

# Comisión Nacional Forestal



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## Mexico's Forest Investment Plan

Presentation to the FIP  
Sub-Committee

June 2011



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# FIP Preparations & Future plans

Scoping mission & Expert workshop

MDBs provided input

Informed by process of National REDD+ Strategy & FCPF's RPP

## Purpose of advance presentation:

FIP leverage and complement a wider package with WB critical for consolidating forest & climate change policies

Package must be ready by November

Will request **remote approval by FIP Sub-committee in early September**



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# Context

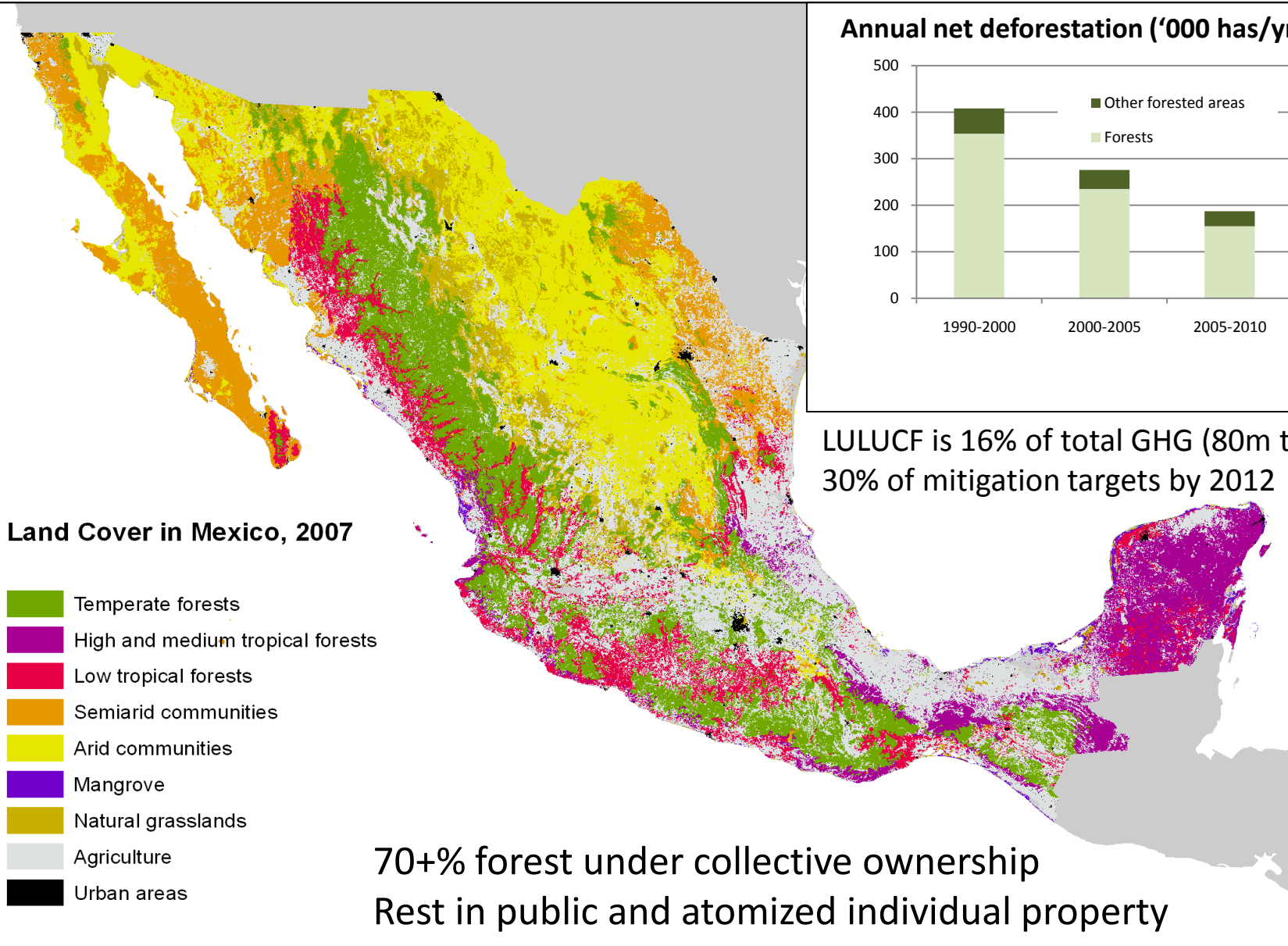


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# Policy context

Increased relevance of Forest and Climate Change in public policy

National CC strategy, Special Program on CC w/aspirational goals

