

Early Ideas for the Carbon Fund Mexico

June 2013

Climate Change: National Context



Mexico has a solid legal framework, which establishes the structure and new instruments to face the challenges of climate change and that are also relevant to REDD+ implementation.

- **General Law on Climate Change**
- **National Strategy on Climate Change**
- **General Law for Sustainable Forest Development**
- **General Law for Sustainable Rural Development**

The National Strategy on Climate Change will guide the mitigation and adaptation actions needed to tackle climate change in the next 40 years.

NATIONAL SYSTEM OF CLIMATE CHANGE



National Strategy on Climate Change: 10, 20 and 40 years

PECCC
Special Program on Climate Change

State programs



Sanctions

Coordination of Evaluation by INECC

Climate Change Fund
Grant a privilege on adation and most vulnerable municipalities

- National Inventory of GHG
- National Registry of Emissions
- Official Mexican Standards (NOMs)
- Economic instruments (fiscal, financial, market)
- Information System on CC
- Risk Atlas
- State Risk Atlas

Goals

2012

- Climate Change Fund

2013

- National Institute of Ecology and Climate Change
- National Strategy on Climate Change
- Special Program on Climate Change

2014

- National REDD+ Strategy

2020

- Reduce GHG emissions by 30% relative to the baseline

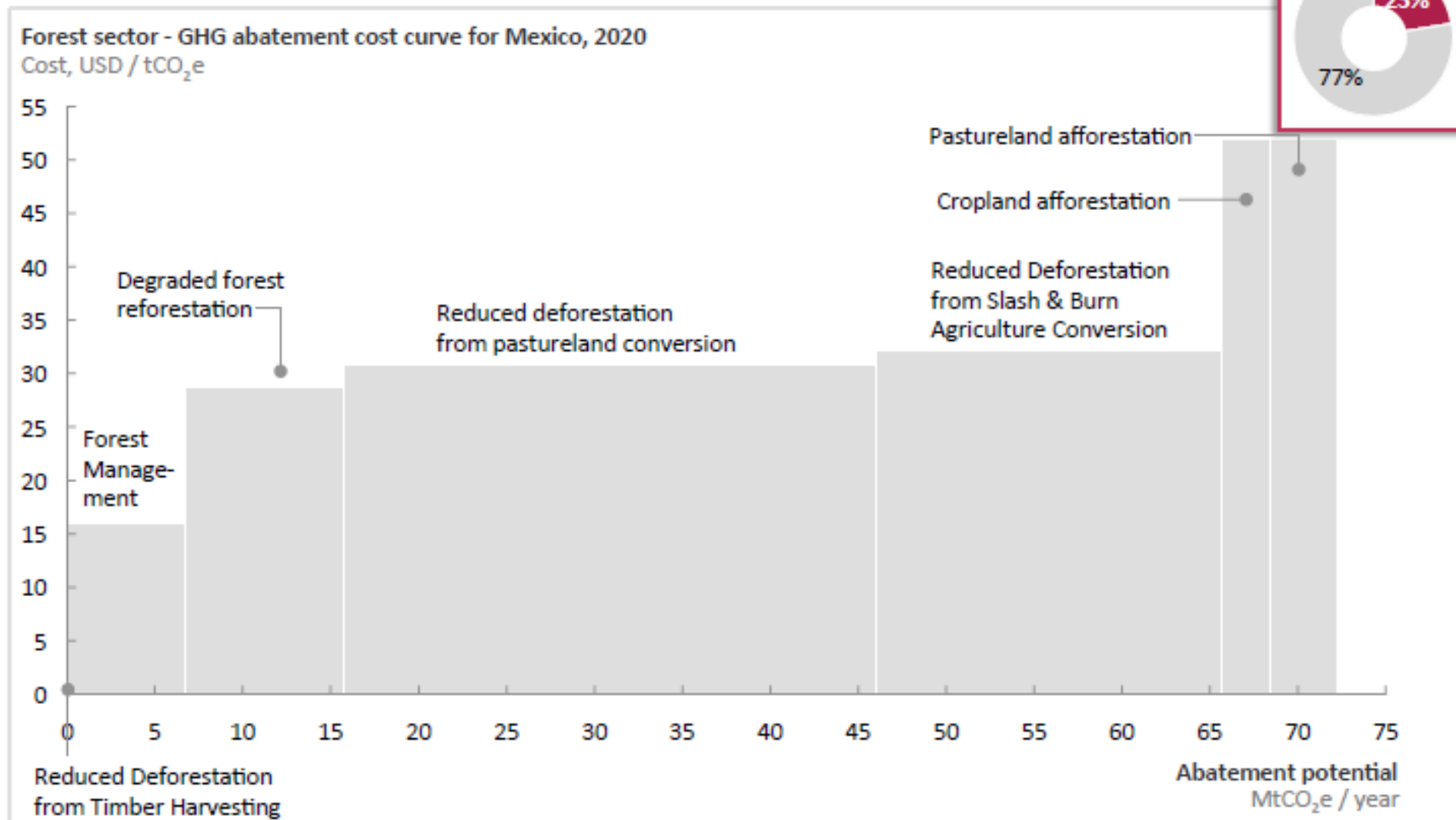
2024

- At least 35% of electricity generation should come from clean energy sources

2050

- Reduce GHG emissions by 50% relative to 2000
- Zero deforestation rate (net, no fixed term)

Mitigation potential in the forest sector



SOURCE: Mexico GHG Abatement Cost Curve 2013

The National Strategy on Climate Change recognizes REDD+ as a viable opportunity to generate positive impact and co-benefits

