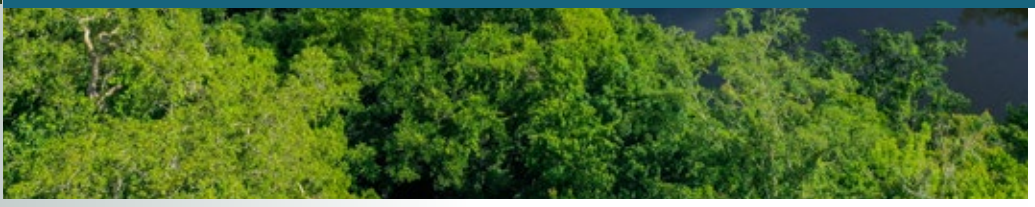
PRISMA
Programa Regional de Investigación sobre Desarrollo y Medio Ambiente

Territorial Finance: **Empowering Grassroots Climate Action**



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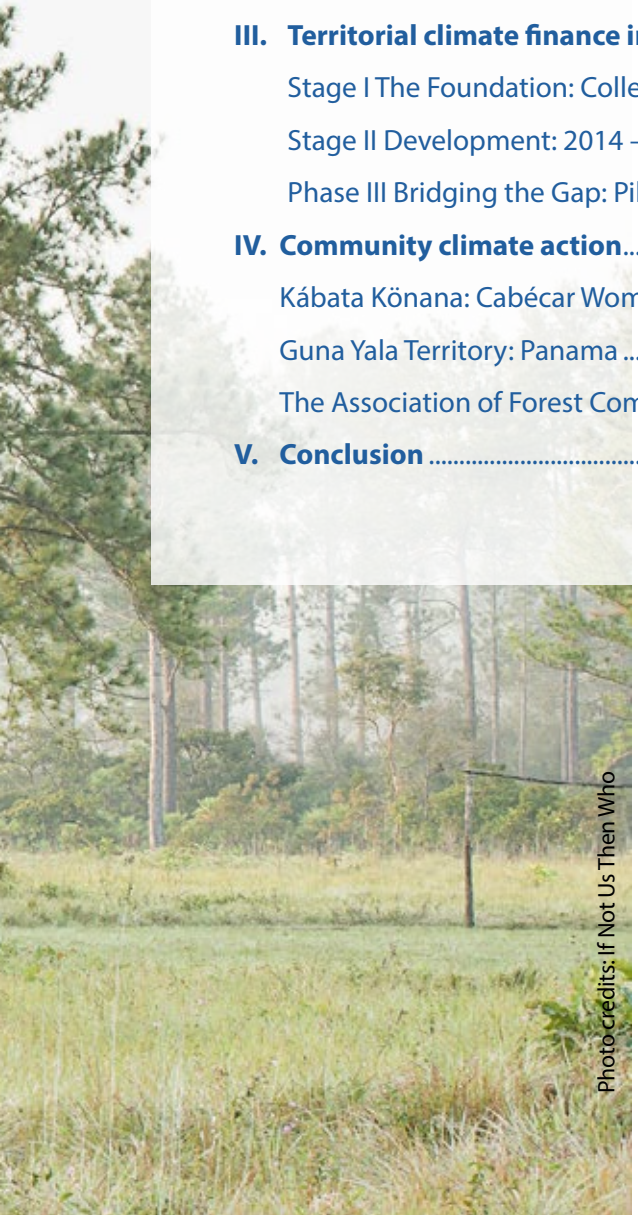

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Authors:
Andrew Davis, Ben Hodgdon, Manuel Marti, and Blas López

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Key messages

Indigenous peoples and local communities (IPLCs) are taking action on the frontlines of the climate crisis; their territories hold 24% of global carbon and they are acutely vulnerable to the effects of climate change.

Only a fraction of the climate finance committed to date supports IPLCs directly; new mechanisms are required to connect more meaningfully with local rights holders.

Such mechanisms need to better represent and connect with local realities, through less intermediation, greater accountability, and more direct investment in community-based governance, resource management, and enterprise.

The diversity of successful examples from Mexico and Central America (Mesoamerica) provides lessons on how best to invest in grassroots social organization, territorial control, local technical capacity, and social enterprise and to make sure legal rights are a reality.

Over the past several years, the Mesoamerican Alliance of Peoples and Forests (AMPB) has built experience incubating its Mesoamerican Territorial Fund, a mechanism that channels funds for climate action where they are needed most.

Case studies of indigenous peoples in Costa Rica and Panama highlight how communities are taking climate action with little support, while in Guatemala communities have successfully accessed finance thanks to investment in community capacities.

Greater commitments are needed to scale up initiatives like the Mesoamerican Territorial Fund and the broader efforts of the AMPB; such investments can also help seed the development of similar funds elsewhere in the world.

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I. Introduction: making climate finance work for indigenous peoples and local communities

As world leaders come together in Scotland for the United Nations Framework Convention on Climate Change´s (UNFCCC) 26th Conference of the Parties (COP), the stakes could not be higher. The planet continues to warm, and scientists have warned that higher temperatures have essentially been locked in for the next 30 years.

Natural climate solutions could provide up to 37% of the emissions reductions required to keep climate change to 2 degrees Celsius by 2030[1]; however, less than 3% of climate finance goes towards actions that conserve forests and restore ecosystems.[2] As world leaders increasingly seek rapid action options to mitigate climate change, investing in forests has become ever more important.

From the start, indigenous peoples and forest communities from around the world have made it clear that successfully confronting the climate crisis requires securing their rights to land and resources. Studies demonstrate that forests under customary ownership and management by indigenous peoples contain at least 24% of the world´s tropical forest carbon.[3] Over time, the role of secure and clear rights of indigenous peoples and forest communities has received increased attention, even appearing as key elements in the UN's Reducing Emissions from Deforestation and Forest Degradation (REDD+) readiness design proposals (R-PPs) in multiple countries around the world.[4,5]

Yet the disbursement of climate financing does not reflect the central role of indigenous peoples and communities. A critical look at how forest-focused climate finance has functioned to date reveals clear priorities for change. Since 2008, more than US $5 billion has been pledged for REDD+ initiatives globally; around US $2.8 billion of this has been approved for dedicated REDD+ activities.[6] However, only a small fraction of these funds has reached the local communities whose actions ultimately will make the difference. The lion's share of the money has been captured at higher levels, amongst international NGOs, consulting firms, technical experts, and government agencies: only 10% of total climate finance is committed to local levels.[7] A new report this year found that projects supporting indigenous peoples and local community tenure rights and forest management over the past decade came to less than 1% of official development assistance for climate change in the same period.[8]

This is a result of the way REDD+ financing has been designed and deployed. Achieving "readiness" has disproportionately emphasized "top-down" measures and technical solutions over "bottom-up" organizational strengthening and capacity building.[9] While top-down reforms are clearly necessary, failing to invest adequately in readiness at local scales shortchanges the communities who must do the work on the ground to stop deforestation and mitigate climate change. Without strengthened local organizations, resilient local systems for forest management, and technical expertise embedded in communities, there can be no sustained emissions reductions.

One result of the lopsided approach to forest mitigation investment is that, to date, a majority of the benefits that have reached the field has primarily been distributed to communities that are already well organized.[10, 11] In other words, in most countries, REDD+ financing has failed to reach the places where the need is most acute – where local capacities are low and threats to the forest are high. As long as this remains the case, forest climate financing will continue to fall short.

How can the global community ensure that climate finance invests where it matters most? While some REDD+ financing must continue to focus on structural and policy reform, a much greater share of it needs to be channeled

to building up community governance and technical capacities for resource management systems based on clear and secure community rights.

As the global REDD+ discourse and financing architecture moves from "readiness" to implementation and payment-for-results, it is a timely moment to focus more on the essential role of communities. In many places, despite a decade of readiness investments, such finance will be arriving for the first time. How this money is channeled – through which organizations and what local systems they build from – will make the difference between success and failure.

In this report, we analyze the opportunities and challenges of channeling finance more directly to communities. We draw on historical lessons of community-led governance from the Mesoamerican region, and we present new processes aiming to reshape the way that development finance articulates with local communities. Section II delves into the lessons of governance in the Mesoamerican region, unique for its long history of governance based on the recognition of community rights, and home to some of the most sophisticated community forest management organizations in the world. Section III traces the progress of a grassroots proposal for a new, reimagined climate finance architecture in Mesoamerica, including the Mesoamerican Territorial Fund led by the Mesoamerican Alliance of Peoples and Forests (AMPB). Section IV highlights the continued actions of local communities to respond to climate change and the pressing need to support these actions with more substantial climate finance at local levels.

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II. Grassroots governance, management and enterprise: consolidating community capacities for bottom-up climate action

Indigenous peoples and local communities today face multiple interrelated "wicked problems": climate change vulnerability, deforestation, natural resource degradation, biodiversity loss, organized crime, migration, and governmental corruption. For international climate finance to more effectively help solve such problems, a far greater share of it needs to be channeled to institutions working from the "bottom-up" to confront challenges on the ground. In many places around the world where communities are taking action, they are not empowered with the legal rights to consolidate and scale up their solutions. At the same time, local capacities to execute significant flows of finance remain limited.

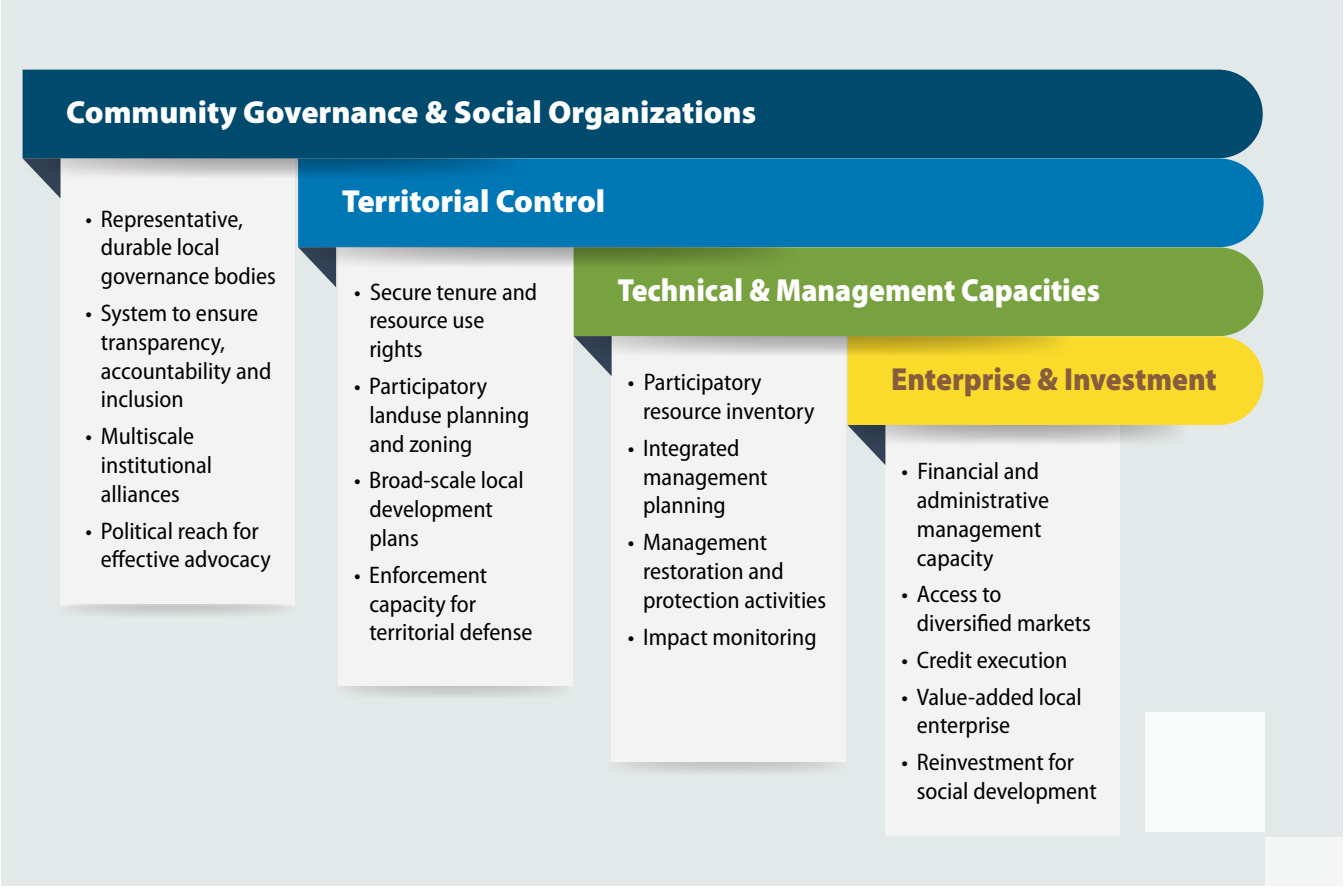
The case of Mesoamerica is an important lens through which to analyze opportunities to increase bottom-up investment. The region is home to many examples of durable community-driven models of sustainable resource governance, based on clear rights and strong local capacities. In places like the Sierra Juárez, in Oaxaca, Mexico, in Guatemala's Maya Biosphere Reserve, Costa Rica´s Talamanca region, and in the indigenous *Comarcas* of Panama, communities have built resilient systems for sustainable land management and enterprise based on governance models that have evolved to face emerging challenges. In other parts of the region, a rising tide of criminality – often abetted by corrupt state agencies – has hindered communities' ability to exercise their rights. In between these extremes, diverse groups of less visible models of locally-led natural resource governance have evolved in different parts of the region. Some of these lesser-known cases are profiled at the end of this document.