Interministerial Commission on CC

Mexico's Vision for REDD+

## In process (by 2012)

Update of the Forest Strategic Plan 2025

Low carbon Development Strategy

National REDD+ Strategy



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# Key elements of REDD+ Vision

*Zero net deforestation by 2020*

*Significant reduction in forest degradation*

REDD+ must be seen in the context of Sustainable Rural Development, including promotion of SFM

No changes to existing property rights arrangements

Mix of public and private funding

Further decentralization of forest management

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Developed through a broad participatory platform

Endorsed by two interministerial commissions



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# Approach of FIP in Mexico



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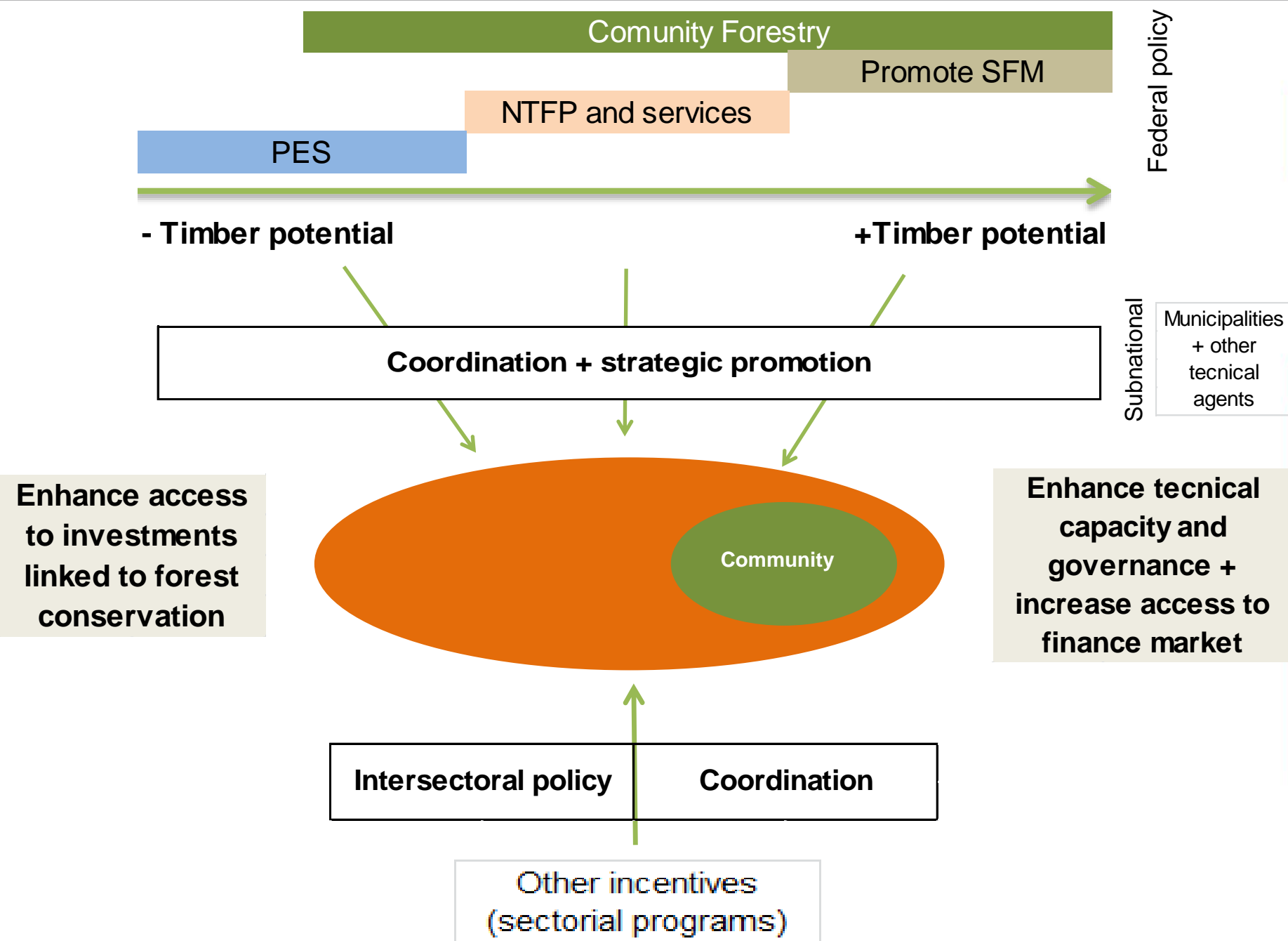