REDD+ Process in Mexico

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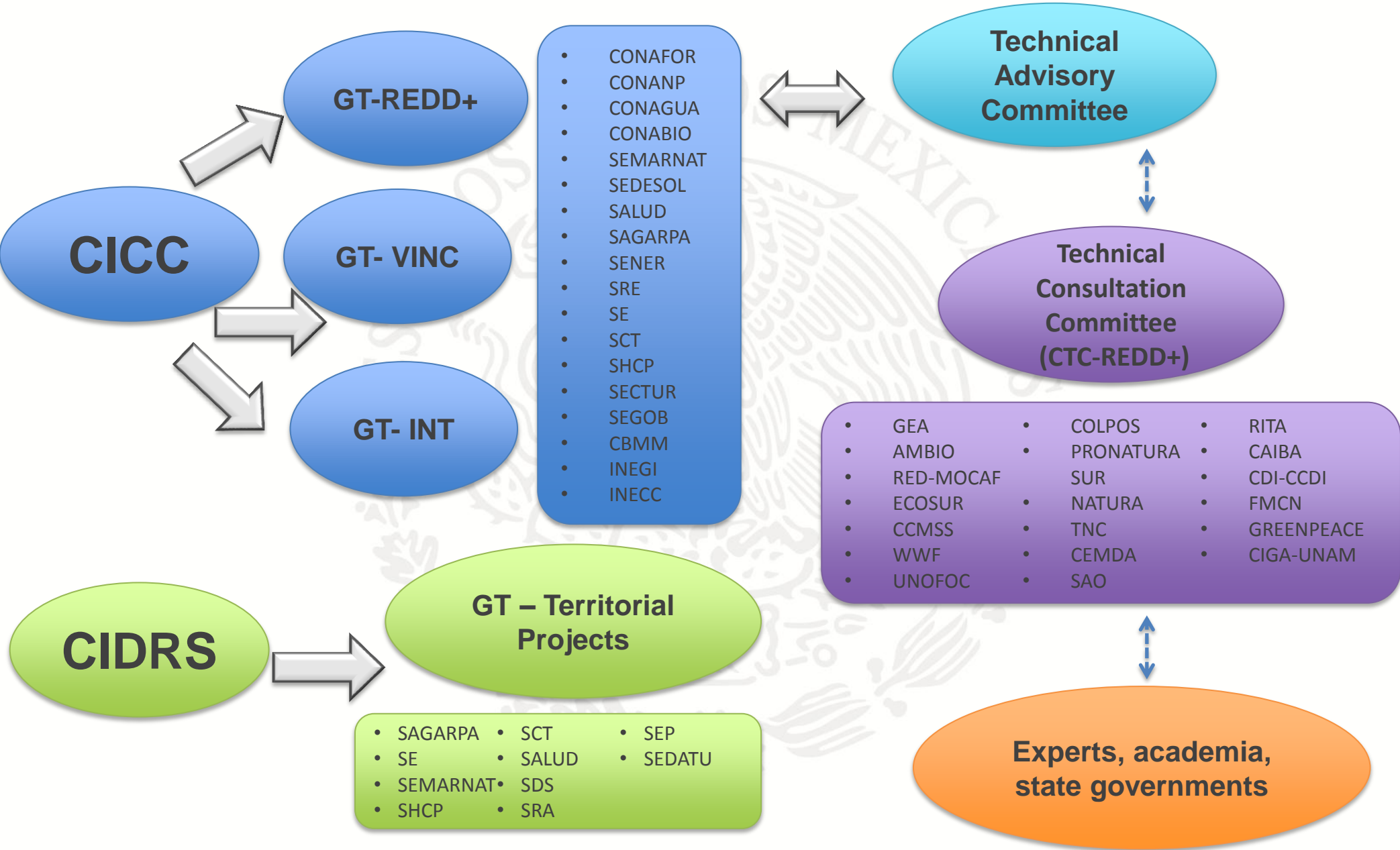


Mexico's Vision on REDD+

- Importance of integrating public policies that promote **sustainable rural development.**
- Incorporating and strengthening **community management of forests and biodiversity conservation.**
- The Vision was developed in a **participatory process, in conjunction with civil society (CTC-REDD +)**



REDD+ Process in Mexico



Readiness Process

National REDD+ Strategy

- ENAREDD: Reviewed draft that incorporates inputs and feedback from civil society
- Institutional Arrangements
- Implementation model with a landscape approach and intergovernmental cooperation mechanisms through local technical Agents
- Strengthening of the national CTC and state CTCs
- Regional participation processes (foros de silvicultura comunitaria)
- Alignment with other participation processes (FIP)
- Consultation Protocol and communication strategy

MRV and Reference Level

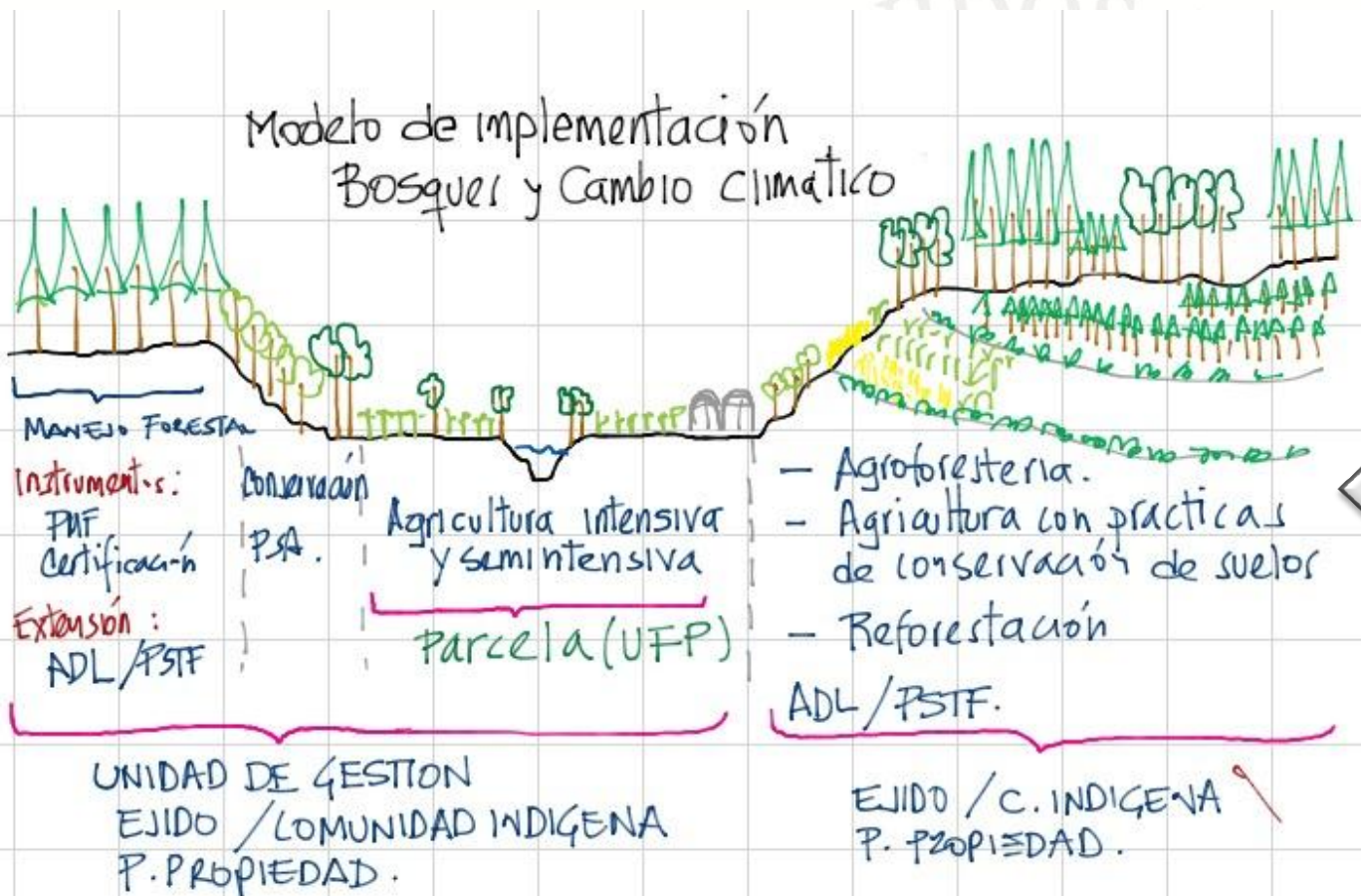
- Financing from the Mexico-Norway Project
- Historical analysis (1990-2010) to estimate net deforestation (LANDSAT 1:100,000)
- Identification of hot-spots, analysis of drivers of deforestation.
- Emission factors - National Forest and Soils Inventory Data (INFyS)
- Activity Data: annual monitoring 2011-2013 (Rapideye: 1:20,000)

