Making forest restoration a good investment for Guatemalan farmers

Over the past 20 years the Guatemalan government has delivered about US$ 173 million in incentives for reforestation and restoration. How can we build on this investment?

Expanding commitment to forests & incomes

Guatemalan forests face a major set of challenges: sustained deforestation, persistent management issues, a weak forest sector economy and an unsustainable dependence on fuelwood. To help address these issues, the Guatemalan government programme of payment for environmental services (PES) is credited with reforesting over 112,000 ha of land. This programme has created a vision toward a dramatic expansion of incentives to encourage restoration on a much larger scale.

IUCN and partners helped support the design of a forest law, PROBOSQUES, which establishes an incentive programme providing at least US$ 39 million per year in government funding for reforestation, restoration and sustainable forest management over the next 30 years. They also
facilitated the development of a national strategy on forest landscape restoration (FLR), which commits the government to restore 1.2 million ha of degraded land. Farmers in the Lachua ecoregion were also supported in the development of high-value, cocoa-based agroforestry systems. These systems are not only boosting incomes and creating jobs as Guatemala establishes itself in the global chocolate market, but are also demonstrating that tree planting makes good business sense for farmers (Kumar, et al., 2015).

Mobilising investment

IUCN and partners began by establishing practical examples of community-private sector partnerships that make the case for scaling up landscape restoration activities consistent with REDD+ strategies.

In Guatemala, this meant capitalising on existing opportunities to quickly scale-up financial incentives for reforestation and restoration. The timing was ideal, thanks to a unique set of circumstances. With Guatemala’s current PES system coming to an end, the new forest law entering the pipeline, the Bonn Challenge well established and IUCN’s work on agroforestry in Lachua yielding good results, there was a unique opportunity to learn from past experiences and ‘connect the dots’ to make FLR a real benefit for farmers. The focus of this work was to support the development and approval of the new forest law, PROBOSQUES, which provides an expanded set of incentives for reforestation, restoration and forest management. IUCN worked alongside several partners and donors including: RCCP-USAID, DFID, UNDP, and FAO towards this goal.

Efforts in Guatemala lead to results

In addition to facilitating a multistakeholder dialogue, incorporating the needs of private sector companies and forest-dependent communities, activities included a series of research-based recommendations for law-makers. These briefings proposed, for example, the types of land tenure systems to be supported by the incentives programme, and the relative levels of financial support appropriate for different forestry systems. A set of technical criteria was also prepared for the future implementation of the law, including the basis for selecting eligible sites and appropriate business models for combining FLR with commercial plantations.

On a parallel track, efforts catalysed the development of a national FLR strategy and built a broad community of support from diverse constituencies. This was achieved by facilitating the creation of a National Roundtable on FLR, which brought together government institutions, academia, private sector companies, civil society organisations and communities to discuss, analyse and prioritise the restoration of some of Guatemala’s most degraded lands.

Strong cocoa value chains were developed in the Lachua ecoregion by involving local cocoa farmers and processors, connecting with chocolate companies abroad and attracting additional investment to expand these farming systems.
Specific outcomes

• The new incentive system through the PROBOSQUES law will see a minimum investment of US$ 39 million per year by the government with an additional US$ 76 million expected from the private sector to support reforestation, restoration and sustainable forest management.

• An initial pledge was made by the government to restore 1.2 million ha of land over the next 30 years (and strong political will to pledged a further 2.7 million ha). IUCN and partners’ advocacy efforts helped ensure that Guatemala’s national FLR strategy strongly emphasises the need for benefit-sharing mechanisms and a gender-aware approach so that the benefits of FLR are widely accessible, especially to disadvantaged groups.

• Approval of the PROBOSQUES law has had an important spillover effect as it has enabled Guatemala to access funds from the Forest Carbon Partnership Facility (FCPF) and the Forest Investment Program (FIP).

• Continued support for the cocoa-based agroforestry systems in Lachua has benefitted at least 285 producers by boosting incomes, creating jobs and helping to position Guatemala in the global fine chocolate market.

New knowledge

• Due to Guatemala’s favourable policy environment, efforts helped improve specific elements of government plans for financing restoration and helped ensure that a wide range of stakeholders were involved in developing a national restoration strategy.

• A united front among stakeholders was crucial in the negotiation and lobbying phase of the PROBOSQUES law. Further support will need to be provided to decision-makers to guarantee that future regulations are based on evidence and scientific information, taking over-arching goals into account.

• The participation of forest stakeholders in the dialogue around PROBOSQUES led to an emphasis on the importance of agriculture and productive forestry in maintaining (or restoring) permanent forest cover.

• Institutional leadership from the National Forest Institute was key to bringing together the diverse stakeholder groups for the development of this law (and the national FLR strategy).

• Successful achievement of the goals set out in the national FLR strategy will rely on the capacities of private sector companies and communities to undertake cost-effective restoration. It is therefore important to continue providing capacity-building activities to members of the National Roundtable on FLR.
References


Further Reading

- Bonn Challenge http://www.bonnchallenge.org/content/guatemala
- IUCN http://www.iucn.org/es/noticias/?18367/restauracioncambioclimatico

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