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# Investments



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Outside the forest sector to reduce pressure on forests

- Enhanced incentives for certified agroforestry and land use systems
- Integration of policies for forest conservation with incentives to intensify agricultural and livestock production
- Payment for Environmental Services for sustainable agriculture

Sustainable forest management and protection

- Financing of best practices through local agents using regional trust funds
- Investments to improve value chains in the forest sector
- Improved financial products to invest in SFM
- Promoting forest certification

Institutional capacity, forest governance and information at community and various government levels

- Enhanced governance at community and community association levels
- Improving technical assistance providers
- Land planning and policy alignment at landscape levels
- Design and implementation of local PES schemes
- Building capacity for the development and management of reference levels and monitoring systems

Knowledge management - learning about pilot implementation captured and shared

- Drawing, documenting and disseminating lessons learned
- Monitoring of FIP impacts (social and environmental)
- Enabling replicability and scaling up

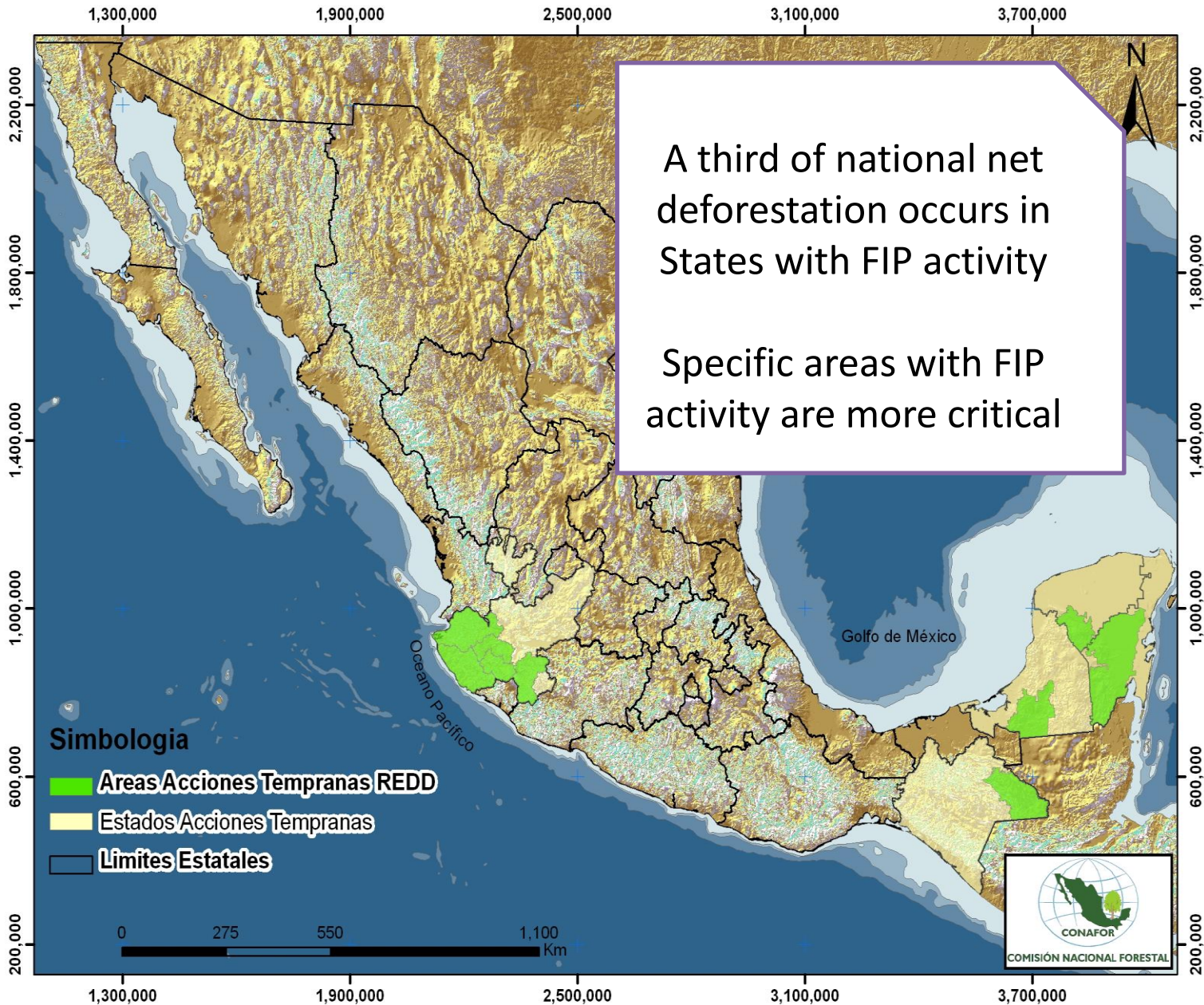
Design and testing of Innovative Financial Products for investments in SFM & others outside of the forest sector in support of REDD+ Strategy

- Improving institutional architecture to support provision of financial products (including reforms to the Mexican Forestry Fund and regional funds)
- Further identification and assessment of financing needs
- Design, implement and promote innovative financial products