Safeguards Information System (SIS)

- Social and Environmental Standards in Early Action Areas (Jalisco and Yucatan Peninsula)
- Analysis of the legal framework and identification of gaps
- Analysis of existing information systems

Landscape Approach: Territorial Units

Modelo de implementación Bosques y Cambio climático



Improved coordination and alignment of programs

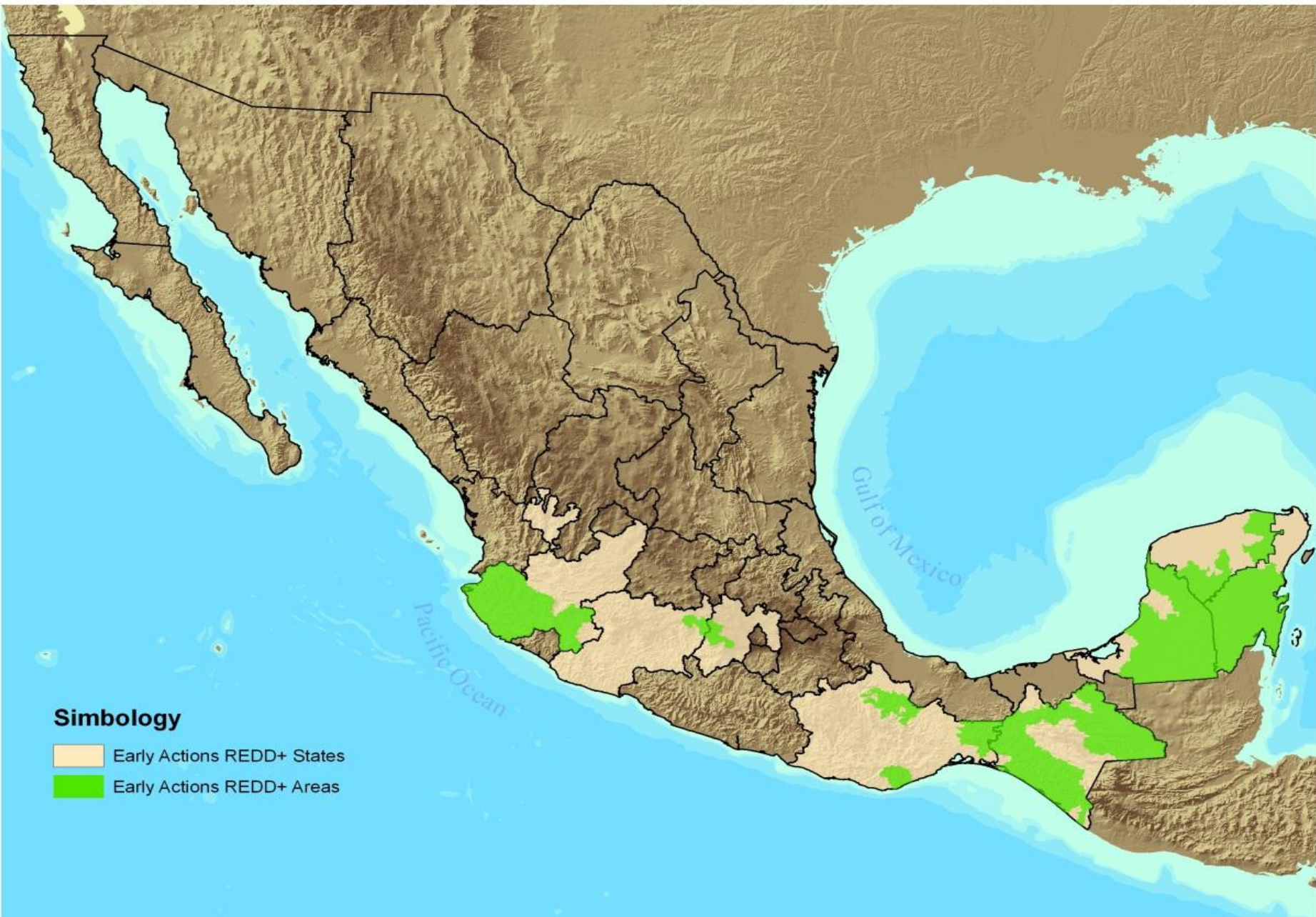
Generation and strengthening of capacities: organization, planning, management and administration

