### **Reforestation with Indigenous Peoples and Small Landowners**

Chris Meyer January 28<sup>th</sup>, 2012



# Agenda

- History and Local Context
- Main Lessons
- Indigenous People's contract
- Small Landowner contract





#### Where we work: Darien, Panama

- Opened to settlement in the 1980's
- Government policies incentivize "productive" use
- Indigenous peoples claim ancestral land rights





# Who we work with: Indigenous peoples and subsistence farmers





Nuevo Paraiso –

Subsistence farmers

Arimae -	Indigenous
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Land ownership	Collective with individual plots	Individual
Economic activities	Subsistence agriculture, forestry, some cattle	Subsistence agriculture, cattle
Management style	Holistic; longer term mentality	Maximize short term yields



#### **Monoculture teak farms**

- Marginal economic benefit to local communities
- Decrease amount of arable land





### **Business charter**

- Funded by private investment
- Lease land; partner with communities
- Native species
- First planting in 2007





## **Operating model**





# **Species planted**

Common Name	Scientific name
Almendro	Dipteryx oleífera
Mahogany/ Caoba	Swietenia macrophylla
Rosewood/ Cocobolo	Dalbergia retusa
Spanish Cedar/ Cedro amargo	Cedrela odorata
Spiny Cedar/ Cedro espino	Pachira quinata
Teak/ Teca	Tectona grandis
Yellow-wood/ Amarillo	Terminalia amazonia
Zapatero	Hieronima alchornioides
Zorro	Astronium graveolens



#### **Lessons to Consider**

- Reduce their risk
  - Short term benefits
  - Not all of their land
- Maintain land in their hands
  - Collective Land
  - Access Agreements
- Share equity
  - Long term incentive
- Long term technical assistance and management





### **Small Landowner Contract\***

	Monthly	Per 5 Has	Total 5 ha/year
Value of payment yrs. 1-5	\$13.33	\$67	\$800
Value of payment yrs. 6-10	\$15.84	\$79	\$950
Value of payment yrs. 10-15	\$19.74	\$99	\$1,184
Value of payment yrs. 16-20	\$25.80	\$129	\$1,548
Value of payment yrs. 21-25	\$32.16	\$161	\$1,929

\*Juan Cruz contract for Adelante Plantation, 2008



## **Small Landowner Contracts**

- 25 year if death, land passes to heirs
  - Need secure title
- PE pays all plantation expenses
- Monthly payment plus revenue share
  - Daily or full time employment
- We manage all aspects of the plantation
  - Consult landowner
- Prevent perverse incentive
  - Deforestation clause





# **Indigenous Communities**

- Collective Land
  - Consultation process and land use plan
- \$2000/ha upfront, 10% net revenue share
- PE pays all plantation expenses
- PE manages all aspects of the plantation
  - Invests in local capacity building
- Assist with dual benefit projects
  - UNDP nursery





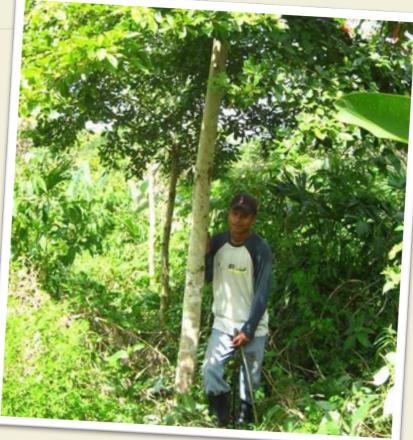
# Conclusion: Lessons and benefits

#### Lessons

- Reduce Risk
- Land Ownership
- Equity Inclusion
- Long Term Management

#### Benefits

- Reduce micro level project risk
- Increased land returns
- Solve market failures of credit and capacity





#### **Other Private Sector models**





