

Rainforest Alliance



Fostering Public-Private Investment Alliances for Forestry Communities in Central America and Mexico

Luis Felipe Duchicela
Regional Project Director

International Tropical Investment Forum
Cancún, April 26 and 27, 2006

The Mission of the Rainforest Alliance

Protect the ecosystems and the people and wildlife that depend on them by transforming land-use practices, business practices and consumer behavior.



The Rainforest Alliance

- International NGO based in New York
- Presence in 53 countries
- Strong connection to global markets
- Three Sectors: Agriculture, Forestry and Tourism
- Improving the livelihoods of people who depend on natural resources

Working with Global Industries



- Forestry:
- *Timber and Non Timber Products*

Agriculture:
*Coffee, Cocoa,
Bananas,
Pineapple, Flowers*



Sustainable
Tourism



Sustainable Forestry Management



- **Smartwood is the leader and pioneer in forestry certification worldwide.**
- **To date, more than 27 million hectares of forests have been certified by Smartwood.**
- **We are working with more than 1,200 communities and small, medium and large enterprises.**

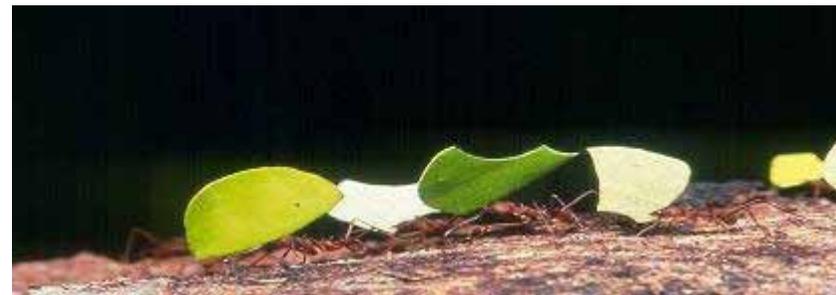


Certified Sustainable Products Alliance

Responding to a Great Challenge:
Develop Demand and Supply of Certified
Products

The Certified Sustainable Products Alliance

- Cooperative Agreement between USAID and Rainforest Alliance, signed on April 19, 2004.
- A 3-year Project currently being implemented in Central America and Mexico.



Objectives of the Alliance

Increase the Supply and the Sales Value of key Certified Products, to improve the livelihoods and environmental conditions in rural areas of Central America and Mexico

Specific Objectives:

Increase the Volume and the Value of Sales of Certified Products

Increase the certified area and the number of certified operations

Improve the competitiveness of the producer through Certification

Geographic Coverage of the Alliance



Regional Goals of the Alliance

Forestry



Certify 125,000 has of forests

Commercialize 3.1 million board feet of value-added, certified wood products

Bananas



Sell 90 million boxes of certified bananas from independent producers

Coffee



Sell 26,000 metric tons of certified coffee

Integrated Forestry Sustainability

Forest
Management



Marketing



Value
Added



Exports and
Sales



Identify
Sustainable
Operations and
Certify

Use a
Recognized
Seal

Technical
Assistance

Consumers
who
appreciate
and value
certified
products



Linking Sustainable Supply with Global Markets



Sustainable Forestry Management

Certification is a tool for biodiversity conservation and economic support for local communities, forestry industries and private owners of forests.



Summary of Results in Central America and Mexico

Baseline (April 2004)

Results (Up to March 2006)

<ul style="list-style-type: none"> ■ 1,200,000 Has of certified forests ■ 78 Certified Forestry Operations ■ 35 Certified Chains of Custody 	<p>1,525,745 Has of certified forests</p> <p>91 Certified Forestry Operations</p> <p>53 Certified Chains of Custody</p>
 <p>The logo is circular with a serrated edge. It features a central illustration of a frog. The text 'RAINFORREST ALLIANCE' is written in a circle around the frog, and 'CERTIFIED' is written across a banner at the bottom. Below the banner, it says 'EST 1987'.</p>	<p>Certified Sales of US\$ 5.2 million and 2.9 million board feet</p> <p>23 new value-added products</p> <p>Leveraged Resources: US\$ 8.1 million</p>