Technical Assistance

Governance structures in the territorial unit

Flexible financial mechanisms

REDD+ Early Action Areas



Simbology

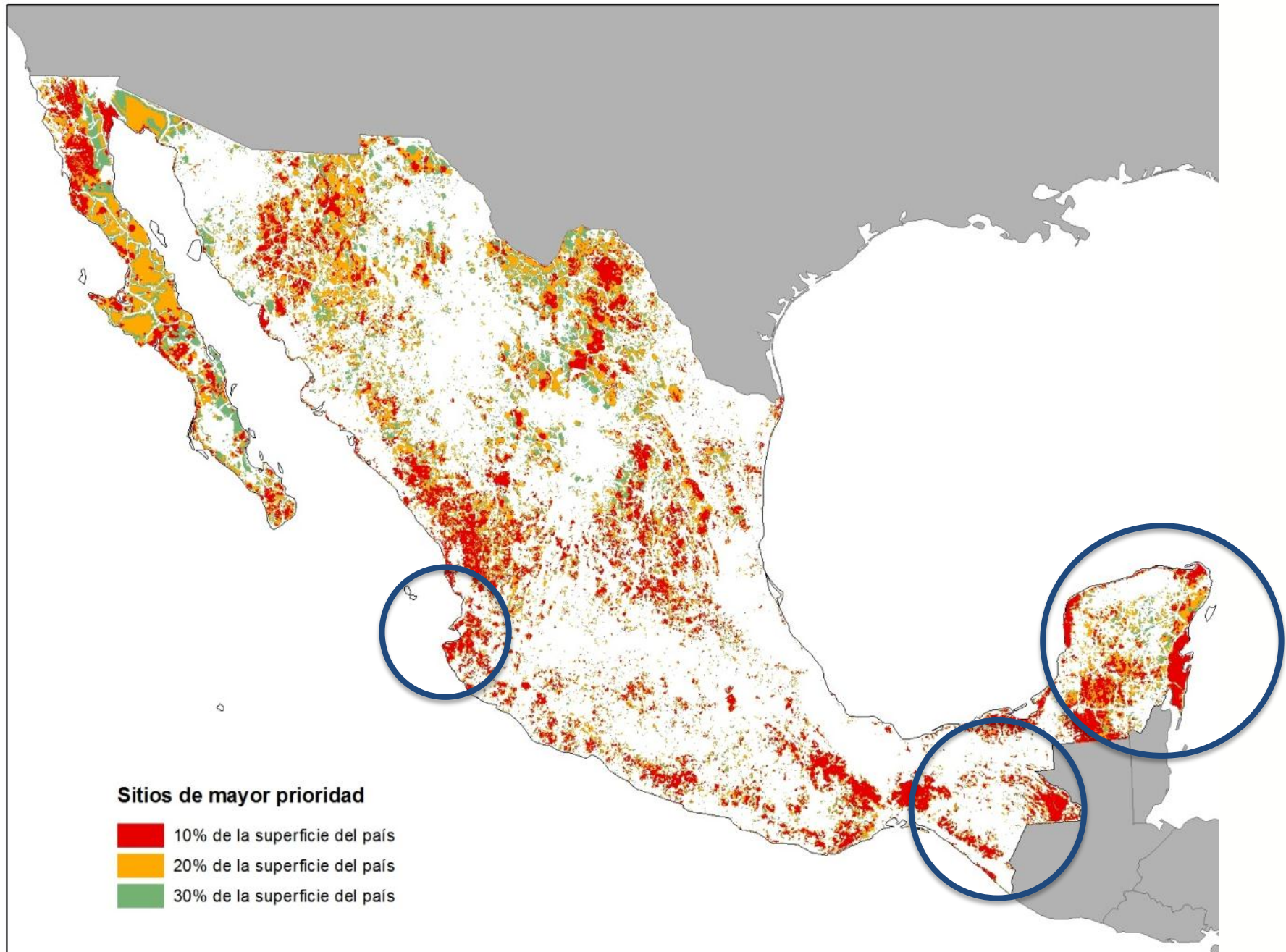
- Early Actions REDD+ States
- Early Actions REDD+ Areas

Priority sites for biodiversity conservation

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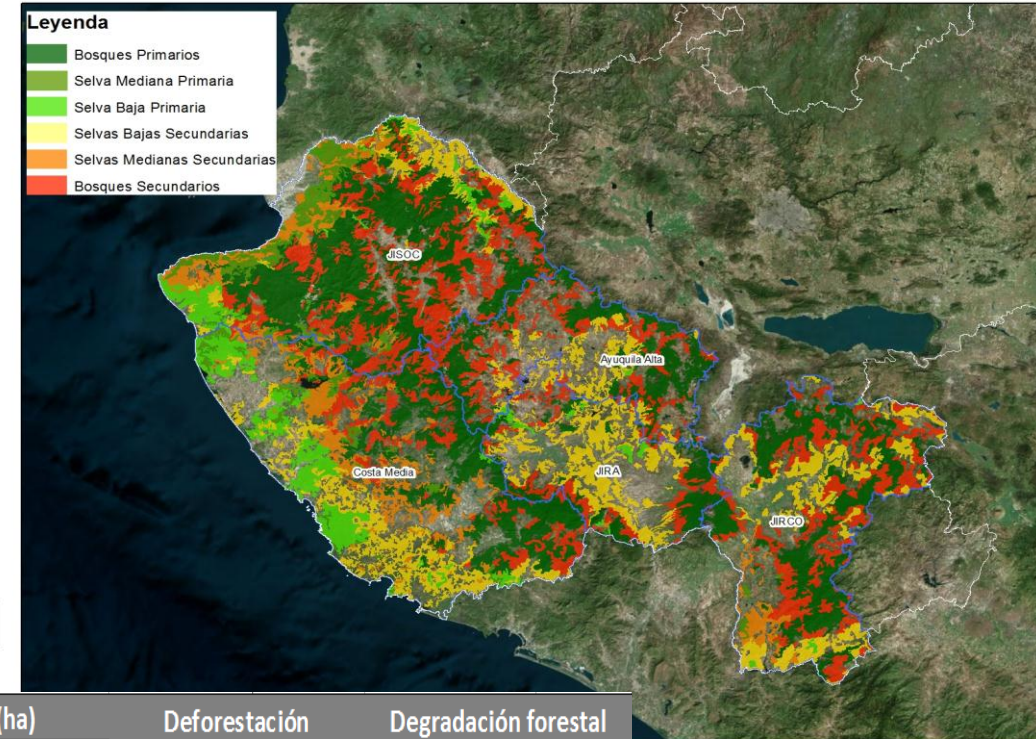
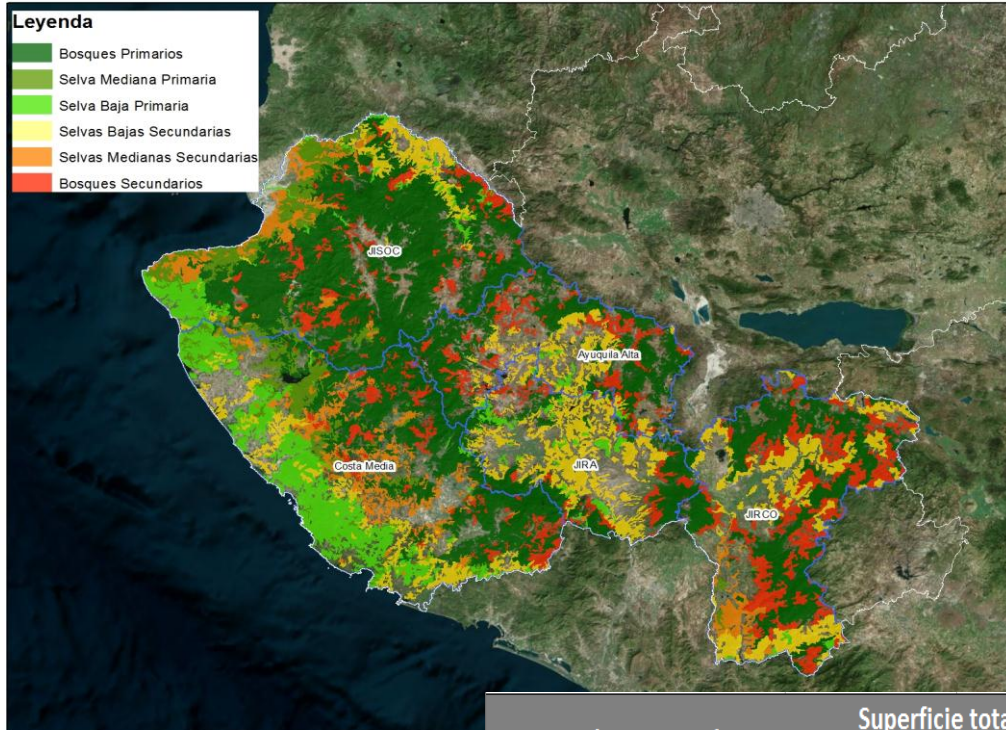
COMISIÓN NACIONAL FORESTAL