This diversity of experience in Mesoamerica holds critical lessons for the world on how best to invest from the bottom-up in community governance and local systems for natural resource management. Below we outline the core components underlying enduring community-led development models that have flourished in the region, highlighting pathways for support through climate finance mechanisms. These pathways are based on the following four key enabling conditions necessary for durable community-based governance and resource management:

1. **Community governance and social organizations** that are representative and legitimate, with mechanisms to ensure accountability, transparency and inclusion, and which are linked to networks of allied organizations through multiscale coordination.
2. **Territorial control** based on secure rights and a supportive legal framework to manage and conserve land and resources, exclude others, enforce rules and sell products and services.
3. **Technical and management capacities** to plan, implement, monitor, and adapt community natural resource management systems.
4. **Social enterprise and access to investment** that supports territorial defense and facilitates local business development, delivering economic and livelihood benefits to a broad stakeholder base.

Building from the above factors, Figure 1 below presents the key areas for investment in the development of grassroots capacities.

Figure 1: Enabling conditions for bottom-up, community-based resource governance[12]



Community governance and social organization

Evidence from global studies indicates that the single most important factor determining the success or failure of community-based systems for territorial management is strong social governance.[13,14] When donor-supported projects ignore the social foundations, investments in technical, market or finance "solutions" – designed far away from the communities they are designed to benefit – often fail to achieve lasting impact.

In Mesoamerica, a diversity of social organizations responsible for the management of natural resources has flourished over decades. In some places – particularly amongst indigenous communities – a collective approach rooted in traditional forms of governance is taken to rule building, management regimes, enforcement and benefit sharing. In other places, cooperative models involving smaller groups within communities are employed for resource management, while reporting to broader community constituencies. In still other places – most typically among mestizo smallholders – new forms of "collectivity" among *campesinos* and private landowners have been negotiated.[15]

This diversity reflects the tremendous array of local traditions and legal forms of property that exist in Mesoamerica, each with different arrangements for local-scale governance. Meanwhile, different social movements have achieved rights at different times, in unique political contexts, with disparate aims in terms of productive strategies. What unites the diversity of successful models found in the region is a commitment to participation, transparency and legitimacy, backed by mechanisms for accountability and checks on the accumulation of power.[16]

Multiscale governance between communities is also critical to success as well as to achieving scale. Experience from the region demonstrates that such "bridging" of social cohesion is important in leveraging the political support to defend community rights, build local capacities, and develop community enterprises.[17] Such networks expand in both top-down and bottom-up directions, involving local, regional, national, and international organizations and actors. Aggregating or "tiered" confederations that group together multiple organizations or federations are also key to long-term success.[18,19]

Photo credits: Nicole León

Several important examples of multiscale governance comes from "second- and third-tier" aggregating associations among forestry producers in the Mesoamerican region include the Emiliano Zapata Union of *Ejido* and Community Forests (UNECOFAEZ) in Durango, Mexico; the Union of Zapotec and Chinantec Forest Producer Communities (UZACHI) in Oaxaca, Mexico; the Association of Forest Communities of Petén (ACOFOP) in the Maya Biosphere Reserve, Guatemala; and the Federation of Cooperatives of the Verapaces (FEDECOVERA) in Alta and Baja Verapaz, Guatemala.

While associations between communities are crucial, alliances with government agencies, donors, private sector companies, and a range of other actors have also been key to achieving and maintaining success. These alliances underscore the importance of external recognition of the legitimacy of bottom-up governance, as well as investment in the development of local capacities for resource management and enterprise. A recent book on the history of Mexican community forestry underscores this point.[20] Similarly, the cooperation of state agencies in supporting the development of community-run natural resource management has been fundamental in Guatemala and Panama.

The wealth of experience among social organizations at multiple scales in the Mesoamerican region shows that a variety of models can support territorial defense and sustainable, community-based natural resource management, ensuring meaningful results in the long term. A key to consolidating such gains is an increased emphasis on enhancing broad-based participation, especially among women and youth.

Territorial control

While social organization forms a foundational pillar, secure rights that allow for territorial control, community access, use, management, and exclusion rights are equally fundamental. [21] The Mesoamerican region is a global leader in the recognition of community rights. Such recognition has its roots in agrarian reform policies born out of the Mexican Revolution (1910-1917), as well as the Dule Revolution (1925) in Panama.

Although such reforms took decades to result in real community-based control, Mesoamerican countries are now home to the highest percentage of forestland under community tenure regimes in the world. A diverse array of communities have gained recognized rights to about two-thirds of the region's 83 million hectares of forest (see Table 1).

Table 1. Land and forest areas under legally recognized community rights in Mesoamerica

Country	Type of community right	Number of titles	Area (in hectares) covered by those titles	% of national territory under collective rights	Area (in hectares) of forest under collective rights	% of national forest under collective rights
Mexico [22]	Agrarian Communities, Ejidos	31,518	105,950,000	54%	45,690,000	70%
Guatemala[23]	Community Concessions Community lands	1,213	1,577,000	14.4%	398,300	11%
Honduras[24, 25,26]	Indigenous territorial councils Forest cooperatives Indigenous community titles	741	2,098,000	18%	1,873,000	40%
Nicaragua[27, 28]	Indigenous territorial governments	23	2,725,000	21%	2,380,000	70%
Costa Rica [29]	Indigenous Integral Development Associations	24	301,500	5.9%	283,000	11,90%
Panama [30,31,]	Comarcas and collective lands	34	2,377,104	31%	1,234,000 [32]	35%
Regional Total		33,553	114,988,180	47%	51,857,546	63%

As with social governance models, there is an array of different tenure arrangements that have been used to secure rights under different modalities in the region, including collective title, fixed-term concession, and private ownership. While diversity is the rule, it is clear that without secure tenure, sustainable community-based natural resource management and enterprise cannot develop.

For community-based systems to successfully go to scale, experience from the region demonstrates that a host of other supportive policies must be in place, including cooperation of state agencies to enforce community rights of exclusion; government policies and regulations that facilitate sustainable natural resource management; legal and tax regimes that allow for local enterprise development and value-added production; public subsidy and access to credit; and preferential purchasing policies by government. This again underscores the need for external support to negotiate with and empower community rights and grassroots capacity.

Another foundational element for territorial control is participatory, integrated landscape-scale planning. Such planning – often nested within broader local development visions – ensures that distinct management areas are clearly agreed and demarcated, allowing for the monitoring and control of land-use change so that investments in sustainable management have the best chance of succeeding. This has been particularly important in parts of the Mesoamerican region where land speculation and pressure for forest conversion is high. While a focus on controlling external pressures is often a driving goal, such processes must be participatory and inclusive to ensure that the formalization of management practices do not unduly exclude certain sectors, especially women and marginalized households. [33]

Technical and management capacity

Communities with clear rights and strong social organization are well-placed to develop the technical and management capacities for long-term resource management and local enterprise development. Moving from struggles for rights to management, however, is a complex process. In many cases, social organizations highly experienced in advocacy and policy have found themselves needing to pivot quickly to negotiate complex market, resource management, or technical regulatory discussions. [34] Acquiring, managing, and retaining such diverse capacities without undermining traditional norms can be a major challenge, and one that changes over time. Where such a balance can be maintained, outcomes are highly positive, underscoring the centrality of social cohesion. [35]

In Mesoamerica, one of the most notable areas of progress in the development of locally-based, formalized management capacity is that of community forest management (CFM). Under a diversity of CFM regimes, complex technical forestry abilities, market and policy negotiation, and leadership abilities have allowed for the emergence of thousands of productive forestry organizations operating at multiple scales across the region. Today, large areas of forests are under different forms of CFM in Mesoamerica, many of them with decades of ex-

Table 2. Forest area under CFM in Mesoamerica

Country	Number of management plans administered by indigenous people and local communities	Area (in hectares) of forest under those management plans
Mexico [36]	2,311	4,400,000
Guatemala [37,38]	17	407,800
Honduras [39]	128	484,151
Costa Rica [40]	13	9,900
Panamá [41]	7	110,650
Total	2,476	5,412,501

Photo credits: If Not Us Then Who

perience in forest product management, and other types of production and market integration (see Table 2).

CFM objectives across the region vary widely. In many places, forest protection is the main aim; in others the production of timber or non-timber forest products (NTFPs) may guide management planning. In yet others, restoration or reforestation is the key goal. More often than not, forest management will include multiple objectives. What binds successful experiences together is a strong focus on three key elements in CFM development. First is participatory planning at the landscape scale, which ensures that the formalization of forest management does not result in reduced access within communities. Second is a focus on diversifying forest production to maximize value and reduce risk. Third is the formation of alliances – with other producers, donor projects, government agencies and private sector operators – to leverage finance, balance costs, and maximize benefits. [42]

Photo credits: Ivania Alvarado

Where this balance has been achieved, the results are compelling. Today a constellation of "five-star" CFM operations across Mexico – from Durango in the north to Oaxaca in the south and out to the Yucatán Peninsula – as well as the globally-recognized community forestry concessions in Guatemala's Maya Biosphere Reserve clearly demonstrate the wide array of environmental and social benefits that can accrue to communities that are supported to invest in CFM. This is true even in places where deforestation pressures are high and state agencies struggle to contain organized crime. As rights devolution occurs in other parts of the world, such CFM operations stand out as valuable models for how climate finance could be invested. [43]

Enterprise and investment

Social organization, rights and technical capacities are the fundamental building blocks for the development of locally-driven enterprises and other organizations that can channel investments for broad-based benefits. In Mesoamerica, a range of experiences demonstrate the capacity for communities to develop and manage their own enterprises. These experiences, in turn, inform mechanisms that can channel climate finance to community-based institutions for lasting solutions to emerging challenges. [44]

Where it is socially desirable and economically feasible, developing enterprise can allow communities to turn a profit and reinvest, thereby enhancing benefits to the community. In developing local enterprises, experience from Mesoamerica indicates that agreeing a vision for enterprise development is an important first step that needs to be based on realistic market assessments and clear evaluations of existing local capacity. Aggregation and value-added at the "second-tier" scale – through associations – is often the most viable strategy. [45]

While the enterprise development model is compelling, experience shows that achieving vertical integration and sophisticated value-added enterprise are not always feasible (or even desirable) for many communities. A singular focus on "formal" production forest management can exclude certain community members and lead to counterproductive tensions.[46] In other places, forestry is placed in a more balanced category with other economic activities, where the guiding goal of timber production is to capitalize other economic activities.[47] Meanwhile, payments for environmental services – while still nascent and in many places insufficient to float community enterprise on their own – may form an important complementary income stream, where communities already have systems in place for monitoring, reporting and verification.

