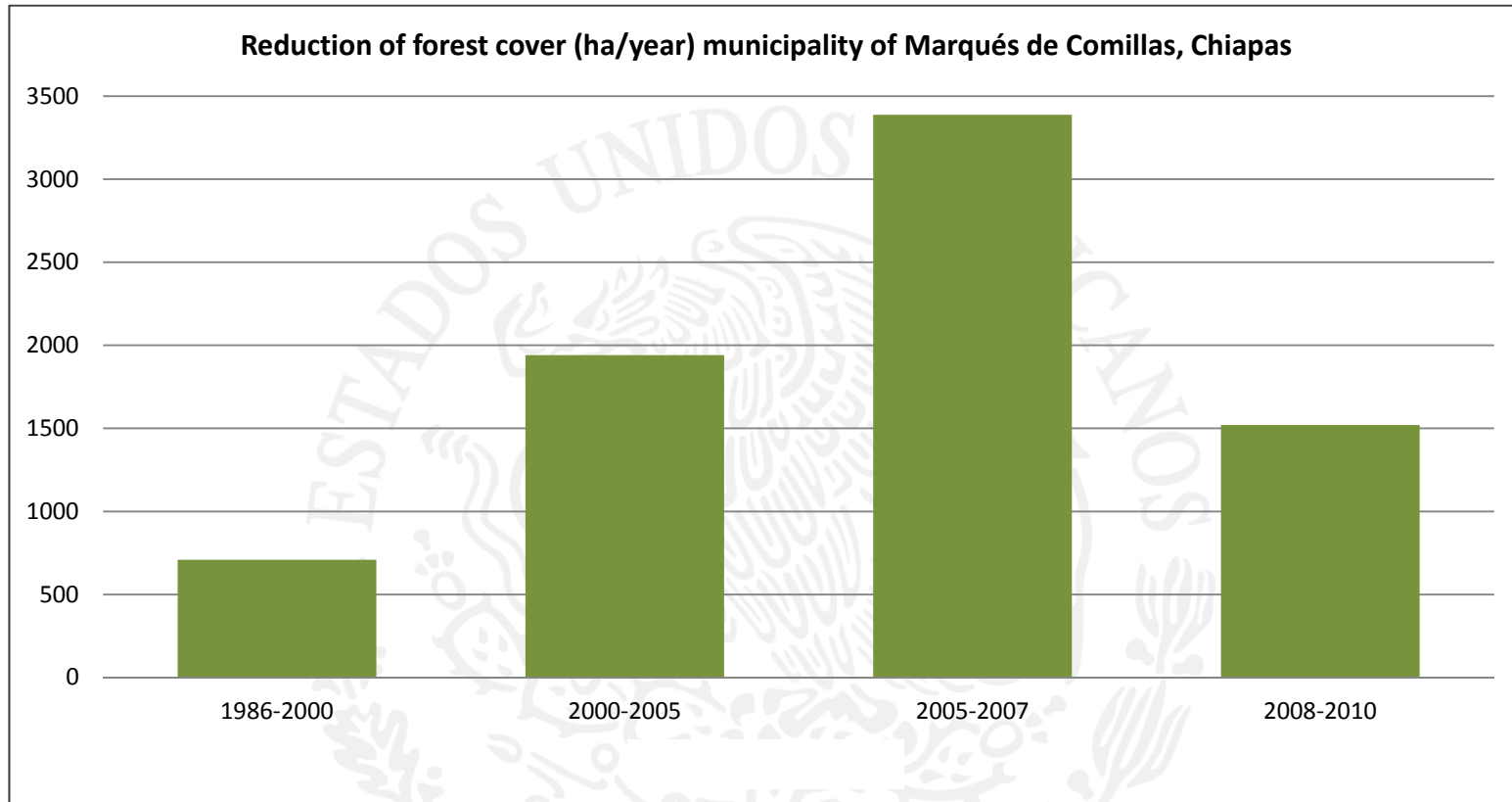
PES with other productive programs (PROGAN de SAGARPA).

ATREDD+ Chiapas (Selva Lacandona)





Reduction of forest cover (ha/year) municipality of Marqués de Comillas, Chiapas



Factors for the success of the PES Program:

- ✓ Legal Framework: LGDFS and changes to the Federal Law of Rights
- ✓ Financial Mechanism: Mexican Forest Fund
- ✓ Operation Rules that define specific objectives and guarantee transparency and equity
- ✓ Technical capacities within the institution at the national and regional level, creating synergies with public and private institutions to continuously improve the operation
- ✓ Financing diversification: LFD + PEF + international funds + matching public and private funds.

Lessons learned/Recommendations

- Long-term financial mechanism
- Technical Agents for implementation
- Monitoring and evaluation
- Creation of regional or local models tailored to the context (specific operational rules) Inter-institutional collaboration
- Subnational legislation for local PES
- Collaboration with other institutions (hydrologic energy)



Thank you!

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