Dynamics of change in vegetation cover Coastal Watersheds in Jalisco (1995-2007)

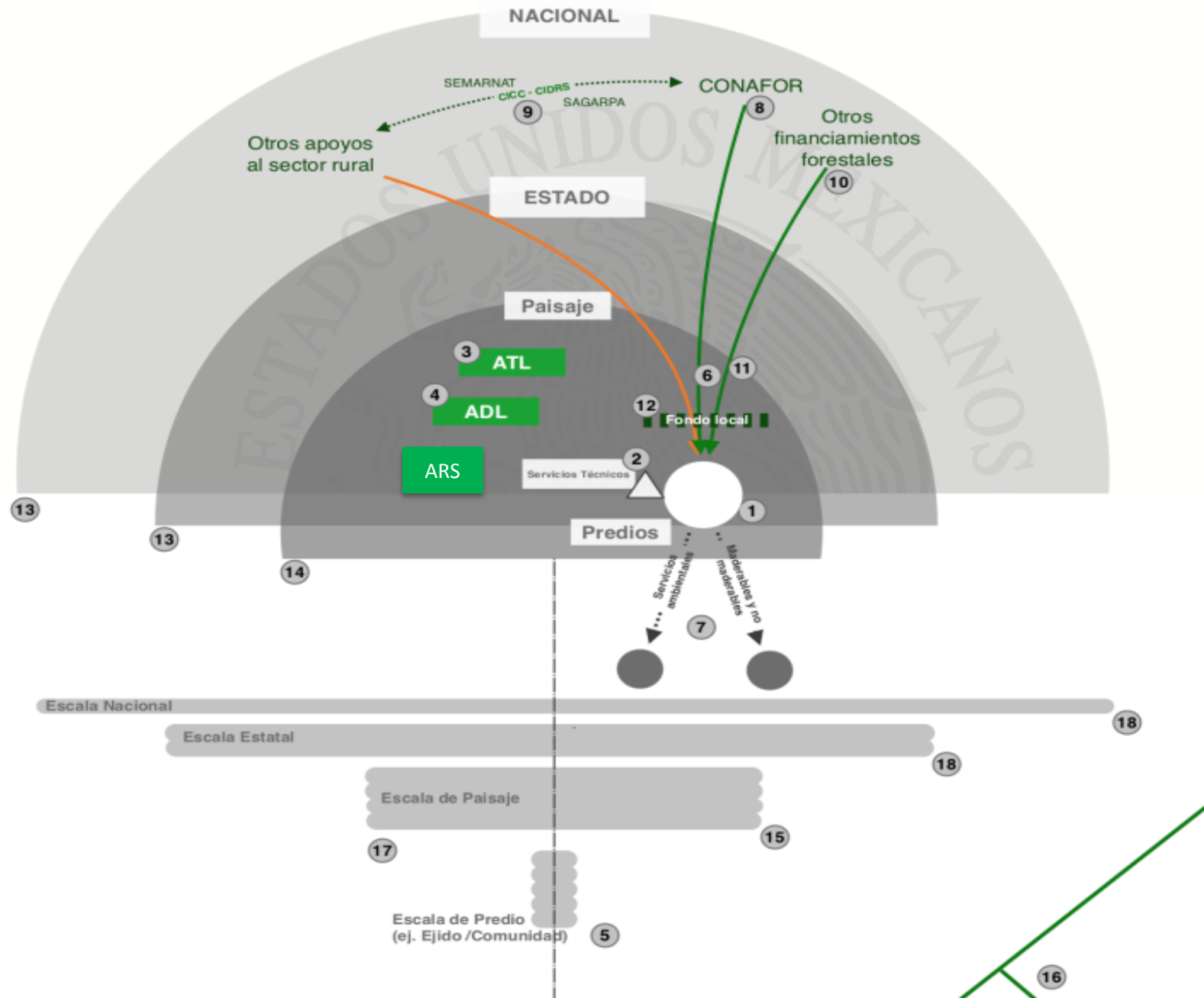
Forest Cover 1995

Forest Cover 2007



Tipo de vegetación	Superficie total (ha)		Deforestación superficie total ha	Degradación forestal superficie total ha
	1995	2007		
Bosque primario	1,172,587.22	884,184.34	15,169.45 (1%)	273,233.42 (23%)
Bosque secundario	367,681.31	599,709.46	32,663.57 (9%)	—
Selva Mediana Primaria	152,761.21	90,075.53	455.09 (0.3%)	62,230.58 (41%)
Selva Mediana Secundaria	172,735.98	199,794.17	9,163.25 (5%)	—
Selva Baja Primaria	290,268.03	198,470.23	2,482.07 (1%)	89,315.73 (31%)
Selva Baja Secundaria	470,297.08	509,030.63	37,423.92 (8%)	—
TOTAL	2,626,330.82	2,481,264.37	97,357.36 (4%)	424,779.73 (16%)