Top-down investments to empower bottom-up action

The four areas presented above cover the key bottom-up measures for supporting grassroots community-based governance and resource management. But as noted throughout, top-down actions must be mobilized for locally-based systems to take root, gain traction and go to scale. As much as local mobilization has been fundamental to CFM development in Mesoamerica, only through national and international policy reform and public investment can it be operationalized at scale.

Such actions form key pressure points for the international climate agenda. Studying cases and identifying lessons from the region where government action has effectively supported and empowered the bottom-up is therefore an important exercise to inform climate finance strategy.

After generations of capacity building programs throughout Mesoamerica, multiple best practices for such projects are clear. What stands out above all is the importance of investing in local capacity building rooted in existing institutions, using projects strategically to cultivate social cohesion over long-term time horizons – beyond project and political cycles. Experience in Mexico, from World Bank-supported PROCYMAF project in particular, has shown the significant impact of capacity building for poverty reduction through long-term financing tied to government subsidy programs.[48] In Guatemala, meanwhile, investment by USAID and multiple other donors in local capacities has helped empower community

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organizations working in close coordination with government agencies to manage large tracts of natural forest, in some cases accessing multiple lines of credit.[49]

Taken together with less visible examples of community-based governance profiled later in this document, the priorities for climate investment are clear. However, for such finance to truly reflect community goals, for it to result in lasting change at scale, and for international commitments to be as cost-efficient as possible, local organizations or closely aligned intermediaries must be empowered to design and channel funding to communities. That is the vision for the Mesoamerican Territorial Fund, which has been operated by the AMPB for several years.

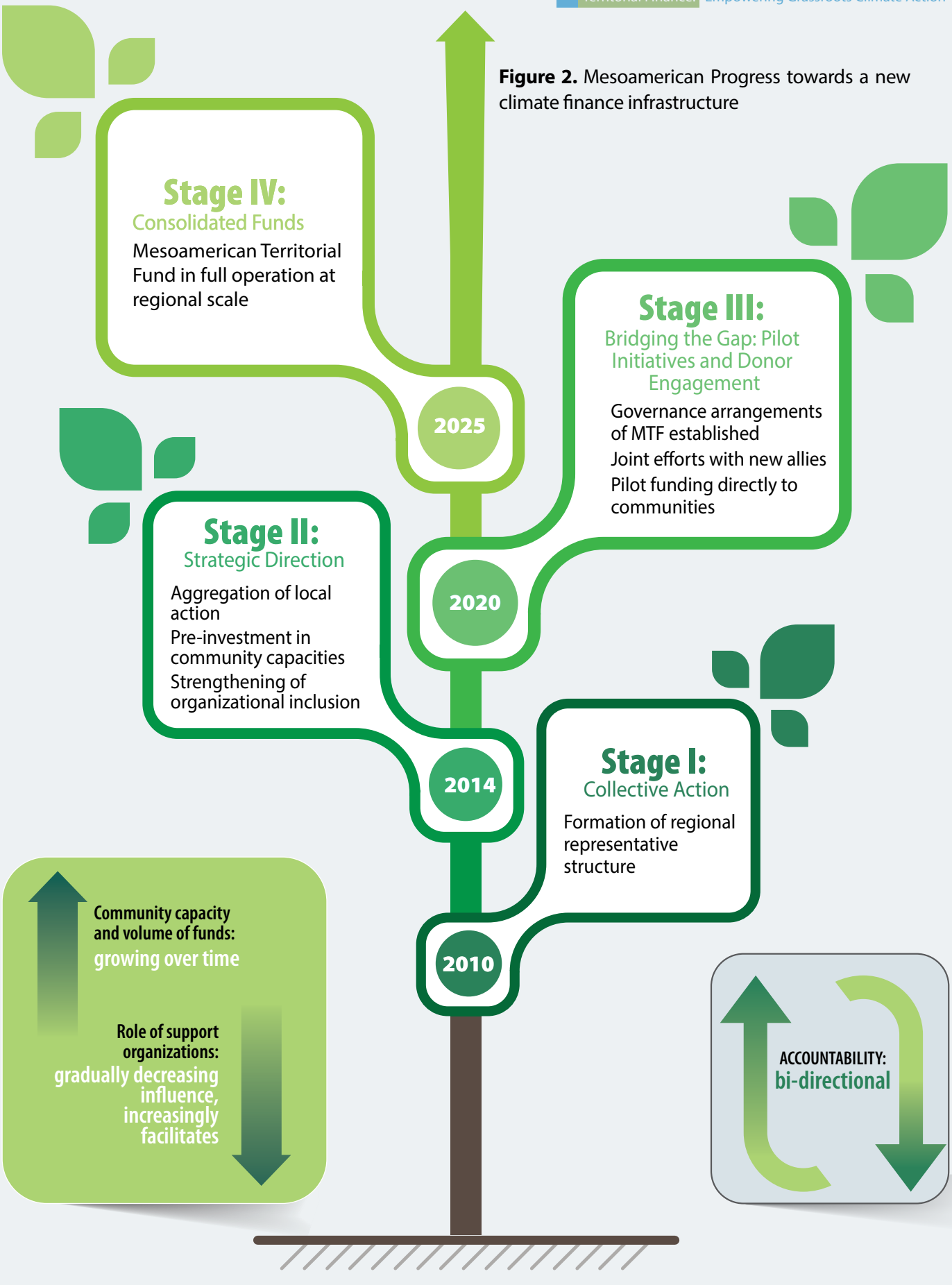
III. Territorial climate finance in Mesoamerica

Recent years have witnessed the emergence of new strategies about the ways in which climate finance might be built to more effectively address the needs of indigenous peoples, compensate them for their contributions to climate change mitigation, but also help them adapt to the ever-growing pressures over forests and to the effects of climate change. Calls to "reimagine" the architecture of climate finance represent major efforts to dramatically rethink how climate finance functions. In its current form, investment decisions are often made far from local realities, and accountability often runs upwards towards donors, instead of to the citizens the funds are meant to serve. [50]

One important part of the challenge has been described as the "missing middle" – the gap between small-scale financing provided by friends, social networks or micro-finance institutions, and the large-scale loans and grants provided only to organizations with proven track records in administrative and fiduciary standards.[51] There is little support available to invest in community capacities to traverse this gap, leaving many communities "unfundable", [52] or ineligible for finance. Ironically, these are many of the communities that most need financing, having been left out of dominant finance mechanisms, including REDD+.

It is precisely these challenges that community organizations have been addressing in Mesoamerica over several generations, and where iterative processes of negotiation, proposals and dialogue have been occurring for more than a decade about how to make sure finance is delivered more effectively to endogenously defined agendas. The AMPB has been intently focused on these issues. In the coming pages, we describe how their own process of problem solving, alliance building and advocacy represent a major asset for a different form of financial architecture looking into the future. This discussion is based on our decade of work and collaboration with the AMPB, on analysis of forest financing mechanisms such as REDD+, as well as broader history of territorial governance and its relationship with international development finance. [53, 54, 55]

Figure 2. Mesoamerican Progress towards a new climate finance infrastructure



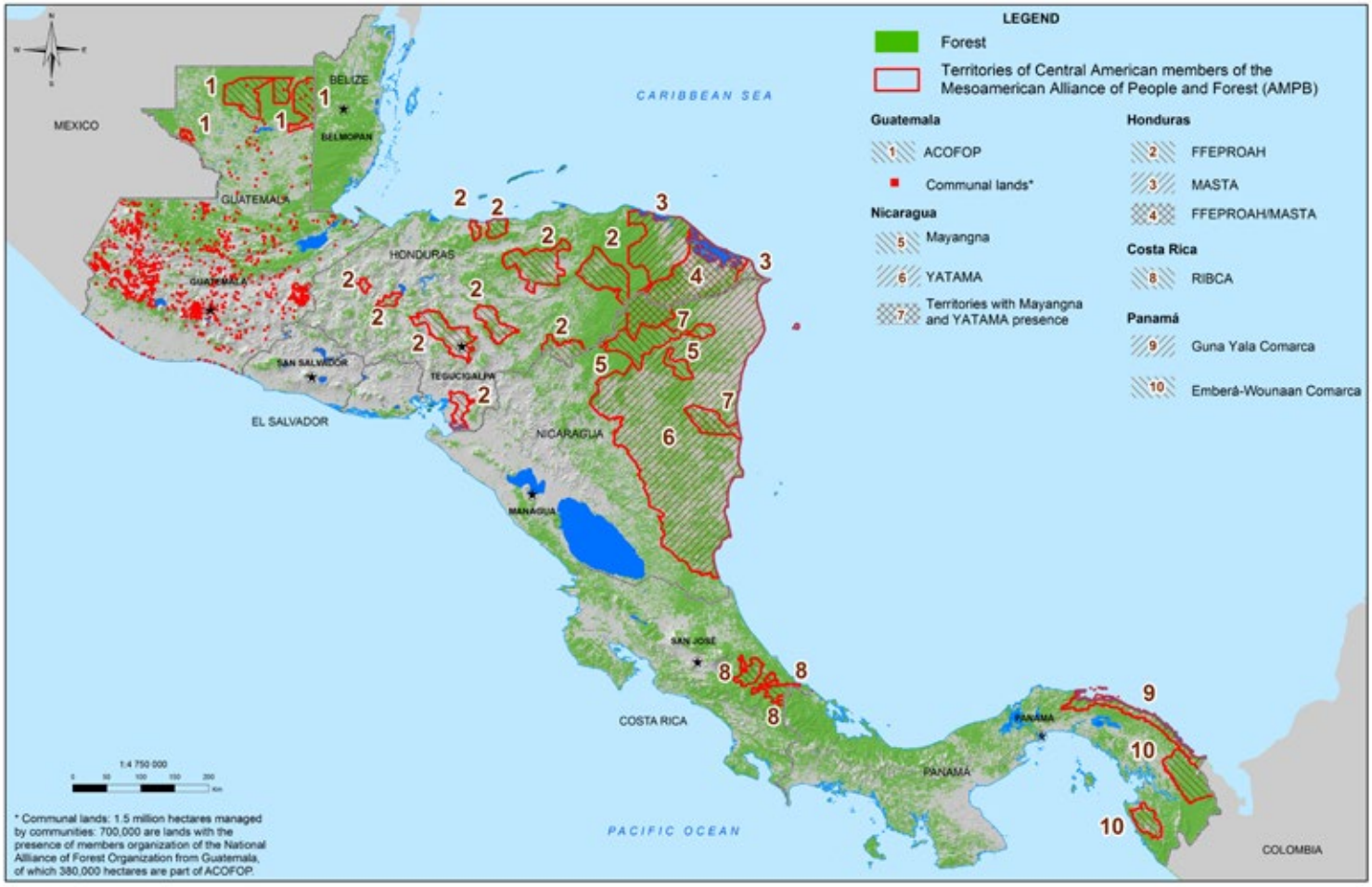
We organize our discussion in the sequential stages of progress traveled by the AMPB in its search to build a fundamentally different sort of financial architecture, grounded in the rights and aspirations of its members.[56] These phases can be seen in Figure 2; the upcoming pages delve into these stages, and provide a brief discussion on upcoming challenges for a financial architecture more closely connected to territories, including the AMPB´s own initiative: the Mesoamerican Territorial Fund.