Gibson Guitars

- Corporate decision to progressively source only certified timber
- Agreement with Rainforest Alliance to help organize supply
- Sourcing certified guitar components from Guatemala, Honduras and Mexico
- A solution for shorts and commons



Denmark Coop. Doormats

- Community Forestry Coop in Honduras: COATLAHL
- Working with Danish NGO Nepenthes
- Innovative product with high value added
- Long term commercial relation
- Technology transfer



Certified Ejidos in México

Santiago Comaltepeq



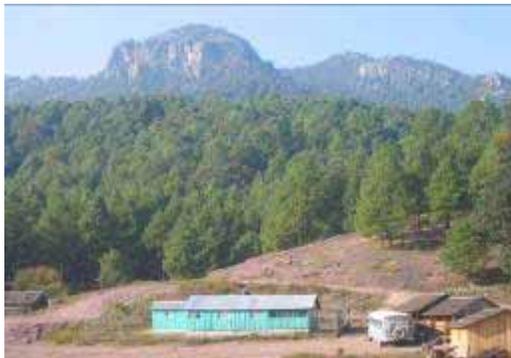
San Bernardino Milpillas



San Diego Tenzáez



San Bernardino de Milpillas



San Pedro el Alto, Santiago Xiacuí, Santiago Comaltepec, Ixtlán de Juárez, Capulalpan de Méndez



IXTLAN DE JUAREZ



Total Investment USD \$1.7 M.
Community Funds + Loans + Federal Support + CONAFOR + State Support + Others

Certified Wood for the Local Markets (Guatemala)



1. Flooring



2. Doors



3. Stairs



4. Handrails

Business Roundtable in Peten (March 2005)

- Direct interface between buyers and producers
- Direct negotiation of prices and export conditions
- Quality specs, dimensions and design

BUYERS	PRODUCTS	CONTAINERS
Earth Source	paneling, decking, etc.	15
Espen	milled wood for various uses	9
Global Building Products	Floor boards, decking, etc	27
International Specialties	decking, wheel barrel handles	23
North American Wood Prods.	Guitar parts (Gibson) and other cuts	18
Selva Verde Products	milled wood for construction	5
TOTAL		97



A Successful Community Export Project: XATE (Petén, Guatemala)



- Improved Selection
- Improved Packing
- Social and Economic Benefits



Investments in Central America and Mexico through the Alliance

(in US\$)

Area / Region	Government and Other Donors	Loans	Capital Investments
Central America	1,607,675	829,220	2,316,604
Mexico	1,331,370	1,000,000	1,046,545
Sub-total	2,939,045	1,829,220	3,363,149
Total Investments			\$8,131,414

Examples of Investments from Governments and International Organizations

Instituciones	Xate Guatemala	Bosques Certificados de Guatemala	Biosfera de Rio Platano en Honduras	Comunidades de Waspan en Nicaragua	Total Fondos no reembolsables	Créditos
INAB-OIMT		250,000.00			250,000.00	
PRONACOM - BM	45,000.00	60,000.00			105,000.00	
FOMIN - INCAE	168,050.00	192,500.00	189,000.00	194,500.00	744,050.00	
CATIE -FAO - COSUDE	42,625.00				42,625.00	
INTECAP		60,000.00			60,000.00	
AGEXPRONT USAID	20,000.00	20,000.00			40,000.00	
WCS	53,000.00				53,000.00	
ACICAFOC (Region)					40,000.00	
MAGA	13,000.00	260,000.00			273,000.00	
Préstamos para reforestacion y eco-turismo						829,220.78
Sub Total	341,675.00	842,500.00	189,000.00	194,500.00	1,607,675.00	829,220.78
Total						2,436,895.78

Conclusions

- There is a growing demand for Certified timber products
- Value Added: Higher income for the producer and greater satisfaction for Buyers
- Certification as a tool to make better investment decisions
- Certification has positive impact on quality, productivity and costs
- Partnerships among governments, international agencies and the private sector are crucial to increase investments in tropical forests

¡Thank You!