Implementation Model

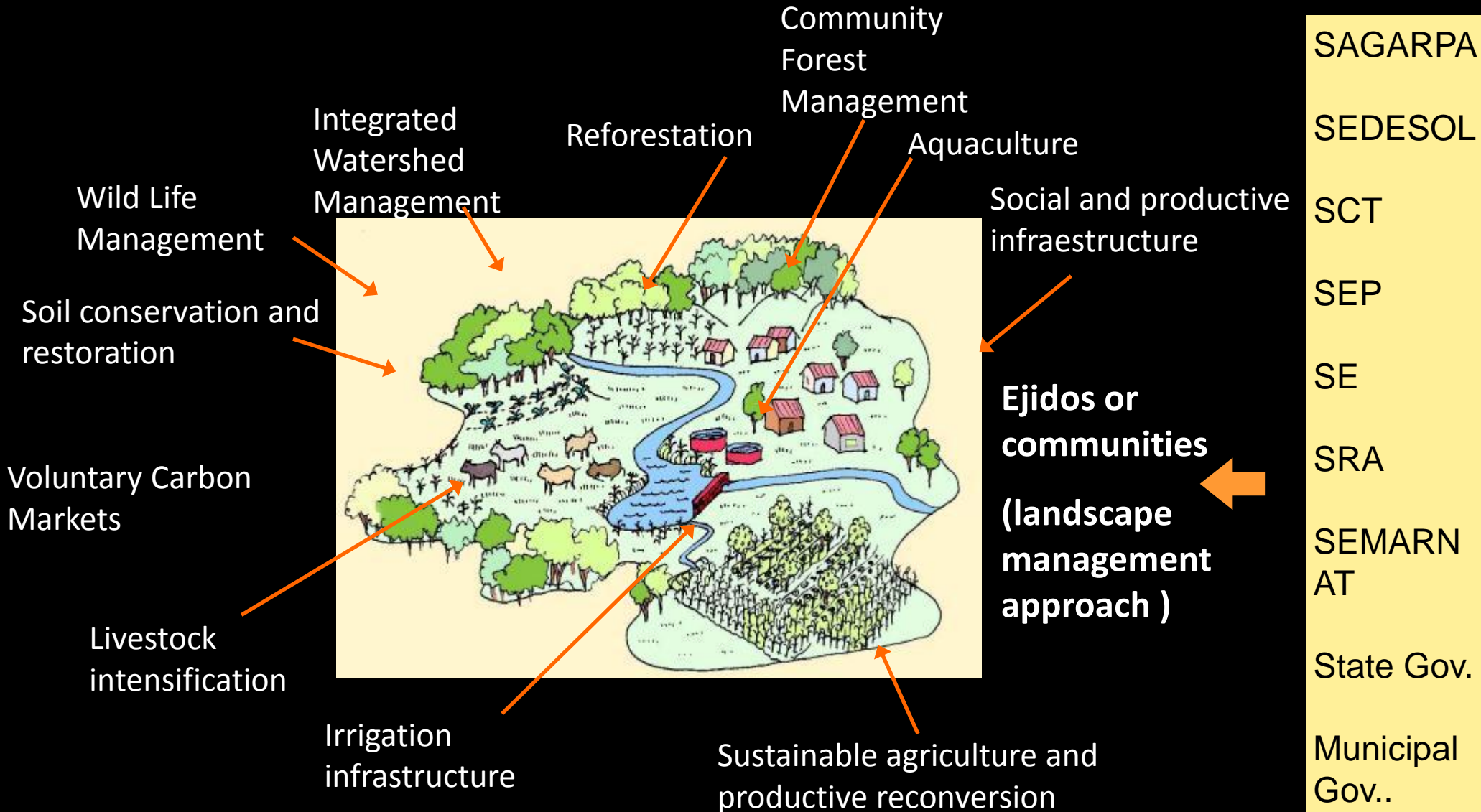


Local Implementation

INTERMUNICIPAL ASSOCIATION

TECHNICAL AGENT

MESOAMERICAN BIOLOGICAL CORRIDOR



Proposed areas: REDD+ Early Action Areas

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- **Comprehensiveness of public policy:** joint implementation in special programs SEMARNAT (CONAFOR, CONABIO, CONANP), SAGARPA, State Governments.
- **Implementation with Technical Agents** (CBMM, Juntas Intermunicipales, others).
- **Competitiveness of rural economies associated with the forest:** community forestry and forest enterprises.



Proposed areas: Jalisco Coastal Watersheds

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Drivers of Deforestation

Increasing agricultural frontier (direct and indirect causes)

Key actors and stakeholders: Municipality associations (JIRA, JISOC, JIRCO), State agencies, Research centers and academic institutions (UNAM, UdeG), producer associations, communities and ejidos.

Activities:

Targeted PES to reduce deterioration processes.

Ecological restoration of degraded areas.

PES Joint reconversion programs (PROGAN SAGARPA)

Reactivation of forest production in temperate forests

Access to credit incentives

Capacity building in communities and ejidos

Strengthening of governance structures



Proposed areas: Yucatan Peninsula

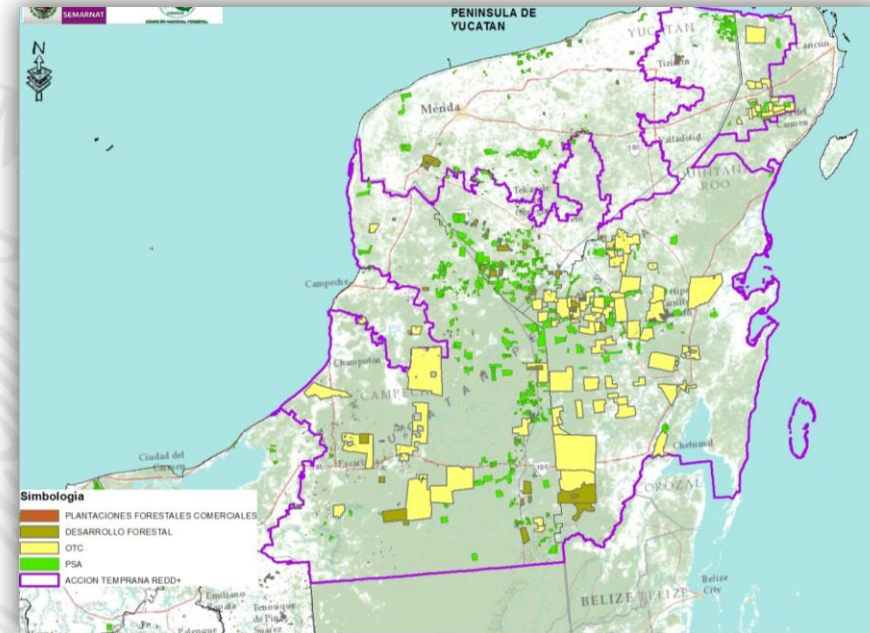
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Drivers of Deforestation

- Land use change by growing crops (soy, citrus, sugar cane, etc.)
- Advancement of ranching
- Growth of areas devoted to high-income tourism.

Key actors and stakeholders: Municipality associations (AMUSUR, Asociación Municipal de la Zona Sur de Yucatán), State Agencies, Coordinación de Corredores y Recursos Biológicos (CCRB), Consejo de Cambio Climático Peninsular, REDD+ Regional Technical Committee, Research Centers and academia, producer associations, communities, ejidos.



Activities:

- Targeted PES
- Diversification of plantations with native species and agroforestry
- Silvopastoral systems
- Community Forestry and Certification (PEFC, FSC)
- Sustainable supply chains
- Access to credit incentives
- Capacity building in communities and ejidos
- Strengthening of governance structures
- Ecotourism