Stage I The Foundation: Collective Action 2010-2014

Previous efforts to garner funding for local-level environmental action in Mesoamerica resulted in organizational platforms that met the needs of donors, but lacked responsiveness to the actual funding recipients.[57] The AMPB was born in response to such models, in an effort to reassert their territorial authority and sovereignty in the face of REDD+ conversations that were occurring without their participation. This was a major motivational force and organizing principle for the regional Alliance, which found a clear vision and organizing principle of legitimate and endogenously led governance amongst its diverse membership of indigenous peoples and forest communities.

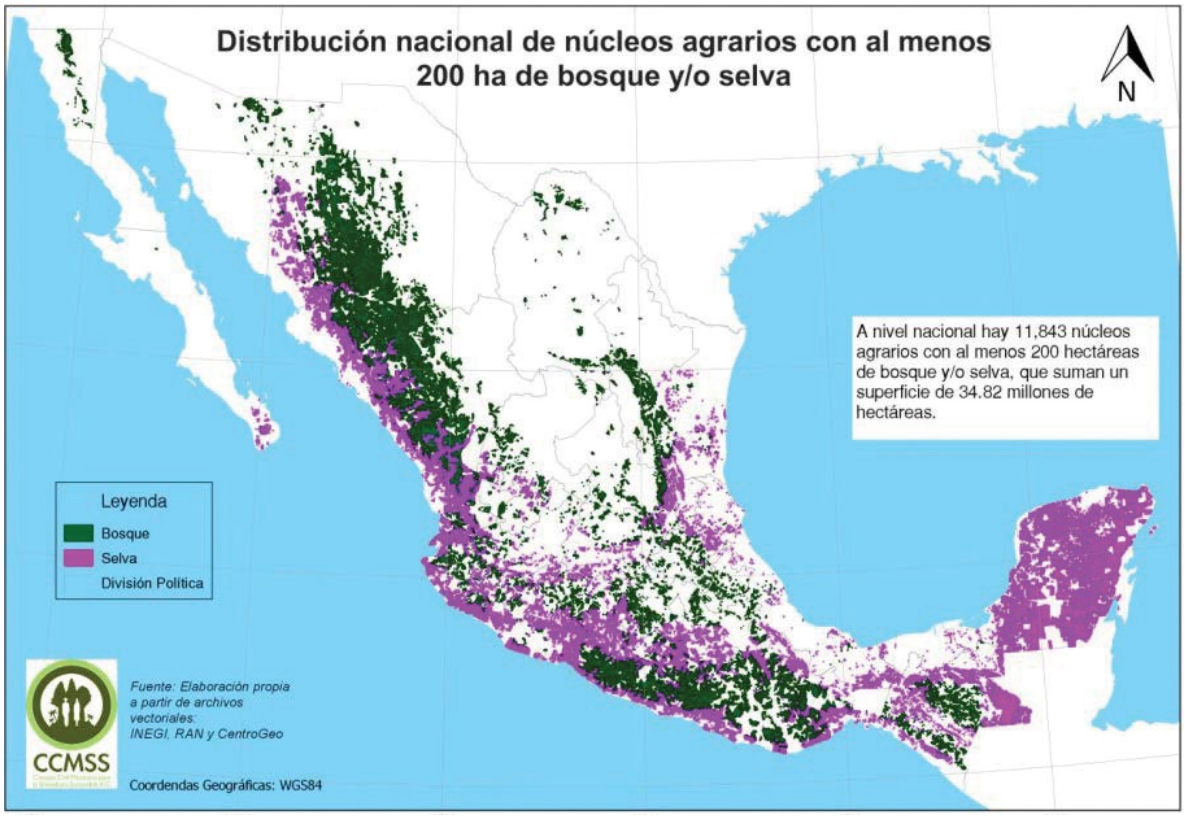
The period between the 2010 and 2013 focused on building a foundation of trust that became the operational basis for later years of the Alliance. This Alliance is go-

Map 1: Central American Members of the Mesoamerican Alliance of Peoples and Forests



Source: PRISMA

Map 2: Distribution of collective lands in Mexico



Source: Mexican Civil Council for Sustainable Forestry (CCMSS)

verned by representatives of the AMPB member groups, who are themselves elected in local processes, through participation in the AMPB Assembly and a rotating operational Executive Commission. A small Secretariat implements political strategies supervised by the Assembly and Executive Commission.[a]

Seen from a historical perspective, this foundation of trust enabled the emergence of a substantively new regional aggregate organization. The AMPB model contrasts with previous aggregate forms made up of various NGOs, cooperatives, or local organizations, which struggled to achieve lasting impact and remain aligned with local priorities. Centering the notion of legitimate and representative authority into its identity and institutional arrangements made this regional movement a unique platform and first step towards a reimagined financial architecture.[58] Map 1 shows the Central American territories of the AMPB, and Map 2 shows the distribution of collective lands in Mexico, including ejidos and agrarian communities.

Stage II Development: 2014 – 2020 Strategic direction

After organizing this new territorially-led collective at the regional level, the AMBP faced the challenge of scaling up their priorities and demands, particularly around climate finance. Across scales, sites of climate change negotiation became logical targets and critical fora for AMPB action. The AMPB saw in the climate change discussions and organizations natural allies whose goals overlapped

[a] AMPB member organizations include the Mexican Network of Community Farmer Organizations (RED MOCAF), the Association of Forests Communities of the Peten (ACOFOP), the National Alliance of Community Forestry of Guatemala, the Federation of Agroforestry Producers of Honduras (FEPROAH), Miskitu Unity in Honduras (MASTA), Miskitu Children of Mother Earth Nicaragua (YATAMA), the Mayangna Nation, The Bribri and Cabecar Indigenous Network in Costa Rica (RIBCA), the Emberá Wounaan Comarca, and Comarca Guna Yala in Panama.

with their own efforts to save forests, in particular in the domain of what has become known as nature based solutions. It also found common cause with other regional movements such as the Coordinator of Organizations of the Amazon Basin (COICA) and the Indigenous Peoples Alliance of the Archipelago (AMAN) in Indonesia, and together they have highlighted the potential for the world to combat climate change by supporting community rights.

This strategic direction helped the AMPB leverage its power to engage with REDD+ and efforts to save forests – which in Mesoamerica were largely contained in their own territories. The AMPB was aware from early on that the ultimate REDD+ mechanism as payment for performance might take a variety of forms; while formal REDD+ processes had their own periods of progress and stagnation, the AMPB also began focusing on the ground-level capacities and institutional arrangements that would be necessary for any effort to halt deforestation with support of allies, governments and international development efforts, including payment for performance mechanisms. Indeed, the rigid frameworks of donors had made "becoming fundable" [59] a well-recognized bottleneck. These efforts became referred to internally as "community readiness", in contrast to the government and technology focused "REDD+ readiness" programs. [60]

It was during this time period that the AMPB also began to reconceive its own institutional arrangements and territorial institutional configurations as the basis for a variety of types of financing mechanisms, helping the concept of the Mesoamerican Territorial Fund take shape as a tool that could fill the gap where existing REDD+ initiatives were falling short. This reflected an evolution from early proposals of "community carbon" that the AMPB had conceived of in 2010,[61] and led to a productive period of alliance building, and focusing on self-designed and managed projects based on community needs, and the ability to present clear results. The following streams of work have been particularly relevant:

Technology and information platform

Critical in the construction of a territorially-based climate finance infrastructure is the ability to organize technical, administrative and scientific information towards strategic ends. This includes training on administrative procedures (as explained later), but also includes the organization of information platforms for internal analysis and exchange, as well as helping communicate territorial challenges to governments, donors and allies.

One line of this work included a technical-scientific platform developed with the PRISMA Foundation beginning in 2014, which organized territorial "profiles", helping member organizations cumulatively organize the latest scientific information on their territories, such as territorial extension, livelihood maps and socio-economic indicators, nature and analysis of pressures over forests, internal governance challenges, and forest cover and ecosystem types. In 2016, a new library of more than 500 community forestry materials (academic, grey literature, manuals) was built with the PRISMA Foundation, and has aided in knowledge exchanges within the region and with Colombia.

Internal AMPB technical efforts have also focused on technology management in the use of drones to for territorial monitoring efforts; most AMPB territories have weak to no government presence, making this an important tool for identifying and responding to incursions.[62] It has also held internal explorations on the use of simple technologies available on cellular phones as practical reporting methods, as well as several peer-to-peer exchanges on the best practices of drone, mapping and vigilance technologies.[63] These technologies are key for helping communities evolve to meet existing challenges, dramatically increasing monitoring capacities over large spaces.

Proposal formulation and narrative capacity

Narrative capacity is critical for communities to help tell compelling stories about their territories and the broader regional movement in ways that translate to actionable lines of support for development programs.[64] This has become a major part of AMPB´s efforts since 2014, helping communities make their voice heard in national and international spaces. Consistent training programs have been organized for territorial leaders and youth on communications techniques and narrative and proposal construction. This has been a cross-cutting theme across almost all of AMPB´s work (and a part of capacity building, described in more detail later) – capacity for strategic communications.[65]

Photo credits: ACOFOP

Capacity Building and the Mesoamerican Leadership School

Capacity building is a major area of investment for the AMPB, much of it with support from its partner ICCO Cooperation, which has helped the AMPB and its members with its administrative, accounting and management systems that are key for facilitating access of local organizations to finance. The AMPB and ICCO have collaborated on investing several million dollars in this line of work as "pre-investment" for future financing of these organizations.[66] This has also involved a number of local NGOs, which accompany such processes and support with fiduciary, reporting and legal requirements when such capacities are not in place.

The focus on capacity building was ramped up into a major line of work in 2016, with the formation of the Mesoamerican Leadership School. This school was designed to address the increasingly complex governance challenges that organizations were facing, in particular related to implementing rights after they are won, with a particular focus on young leaders. It focuses on critical analysis, problem solving skills, with an emphasis on collective action, and the construction of shared visions and knowledge among AMPB members.

The School is nomadic, and "free of walls", with staff moving from one territory to another, helping to build capacities and strengthen bonds between the trainees in different territories. Initial activities began in Guatemala from member organization ACOFOP and incorporated 120 young men and women in the training program, moving next to Miskitu Asla Takanka (MASTA), the Miskitu indigenous organization in Honduras, where the same number participated. These efforts have recently expanded to Costa Rica with member organization RIBCA, and Panama, in the Comarcas Guna Yala and Emberá Wounaan, and to Mexico with partner organization RED MOCAF.[67]

Capacity building activities also have included horizontal exchanges between members, to strengthen the practical tools available to leaders facing challenges in their territories, including market and regulatory negotiations for community forest enterprises, life plans, experiences in payment for environmental services, as well as best practices in territorial vigilance and monitoring.