- Evaluation of performance of financial products



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# FIP areas



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# Integrating FIP into larger financing strategy



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**FCPF**  
RPP fully approved

**DPL – Social Resilience & Climate Change**  
Enhance policy coordination and participatory processes (US\$300m)

**TAP**  
Forests & CC

**SIL – Forest and Climate Change**  
Multiscale institutional strengthening & Incentive programs (US\$ 300m)

**PROFOR**  
Fund & PES & Compet

**Forest Investment Plan**  
Subnational scale  
Innovative financing/incentives  
Enabling Private sector participation  
Capacity building & Governance

**Forest Bond**  
Feasibility study

**FCPF**  
Carbon Fund



# Integrating FIP into larger financing strategy



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**PROFOR**

Fund & PES & Compet

**Sub-national  
Governance for  
REDD+**

Funds: AFD,  
AECID & EU  
Replicable  
models

**MRV & RLs**

Norway-  
Mexico  
Collaboration

**Forest Investment Plan**

Subnational scale  
Innovative financing/incentives  
Enabling Private sector participation  
Capacity building & Governance

State & local  
REDD+ plans

Other REDD+  
financing

Forest Bond  
Feasibility study

FCPF  
Carbon Fund



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# Critical dates & closing remarks

**Mission to finalize FIP by end August**

**BM package approval by November**

**Precise distribution to be decided on the basis of activities**

**IBRD as main implementing agency with**

**IFC & IDB providing technical assistance and combining relative advantages to develop a rich financial instrument mix**



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