Proposed areas: Selva Lacandona, Chiapas

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Drivers of Deforestation

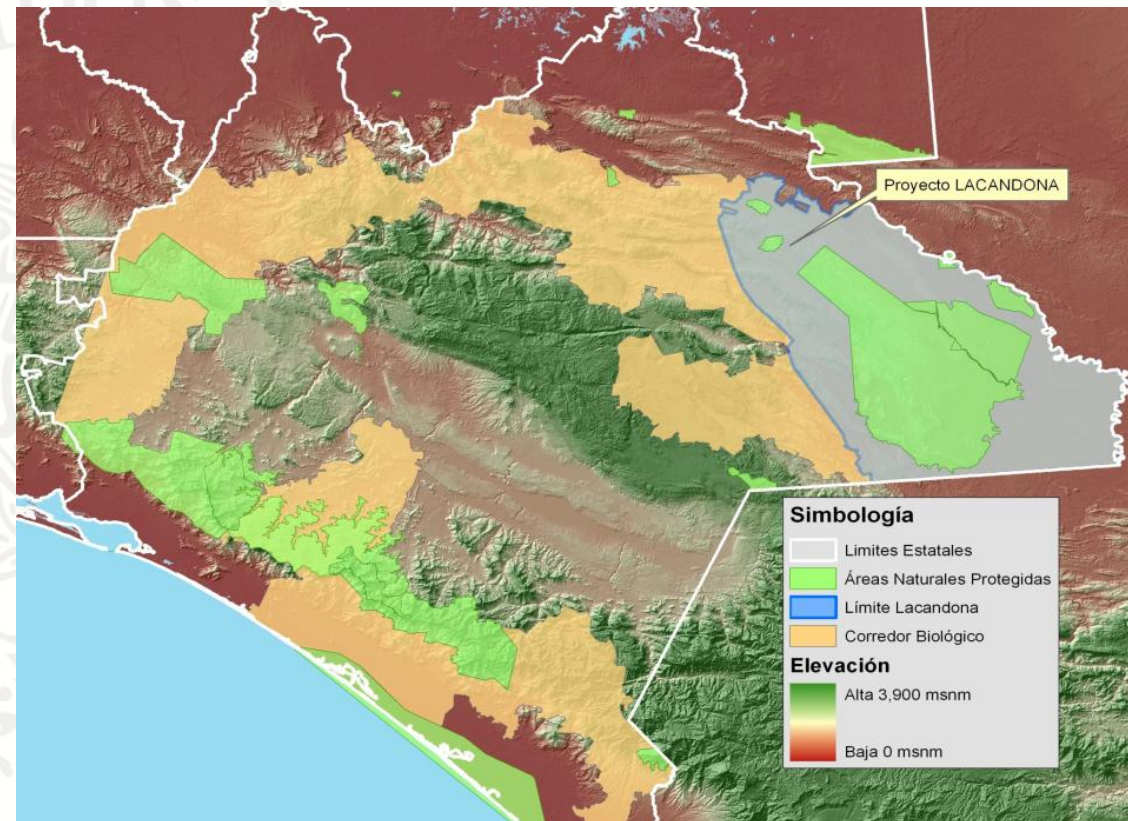
- Land use changes (agriculture, ranching, plantations)

Key actors and stakeholders:

CCRB, State Agencies, Inter-institutional Technical Committee for the Lacandona Special Program, Advisory Committee of the Montes Azules Reserve, Chiapas CTC REDD+, Producer associations, communities and ejidos

Activities:

- Community Forest Development
- Capacity building in communities and ejidos
- Strengthening of governance structures
- Regeneration of Forests
- Targeted PES
- Sustainable livestock projects
- Ecotourism



Emission Reduction Potential (preliminary information)

	Pérdida de Vegetación 2002-2007			Factor de Emisión (ton/ha)	Cantidad de Biomasa (ton)			Dióxido de Carbono Equivalente (ton CO ₂ eq)		
	Cuencas Costeras Jalisco (ha)	Lacandona Chiapas (ha)	Península de Yucatán (ha)		Cuencas Costeras Jalisco (ton)	Lacandona Chiapas (ton)	Península de Yucatán (ton)	Cuencas Costeras Jalisco (ton)	Lacandona Chiapas (ton)	Península de Yucatán (ton)
Bosque Coníferas	4,610.20	36,331.36	0	29.30	67,539.47	532,254.49	0	247,194.48	1,948,051.42	-
Bosque Encino	28,934.42	21,455.57	1,665.51	18.30	264,749.98	196,318.50	15,239.39	968,984.94	718,525.70	55,776.16
Bosque Encino-Pino	1,895.03	915.09	0	25.10	23,782.60	11,484.41	0	87,044.31	42,032.94	-
Selva alta y mediana	21,411.18	137,963.49	292,706.84	38.10	407,883.01	2,628,204.57	5,576,065.30	1,492,851.82	9,619,228.72	20,408,398.98
Selva Baja	25,393.42	31,880.14	552.04	21.10	267,900.53	336,335.48	5,824.02	980,515.94	1,230,987.84	21,315.90
Manglar	2.65	473.09	10,774.08	1.10	1.46	260.20	5,925.74	5.33	952.32	21,688.22
Total	82,246.90	229,018.75	305,698.46		1,031,857.05	3,704,857.63	5,603,054.44	3,776,596.82	13,559,778.93	20,507,179.26

37,843,555

Benefit Sharing



Benefit sharing for:

- **Implementation of sustainable management practices that reduce the emissions from forest deforestation and degradation**
- **Enhancement of carbon stocks**

Taking into account the experience and lessons learned from community forestry and land tenure in Mexico