The School has an evolving agenda designed to accumulate capacities in response to the practical, every-day market and political challenges faced by its members. Since the onset of COVID, the School has been supporting reflection and problem solving on livelihoods issues faced due to the market fluctuations caused by the pandemic, and to stem the underlying drivers of migration. This includes a variety of innovative bio-economy initiatives in Panama, for example, and connecting indigenous youth to culture and art industries. A total of 2200 individuals have participated in this program.[68]

Inclusion: Women´s Territorial Leaders of Mesoamerica

A major effort in organizational inclusion is the AMPB´s prioritization in the support of women in decision-making, leading to the development of the Coordinator of Women Territorial Leaders in 2018, following the man-

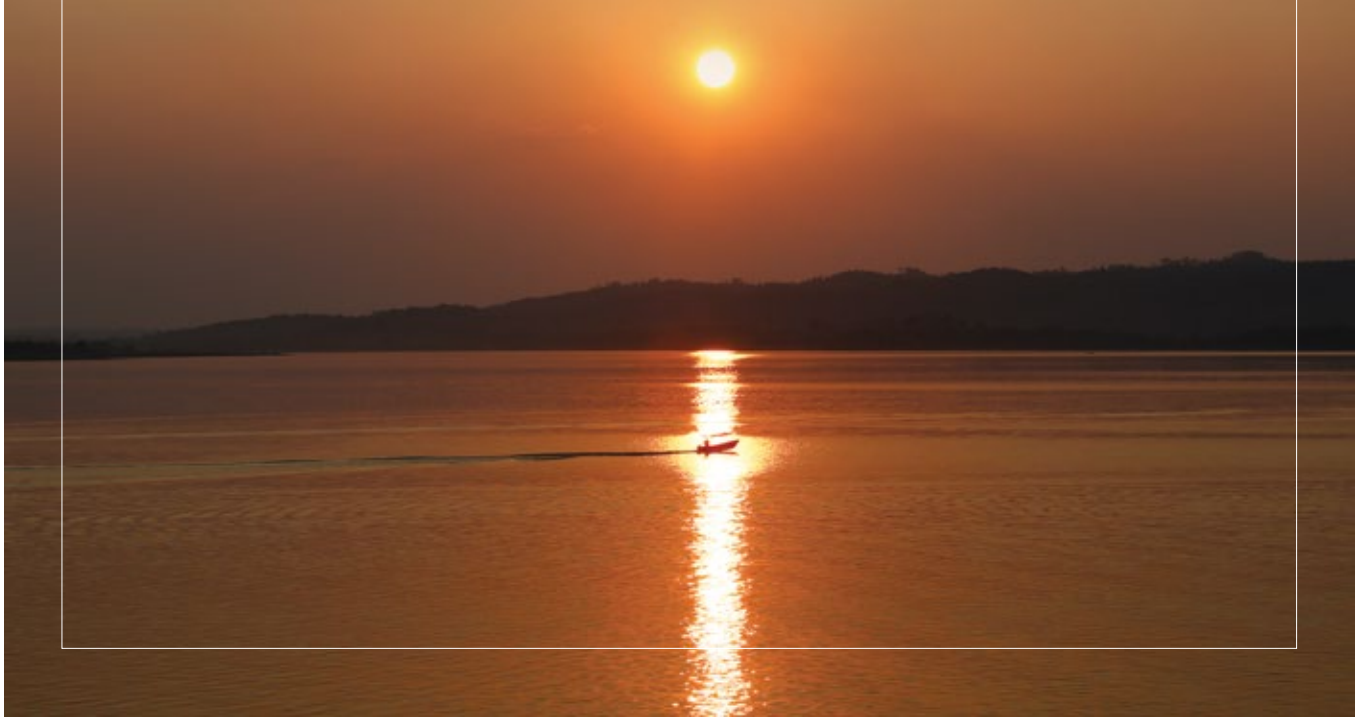
FOMUJER in Nicaragua: Mobilizing funds to local priorities

One example of this FOMUJER supported activities can be found with indigenous Miskitu women of the Nicaraguan Muskitia, for example, where small scale funding has been mobilized quickly to address needs, driven both by invasion into indigenous territory and resources, but also by the double-impact of Hurricanes Eta and Iota of 2020, which inflicted severe damage on local infrastructure.

Investments from FOMUJER were developed with local women´s organizations and with the support of AMPB member YATAMA. These funds have provided interest-free loans to women dedicated to the collection and sale of lobster, helping them rebuild in the wake of the hurricanes.

Prior to this funding, in order to use the rafts, containers, and life vests necessary for catching lobster, women were forced to accept loans at 50% to 100% interest. These were manageable for local women when harvests were successful, but would leave them in debt when harvests were meager. This funding system has therefore allowed the accumulation of small capital reserves for women, in addition to support for ownership of containers and rafts that has allowed improved independence and stability after the devastating effects of the hurricanes.

These funds have supported about 100 women, though the need for reconstruction continues. Local leaders say that at least 500 women dedicated to these activities need support. The natural resources needed are available, but further investment is required in infrastructure, capacity and the development of market chains in order to respond more fully to the adaptation needs of Miskitu women on Nicaragua´s Atlantic Coast.[69]



date for its creation at the 8th annual Assembly of the AMPB. Women leaders met in June of 2020, as a semi-autonomous branch of the AMPB. This group focused on challenges faced by women in AMPB territories, identification of common ground, and political action through dialogue with governments for the respect and strengthening of the territorial rights of the AMPB´s forest dwelling populations.[70]

This has led to a substantive agenda focused on women´s livelihoods, especially on strategies in response to climate change impacts. Many of the worst effects of the pandemic have added to these pressures, as market fluctuations due to closures and regulations have cut off access to the sale of local goods and increased the price of imported products. Despite these challenges, the Coordinator has already enhanced women´s empowerment through such strategies. This can be seen in a new financial mechanism developed internally for small scale grants for women, called FOMUJER. This mechanism is designed for small scale grants (between US $500 and US $10,000), oriented towards new financial mechanisms for women-led enterprise and leadership efforts, prioritizing a series of productive and organizational activities, including traditional and NTFP production, rural tourism and women´s leadership programs. FOMUJER has developed an internal set of rules and regulations, with a set definition of territories, criteria for funding, protocol for a bidding process among members, including community led proposals, as well as different gradations of reporting requirements depending on the amount of the grant. [71]

These processes add another layer to the capacities for fund management at local levels, establishing new organizational experience in managing small funds, developing reporting abilities within the reach of communities, and directing finance to where it is needed the most. FOMUJER has been operating for two years and has allocated small grants at a maximum of US$5,000, a total of US$60,000 since its inception.

Phase III Bridging the Gap: Pilot Initiatives and Donor Engagement 2021 - 2025

The current phase of the AMPB began in 2020, as the process continued to evolve and local AMPB members are increasingly able to engage with donor systems, develop proposals, meet the administrative and fiduciary requirements, and channel funding to where it is most needed. With the support of the Climate and Land Use Alliance (CLUA) and ICCO, the AMPB began a pilot project system for the Mesoamerican Territorial Fund (FTM).

This initial phase is a trial period both for individual AMPB members and for the AMPB´s regional coordination, systems, and processes. These are early experiences in what is envisaged to become a more complex system of governance involving multiple actors, bringing closer relationships with donors, and strategic participation from governments. This first round of funding is for a total of US $600,000, and it is the first in a series of steps for the FTM to reach maturity and full stage operations by 2025.[72]

The governance arrangements for this pilot phase of the Mesoamerican Territorial Fund include a Directing Council, made up of AMPB members, charged with reviewing, providing feedback, and supervising proposals and projects, in addition to refereeing disputes or possible conflicts that might arise. A Coordinating Council, with representation of the AMPB and ICCO, coordinates and implements the decisions of the Directing Council, as well as playing a general advisory role. These bodies are accompanied by a technical and financial team to handle specialized knowledge management and administrative functions.[73]

This progress is likely to bring new challenges, both for the FTM as well as the broader financial architecture destined for Mesoamerica. The FTM has the potential to channel significant funding, but also partner closely with other organizations and more closely align general funding with the local needs of indigenous peoples and local communities from across the region. The FTM´s "bottom-up" process built on the AMPB´s growth over the past 10 years has made major investments and progress in all of the key "building blocks" identified for territorial funding, built on the foundation of trust-building, aggregating local action, strategic direction, and capacity building.[74] These represent the foundation for a new financial architecture, both for the FTM as well as a broader ecosystem of donors seeking to align their investments more closely with local priorities.

This process will likely encounter key challenges for "bridging the gap": articulating donor support with the territorial base. For the FTM and for the broader ecosystem

of donors looking to invest in this foundation, a series of challenges likely await. We anticipate these general challenges, outlined in table 3, to be the main areas where donors can engage with the AMPB and the FTM to make progress towards a new financial architecture in Mesoamerica.

Working on these challenges together with the AMPB brings a strategic pathway for financing locally-led action in Mesoamerica, which would also serve as a key model that could accompany the AMPB´s efforts in its cross-regional collaboration with other grassroots organizations like COICA and AMAN; together, the three organizations continue to call for a fundamental change in how development finance operates. The need could not be more urgent; and as we see in the following section, communities continue to lead local efforts to tackle climate change, with insufficient support.

Table 3. Upcoming challenges for territorial climate finance

Theme	Detail
Governance and internal management protocols	• Formalizing the MTF's management structure to ensure representation, transparency, and accountability • Development of key internal policies (salary, travel, anti-corruption, procurement) • Putting in place checks and balances to manage potential conflicts of interest • Defining the Fund's legal status
Administrative and financial management capacity	• Building organizational and staff capacity in project cycle management, accounting and financial controls • Undergoing independent audits • Tracking compliance with protocols • Documenting performance of Fund subgrants
Strategic direction and programmatic priorities	• Defining core and wider target beneficiaries • Identifying geographic focal areas • Articulating funding windows and key thematic areas (conservation, social inclusion, enterprise, education) • Exploring variable financing options (microcredit, revolving funds, payment for environmental services)
Operational partnerships	• Identifying need and scope for collaboration with administrative support organizations (NGOs, consulting firms) • Defining linkages with regional and national governmental commitments, initiatives and partnerships • Identifying finance partners (donors, private investors, carbon markets)
Networks and visibility	• Articulating linkages with other regional and local IPLC funds • Organizing exchanges with IPLC community funds • Mentoring development new IPLC funds in other regions • Disseminating fund impacts • Communicating needs for IPLC fund development

IV. Community climate action

Indigenous peoples and forest communities in Mesoamerica – like all territorial peoples whose lives, livelihoods and cultures are tightly intertwined with their physical and natural surroundings – have already been dealing with the effects of climate change for many years. Changes in temperatures, sea levels, precipitation frequency, predictability and volume, as well as extreme events, have all driven local responses that arise out of the organic demands of peoples whose lives are sustained through the territory they inhabit. Consciousness of ecological imperatives for sustainability mean that most have also adapted their cultures to sustainably manage their resources; for this reason, research has demonstrated that indigenous and tribal peoples are broadly associated with ecosystem conservation, and thus climate change mitigation.[75] Less recognized is that while they are helping stabilize the climate, they are also leading their own efforts to adapt to major climate changes, with little external support.