International

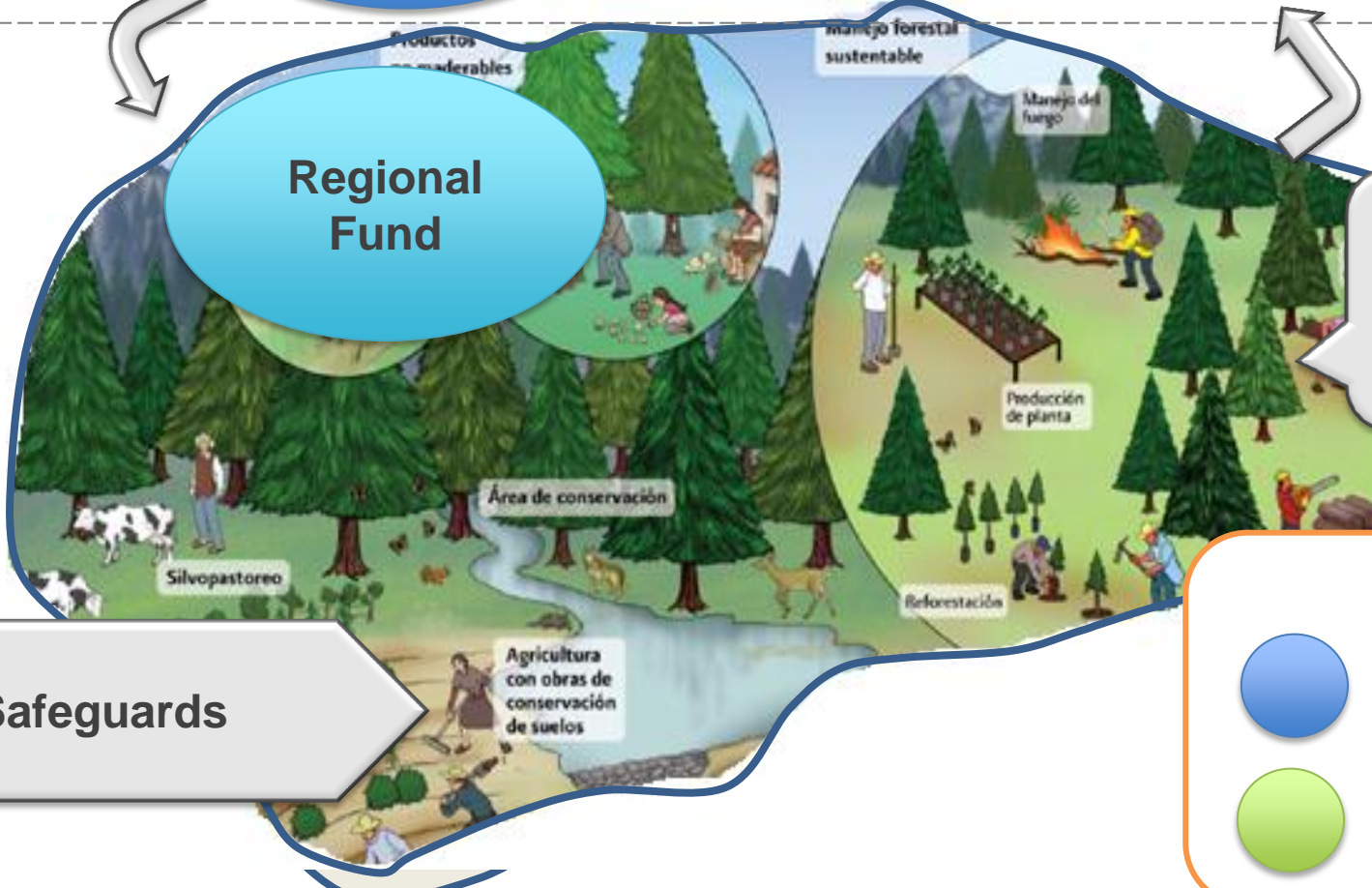


National



Registry and accounting of mitigation actions at the national level taking into account subnational performance

Territorial Unit



Emission Reductions in ATREDD+ (subnational reporting and accounting)

State Reference Level

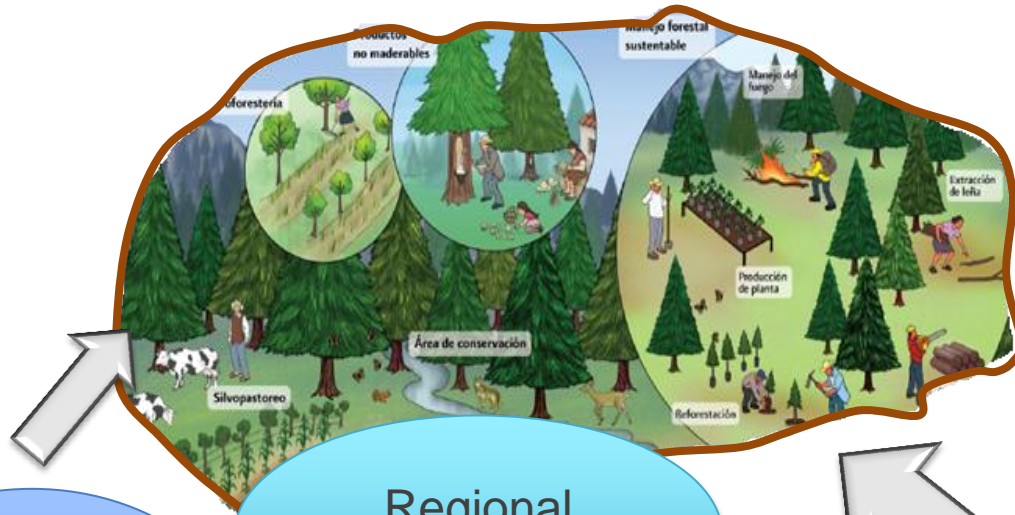


Programs (Emission Reductions)



Projects – voluntary market (enhancement of carbon stocks)

Safeguards



Regional Fund

LGCC
Climate
Change Fund

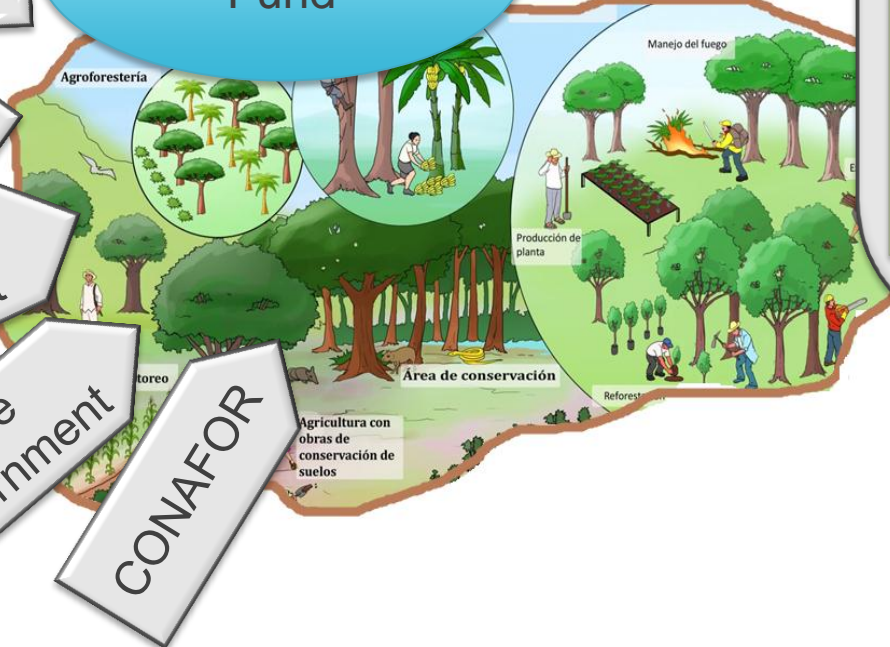
Regional Fund

SAGARPA

Municipal
Government

State
Government

CONAFOR



Incentives for conservation and sustainable forest development:

- *PES and local mechanisms,*
- *Reforestation,*
- *Community Management of Forests,*
- *Wildlife management,*
- *Soil conservation and restoration*

Integral Packages to reduce pressure on forests:

- *Access to credit*
- *Sustainable agriculture and productive reconversion,*
- *Sustainable livestock projects,*
- *Sustainable supply chains*

Benefit sharing options

Mixed system in which communities and ejidos would have different sources of income:

- **Articulated public programs inside and outside the forest sector**, to promote integrated landscape management (including sustainable forest management practices for conservation and production)
- **Transfer resources to communities through a Regional Fund** to generate incentives for reduction of emissions from deforestation degradation.
- **Voluntary carbon market** for the enhancement of carbon stocks.

Benefit sharing options

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- Communities and ejidos receive incentives based on sustainable management activities in the territory and their impact.
- Incentives for building social capital and projects with co-benefits
- The mechanism will be designed along with the actors and owners of forest land through a transparent process.
- The government will be responsible losses and non-permanence

Conclusions

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- Innovative approach: municipality associations (juntas intermunicipales), technical agents
- Opportunity to generate direct benefits to communities and ejidos and promote an integrated management approach of the territory
- Favorable conditions of tenure and successful experiences of community forest management
- Effective policy instruments with incentives based on community-level
- Participation platforms with various actors



Thank you!

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