The following case studies highlight three such experiences in Mesoamerica: two indigenous movements, and one process from community forestry organizations in Guatemala. Each have benefitted from strong social organization and the basis of rights, and each have strong demonstrated results in sustainable forest and resource management. Climate change has forced these organizations to action, though only one has received substantive external financial support to date. These cases highlight the importance of investing in community organizations, especially to help them traverse the gap from incipient community processes to stronger social organizations able to channel significant support toward their mitigation contributions, and to help them adapt to climate change. ACOFOP clearly exemplifies this principle, while the cases of the Guna Yala Territory and Kabata Konana show how communities are self-organizing to meet the challenge of climate change, though still with insufficient support.

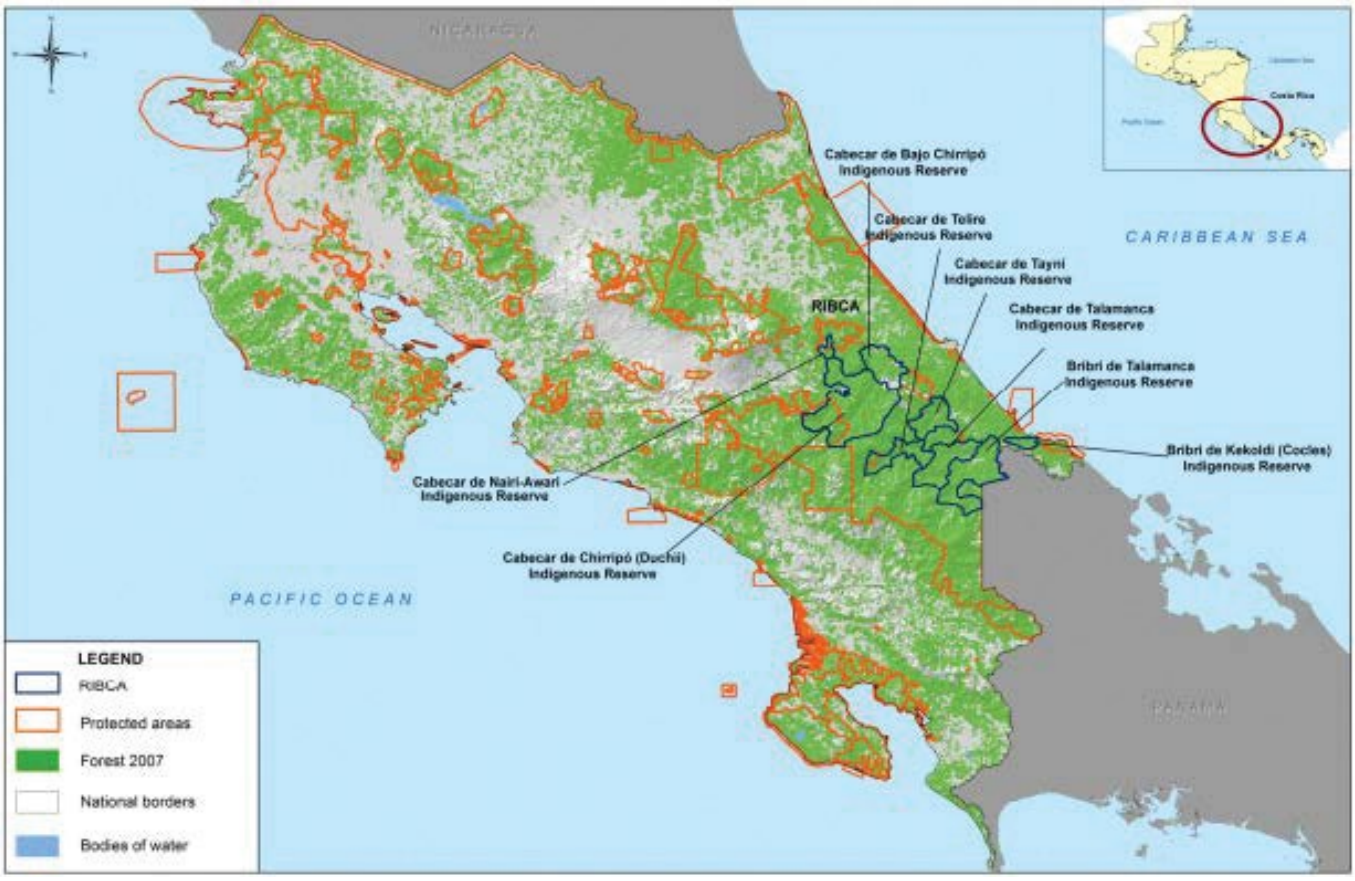
Photo credits: Ivania Alvarado

Kábata Könana: Cabécar Women´s Movement from Costa Rica

Kábata Könana is a women´s organization which in local Cabecar language means "Women Defenders of the Forest". The organization formed in 2016 focused on the inclusion and empowerment of indigenous women of Costa Rica´s Talamanca and Carribbean slope region, especially related to food security and territorial resilience for its membership of 9 Cabecar communities including 247 women. This Cabecar organization is also associated with the Indigenous Network of Bribri and Cabecar Peoples in Costa Rica (RIBCA), which represents eight indigenous Bribri and Cabecar territories of Limon and Turrialba, a population of 35,000 people, approximately a third of all indigenous peoples in Costa Rica.[76] The ancestral territories of these peoples extends far beyond the currently recognized territorial extent of 168,000 hectares, forming part of the largest contiguous and most biodiverse forest

Photo credits: Ivania Alvarado

Map 3. Indigenous Network of Bribri and Cabécar Peoples in Costa Rica (RIBCA)



Source: Created by PRISMA based on RIBCA, ITCR and digital atlas Costa Rica, 2000.

area in Costa Rica, and bordering and containing parts of the largest protected area system in the country.

Converging Crises: Governing territory in the midst of climate change and the pandemic

Recent years have imposed major impacts on these indigenous territories. Increased variability of precipitation and temperatures associated with climate change have brought high temperatures, greater flood frequency and intensity, and changing conditions for humidity and pests.[77] These are particularly challenging conditions for the main crops grown both for subsistence and market production, including corn, cacao, plantains, avocados, cassava, and fruit trees.[78] Climate change impacts have worsened in part due to shifts away from traditional polycropping towards dependence on individual crops, which can be particularly severe when families depend on purchased inputs.[79]

The pandemic exacerbated threats to these communities, as quarantine measures implemented by the Costa Rican government were swift and effective, shutting down markets key to the Cabecar economy. These communities saw an 80% drop in consumer demand for products marketed by Cabecar communities, including a virtual collapse in the plantain market in March 2020.[80] Imported products became more expensive, increasing the pressure on local farmers.

The local territorial authority, RIBCA member ADITICA (the Indigenous Cabecar Development Association) responded by asking Kábata Könana to ramp up its work on food security and cultural revitalization as a response to the pandemic. The most immediate challenges were food security for families that did not have enough food to subsist without markets and seeds to plant for the medium term.

Kábata Könana responded by organizing an online barter system, managed through WhatsApp, connected with collection and distribution systems organized centrally through the organization. This barter system averted a crisis of food security and effectively distributed seeds, beans, rice, chayote, and okra among other goods to those who most needed them. This system came together quickly, thanks to the previous organizing efforts of the group, and in particular local "Knowledge Weavers" from each community, who had a strong knowledge of existing community capacities and needs.

This barter system operated throughout 2020, and in 2021 has evolved into an online farmer´s market, remotely arranging for the collection of local produce. It has reached out to clients through online platforms and through WhatsApp to generate sufficient demand for products, and it organized the transportation system for the delivery and distribution.[81] Clients are almost all from the Talamanca/Limon Eastern slope of Costa Rica, in addition to a purchasing agreement with the National Council of Production for plantains.[82]

By September 2021, Kábata Könana had organized 15 virtual markets, held once per month. Fairs now offer approximately 50 products, including from cassava, bananas, malanga, chayote, ayote, chile jalapeño, sugarcane, papaya, okra, and basic grains. Traditional crafts have also become part of the fairs, with growing production from local training. Communities have reported an average of US $1,600 of revenue from the fairs.[83]

These immediate economic strategies have been accompanied by workshops, exchanges, and trainings to revitalize knowledge on polycropping techniques, provide access to seeds, as well as renew indigenous knowledge on traditional medicine. Part of this work

Photo credits: Ivania Alvarado

Figure 3. Cabécar traditional territorial zoning system

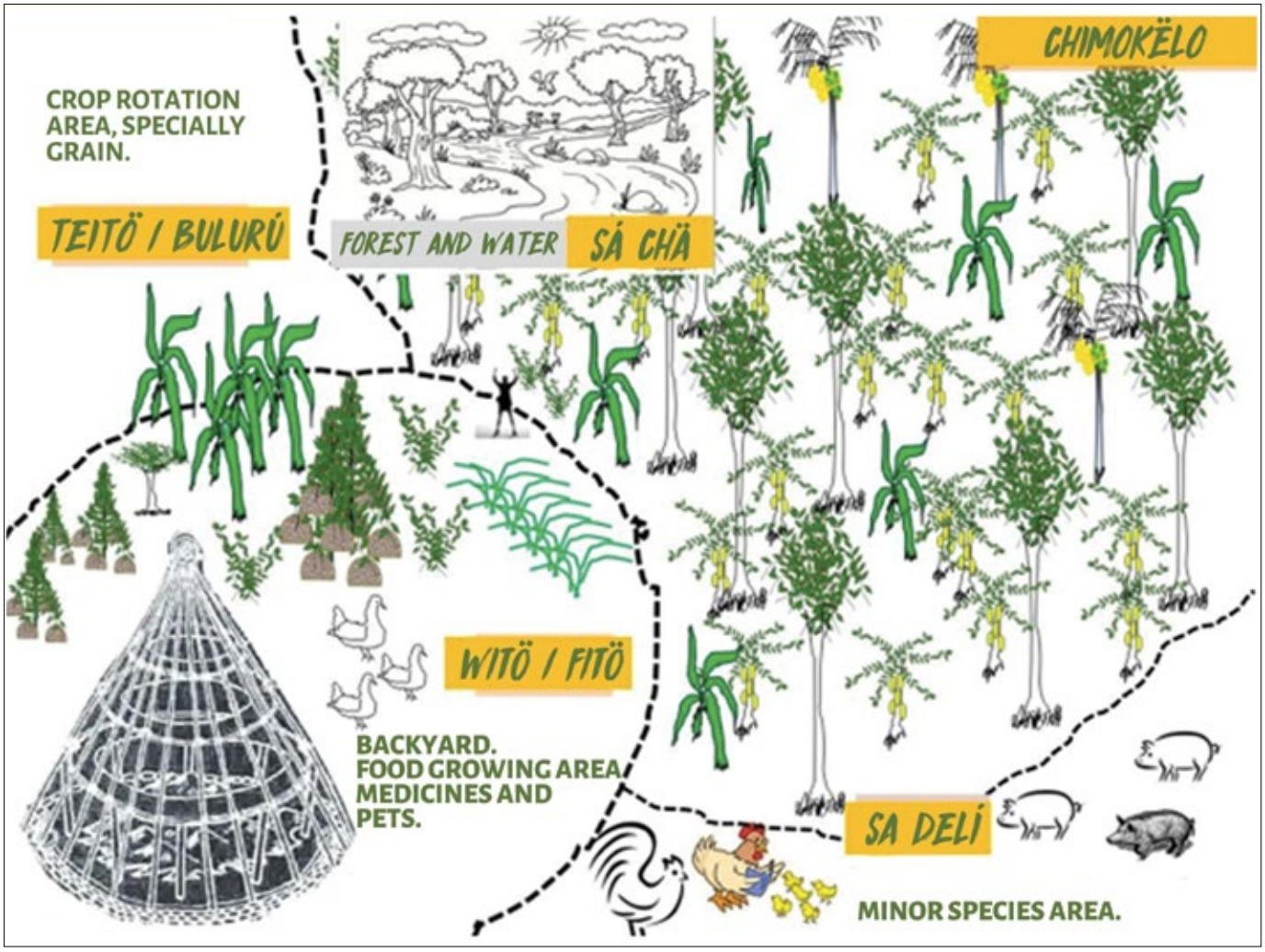


Image: Provided by Kábata Könana

is a renewal of collective action on traditional landscape management, depicted in the image below.

These landscape and organizational methods have already been identified as some of the most critical actions that indigenous peoples can take in the Talamanca region.[84] Government presence is low, and mutual support networks help distribute resources, labor, and stock reserves to meet needs when climate change imposes new costs or losses. And polycropping techniques help take advantage of the micro-climates of the region, broaden the livelihood base and reduce risks from floods, heat and humidity and pests associated with climate change. [85, 86]

The crisis induced by the pandemic was an external shock with grave consequences for communities, with some similarities to climate change impacts. This case demonstrates the need to support grassroots communities and strengthen their institutions to better adapt to climate change, and the ways in which the response to the pandemic is spearheading broader efforts to respond to climate change. These efforts won the group the Equator Prize this year.[87] The Women Defenders plan to continue to scale up their actions beyond the Cabecar territories into broader regional networks, remaining focused on its emphasis on women´s empowerment, food security and cultural renewal.

Guna Yala Territory: Panama

On the Eastern Atlantic coast of Panama, the Guna indigenous people have been developing a model of indigenous autonomy for almost a century based on the recognition of their territorial rights and their robust traditional institutions and authorities. The Guna Yala Comarca is a 2,393km^2 territory formally recognized by the State of Panama and inhabited by 30,000 people spread over 49 communities, mainly on the islands that are found along the coast of the Comarca. These communities govern their own territory through local community congresses, and the Guna General Congress serves as the highest political-administrative body in the region.

Territorial governance of the Guna People in the face of deforestation threats

The Guna People have been actively leading responses to the series of territorial and climatic changes that threaten the integrity of their territory. During the last 20 years, the agricultural frontier advanced throughout eastern Panama and the Darien region. The lands that have not been formally titled to the Guna, Embera and Wounaan peoples of these areas have been converted to agriculture and pastures.[88] There is also a combination of illicit activities such as human trafficking, arms and drug trafficking that are densifying the network of highways and roads in the area, which strengthens the drivers of deforestation. Furthermore, these illicit activities are creating new networks of clientelistic relationships that are challenging community governance systems.[89]

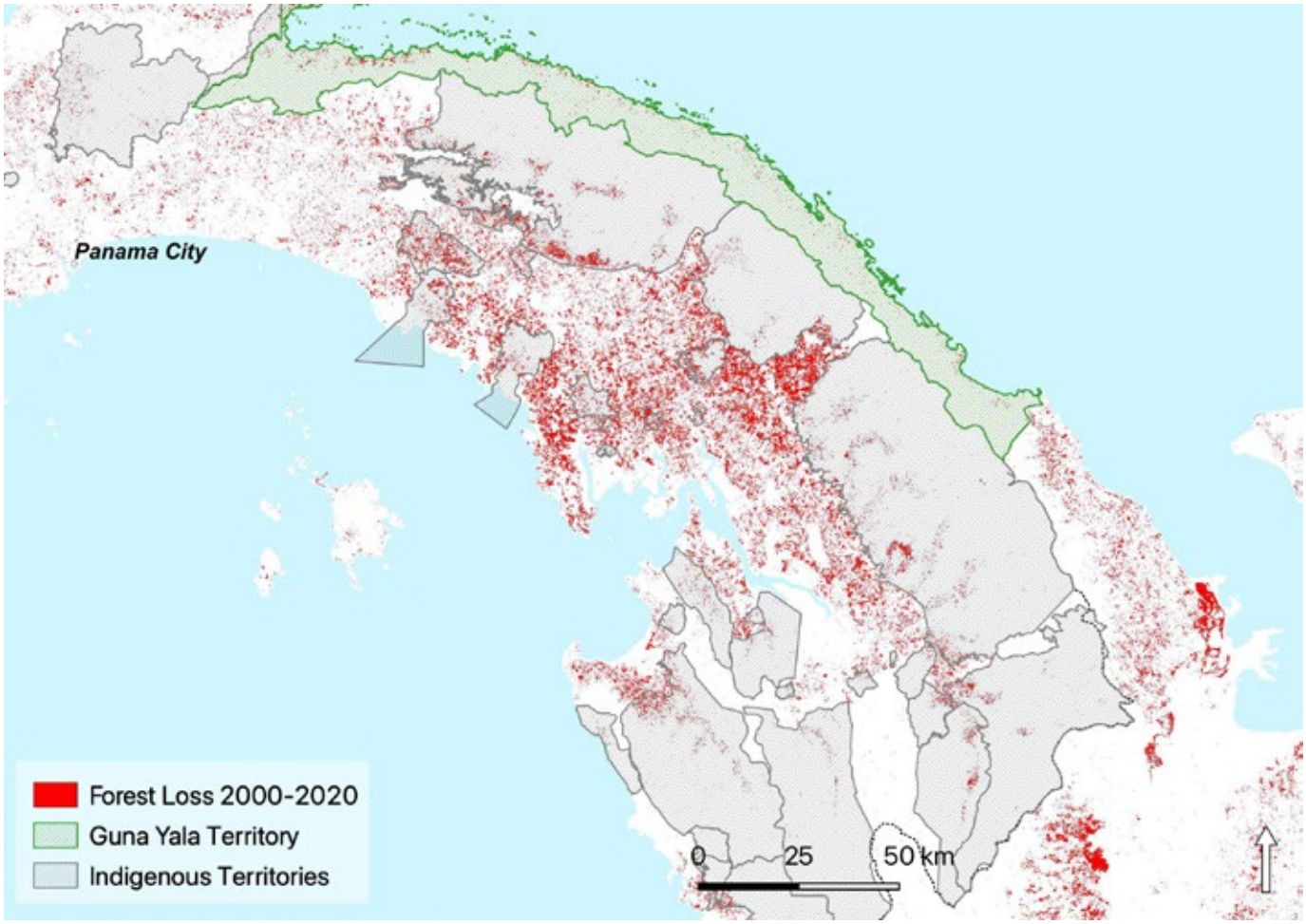
Within the region, advocacy, control and surveillance activities and the value of maintaining a sustainable economy have allowed 86% of its territory to be kept as tropical forest. Despite recent pressure, the deforestation rate remains at 1.38%, more than eight times lower than the deforestation rate in territories that are not protected or indigenous.[90] Marine resources are well protected too: coral reefs are some of the best preserved, and with the highest density of species biodiversity in the entire biogeographic region of the Atlantic Northeast.[91]

The traditional knowledge, worldview and cultural practices of the Guna People are what have allowed them to conserve and cultivate their territory. Efforts to perpetuate traditional indigenous culture through the General Congress of Culture have been important in educating and sensitizing youth about respect for the environment and sacred sites. Elders transmit knowledge to the youth by teaching them the value of conservation throughout the territory, teaching them the relationship of community centers to rivers and bodies of water, all the way to the edges of the territory.[92] This is complemented by rounds of surveillance of the boundaries of the territory by young people.[93] The surveillance of territorial boundaries by youth is voluntary, undertaken due to the strong conviction that these practices are essential in their relationship with nature, which they consider Mother Earth.[94]

These conservation efforts make the Guna people a key protagonist of climate action in Panama. However, they are also on the frontlines of climate change impacts, which have severe implications that could put at risk the livelihoods and organizations of the Guna-Yala communities and therefore undermine forest conservation efforts.

Photo credits: AMPB

Map 4. Deforestation, Indigenous Territories and Protected Areas in Panama



Source: Elaborated by Rainforest Foundation US

The Guna People, at the forefront of adaptation to climate change

The primary impacts of climate change reported by the communities include a change in seasonality that modifies agricultural cycles and affects the safety of the riverside communities as well as hurricanes and tropical storms impacting communities more frequently and severely.[95] Furthermore, the least visible impact, but the greatest threat to communities, is consistent sea level rise. The rise in sea level has been 19 centimeters from 1990 to 2020, with a projection of between 0.55 and 0.75 meters between now and 2100.[96] This implies that approximately 28 thousand people will have to relocate from the coast to the mainland.[97]

Photo credits: AMPB

Panama, as part of the international community, has signed international conventions such as the UNFCCC and the UN Framework Convention against Drought and Desertification, however, it does not have a national strategy for the relocation of communities in the face of rising sea levels. To face this slow but inexorable threat, the Guna communities and their authorities have been taking early actions for more than 10 years now, to ensure an adaptation process to the new climatic conditions in an orderly manner that is in keeping with the culture and identity of the Guna people. In 2010, the local Congress of Gardi Sugdub, one of the most threatened by rising sea levels, created the Barriada Commission to develop, propose and implement a pilot plan for the resettlement of the island community.

This plan has involved a series of technical and social studies to assess the feasibility of relocation. It also included the search for national and international support, such as the Inter-American Development Bank (IADB) support for the preparation of the plan and support from the Ministry of Housing for the construction of houses on the mainland. The Guna authorities have taken particular care that these measures are culturally appropriate through methods such as discussion groups and workshops to help relocated people in their adaptations to new geographical, ecological, social, economic, and political environments.

These workshops indicated, for example, the importance of having better homes with adequate access to water and electricity, the need to avoid overcrowding, and respecting the traditional design of the houses. To improve the conditions of agricultural production, the Guna General Congress is developing, with strong participation of women, traditional agricultural production techniques on the mainland to ensure the livelihood of the communities once the relocation is effective.[98]

The ability of the Guna General Congress to lead an adaptation process of this magnitude is possible thanks to the fact that it has strong community institutions and clear, recognized, and implemented territorial rights. This model of implemented rights has generated sufficient income for families to invest in the education of their young people, so now the Congress has professionals involved in the construction of the relocation plan and they manage the alliances necessary for its execution. The emphasis

Photo credits: Blas López

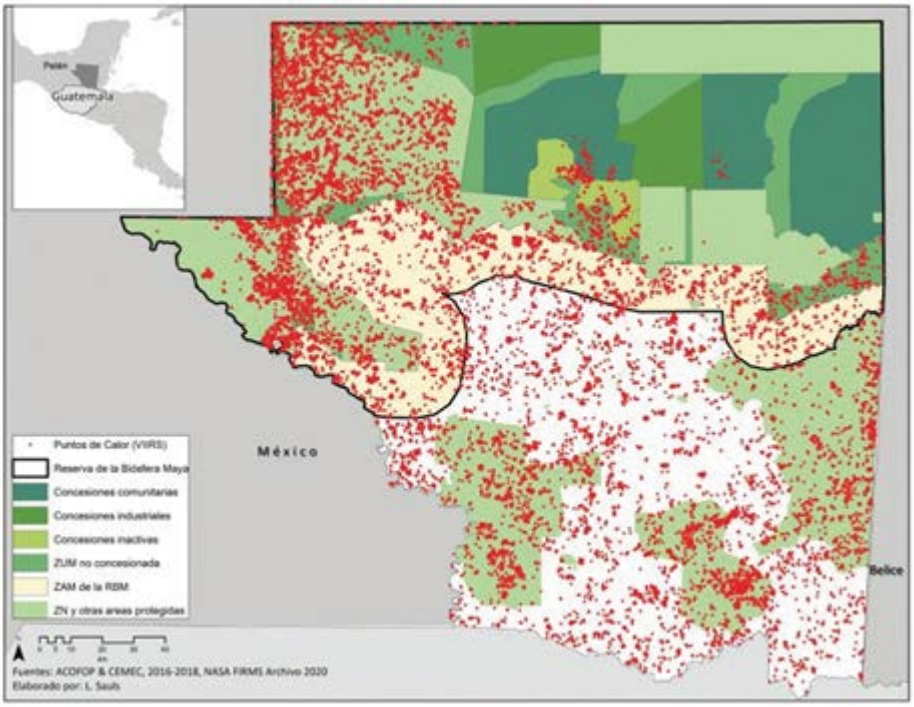
on community that characterizes the political and social organization of the Guna People ensures that this climate challenge is being faced collectively. The Guna General Congress is drafting its development plan for the entire Guna Yala region, which includes the issue of relocation of island communities to the mainland.

With these actions, the Guna Yala people are leading protagonists in Panama for proposing an action plan on how to adapt to rising sea levels. This approach is based on a broad vision of how local and indigenous knowledge in dialogue with national and regional scientific capacities can promote social and ecological resilience in the face of the impacts of climate change.

The Guna communities are calling on the government to build, with the affected populations, a framework of planned relocation policies. This framework has to clearly define the actors and their roles, decision-making procedures and other tasks and responsibilities to ensure that the relocation process is carried out in a participatory, holistic and integrated manner. In addition, the Guna authorities are calling for the strengthening of early warning programs and contingency measures.

Despite the support that the Guna General Congress has managed to generate so far, the challenge of adaptation through relocation requires a financial effort much greater than the level of climate financing that the region has received to date. The community organization has allowed the Guna Yala region to position itself as a leading actor in mitigating climate change due to its model of management and control of its natural resources.

Map 5: Hot spots, protected areas and community concessions in Petén



Source: ACOFOP & CEMEC 2016-2018, NASA FRIMS, 2020 archives.
Elaborated by Laura Sauls

Now the international community has the opportunity to recognize this leadership, with support that rises to the challenge of adaptation that the Guna People face in Panama, and ensures their continued contributions to mitigation.

The Association of Forest Communities of Peten (ACOFOP)

The community forest concessions of Petén, Guatemala, are located in the north and northeastern portion of the department in lowland and hilly humid tropical forests of the Maya Biosphere Reserve (MBR). Nine community concessions are represented in the Association of Forest Communities of Petén (ACOFOP), which manage more than 352,000 hectares of forests under community concession contracts, certified by the Forest Stewardship Council (FSC) (dark green, map 5).

Forest loss and vulnerability in Guatemala´s forest frontier region

Guatemala´s Northern region of Peten holds Guatemala´s most extensive tracts of forests in the country. Yet in recent years these forests have seen consistent deforestation at the hands of African palm, cattle ranching, and extractivist projects. The associated displacement and degradation of forests, soils and water are driving new levels of vulnerability in the region.[99] Furthermore, climate change is causing significant seasonal variability in temperatures and precipitation, contributing to intensifying fires in tropical forests, a phenomenon that over the past 20 years has become commonplace (See Map 5). Peten is consistently the department with the highest levels of fires in the country.[100]

Moreover, the region is also exposed to extreme events, such as hurricanes Eta and Iota, which particularly affected southern Petén and Alta Verapaz in 2020. The COVID-19 pandemic aggravates this vulnerability due to widespread infections, weak health institutions, as well as the impacts on livelihoods given market closures and quarantines.

In this context, the communities of ACOFOP stand out for their resilience in the face of such adversity. Based on a community forest management model that is grounded

in various sustainable economic activities, ACOFOP is one of the few processes that has managed to access climate finance through a REDD + mechanism. This case examines the origins and relevance of this community organization.

Resilience based on a strong and sustainable model of forest management

The resilience of ACOFOP today is a product of investment and intense community work over the course of almost three decades. This process of investing in community capacity, social cohesion and enterprise models provides important lessons for helping communities consolidate local visions of development.

Evidence of ACOFOP´s capacity can be seen in its response to the health and social crisis brought by the pandemic. ACOFOP led the emergency operations center in the Peten in coordination with government authorities. In this center, ACOFOP managed support from various donors and provided assistance to forest communities and the general population to enhance access to food and basic supplies.[101]

The first months of the pandemic in 2020 also saw another season of intense forest fires for Peten; though these fires were once again seen only outside the community concession limits, thanks to the US $500,000 ACOFOP annually invests in brigades, fire prevention and monitoring activities.[102]

ACOFOP also mustered a significant response to the collapse of markets in the United States, upon which much of its economic model relies. This forced a restructuring of local livelihoods, investing more heavily in sustainable agriculture practices to compensate for the loss of market income. It also forged new alliances and won a new high-profile contract to sell certified community wood for the Brooklyn Bridge.[103] ACOFOP has also responded to the situation with a longer term shift in strategy towards food security, using family gardens and agroforestry to meet food security goals while maintaining sustainable practices.

These organizational capacities are possible thanks to strong-community forest enterprises that are linked to national and international markets, including very high profitability niche markets using mahogany and other high value species. Communities have reached high levels of vertical integration with the sale of lumber as well as more sophisticated transformation techniques through the community forest service company FORESCOM.[104] Communities also mange xate leaves for flower arrangements exported to the United States.[105] In recent years, the model has diversified towards a more holistic one, including tourism services as well as REDD+ mechanisms (as described below).[106]

Photo credits: ACOFOP

This economic model is founded on the strict environmental standards of the Forest Stewardship Council (FSC) and the Guatemalan National Council for Protected Areas. All communities must earn certification to acquire a concession contract. Management plans are supervised annually and closely managed with community enterprise business plans. In order to prevent invasions, communities organize control and surveillance activities at community borders, sometimes in coordination with the police and the army, who use watchtowers and drones to identify threats.[107]

These activities have maintained forest cover better than any other area of the Maya Biosphere Reserve: the concessions show an annual forest loss rate of merely 0.1%, below the rate in the Core Zone (1.0%) and in the Buffer Zone (5.5%).[108] This approach of forest protection also allows for the conservation of high biodiversity of emblematic species such as the jaguar, the scarlet macaw, and the orange hawk, among others.[109]

A critical factor in the success of this model is the social cohesion which undergirds its economic and environmental activities. Benefits from enterprises and employment are focused on community and well-being; jobs are generally the main objective of community enterprises (e.g., 14 thousand direct beneficiaries and 70 thousand indirect beneficiaries from new jobs).[110] A strong emphasis on inclusion has enabled women´s groups to grow and flourish, and a sense of solidarity is also fomented by the shared benefits in transportation, health, and education infrastructure, scholarships for students, medical days, life insurance, and help for the elderly, among others.[111]

The strong community capacities facilitated ACOFOP´s successful development a REDD+ project called GuateCarbon, covering 655 thousand hectares of forest and which will allow the mitigation of 37 million tons of C02 in 30 years. This project is nested in the Forest Carbon Partnership Facility (FCPF) of the World Bank and the National Emissions Reduction Program of Guatemala, where it will contribute to the fulfillment of the country´s NDCs, and cover 28% percent of Guatemala´s commitment to the FCPF over 5 years.[112]

Guatecarbon is one of the few community processes that has managed to accomplish a REDD+ project based on organized forest communities. However, achieving this goal has required significant perseverance and investment from the communities. ACOFOP invested at least US$1 million in its construction.[113] This was possible thanks to the recognition of rights, accompanied by a long-term investment in social cohesion and community capacity. This prior investment is key for other forest communities to directly access climate finance.

Lessons from the ACOFOP process

The strength of ACOFOP is all the more notable when understood that it emerged from a context of conflict and fragmentation at the end of the country's 36-year civil war and the negotiation of the Peace Accords in the

1990s. In a relatively short time, the members went from being a highly fragmented group of gum producers, ex-combatants, ranchers, and even illegal loggers to a cohesive organization that runs a sophisticated community enterprise system.

New rights guaranteed in the concessions were the foundation for this process, which allowed for community organization around sustainable goals. Yet investment in community capacities were also key, both in forest management and administrative capacity.[114] Participatory construction of management plans and business models was also critical, in order to balance community goals with the economic objectives of the community enterprises. This required respecting the internal decision-making processes of the community but also reinforcing the community organization itself and its collective decision-making bodies such as general assemblies, as well as efforts to cultivate a sense of common cause and a shared vision of development. Several important donors invested in these capacities, such as the Ford Foundation, ICCO or Helvetas Foundation, as well as USAID, which directly financed of the communities, especially in institutional strengthening.[115] Communities successfully managed to take over responsibilities that were once tasked to NGO partners, in a positive example of gradual and increasing ownership and capacity acquisition of community members.[116]

Another vital factor to success was the operation of second-level organizations such as ACOFOP and FORESCOM, which facilitate cooperation between concessions. They also enable communities to unite in the face of external threats. Indeed, while conflict situations are a risk for communities, they can also be an opportunity for greater cohesion in the face of a common challenge. In this case, the struggle to obtain concession rights from the State or the defense of the community model against several outside interests have strengthened cohesion.

The performance of these community concessions is exemplary and renowned both nationally and internationally. This in turn has played an important role in motivating the Government of Guatemala to renew the concessions. In 2021, five community forest concessions have been renewed for a period of 25 more years.

Photo credits: AMPB

V. Conclusion

Indigenous peoples and local communities around the world are already well-recognized as key partners in the fight against climate change. And while they have historically conserved forests, their territories are increasingly under pressure from climate change as well as from market, political and other pressures that threaten their survival. Building community resilience and appropriate adaptation strategies are therefore paramount for the world to save forests, tackle climate change, and ensure the long term survival of both cultural and biological diversity.

How global efforts to fight climate change will connect with these indigenous peoples and local communities and help them adapt will have a significant impact on the world´s prospects for confronting this monumental challenge. Rights recognition in many parts of the world has happened recently, and many organizations are only now beginning to strengthen their cohesion and capacities to face the realities of increasing forest pressures and a changing climate. The challenges that await these processes are likely to echo many of those that Mesoamerica has taken on over the past several decades, with both successes and failures. These experiences have given a more refined understanding of the enabling conditions for community-based resource governance: how to maintain solid community governance and social organizations, how to ensure secure rights and territorial control, how to acquire and reproduce technical and management capacities, and how to mobilize social enterprises and investment (see Figure 1).

Cognizance of these different challenges is evident in the priorities of the AMPB, which is particularly focused on making sure communities receive adequate support for meeting the evolving challenges in their territories. A strong emphasis has been placed on the challenges that arise after rights have been recognized, and particularly towards the "bridging the gap" [119] of climate finance. These investments have made major progress in laying the groundwork for a potentially fundamental change in climate finance in the region, and the Mesoamerican Territorial Fund is set to reach maturity through its donor engagement and pilot projects by 2025.

All of these lessons are important not only for Mesoamerica, but for the world, as major commitments and initiatives to save forests and combat climate change are announced. The cases above showcase the actions local communities are taking to fight climate change, though many continue to struggle on their own with inappropriate or insufficient finance connecting with local actions and priorities. Legal rights are a critical foundation for success, but communities also need support in developing the organizational and technical capacities to allow them to withstand the many pressures they now face. More efforts like the FTM could be critical for helping the world mobilize finance to the communities that are leading the charge in the fight against climate change.

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PRISMA
Programa Regional de Investigación sobre Desarrollo y Medio Ambiente

prisma@prisma.org.sv • www.prisma.org.sv
Pasaje Sagrado Corazón, No. 821, Col. Escalón, San Salvador
Tels.: (503) 2264 5042 • Fax: (503)2263 0671