

Mesoamerican Alliance of Peoples and Forests/ Mesoamerican Territorial Fund (AMPB / MTF)

Type: Indigenous Peoples Organization and Regional Fund

Global Objective: IP & LC rights and governance, sustainable forest management and livelihoods.



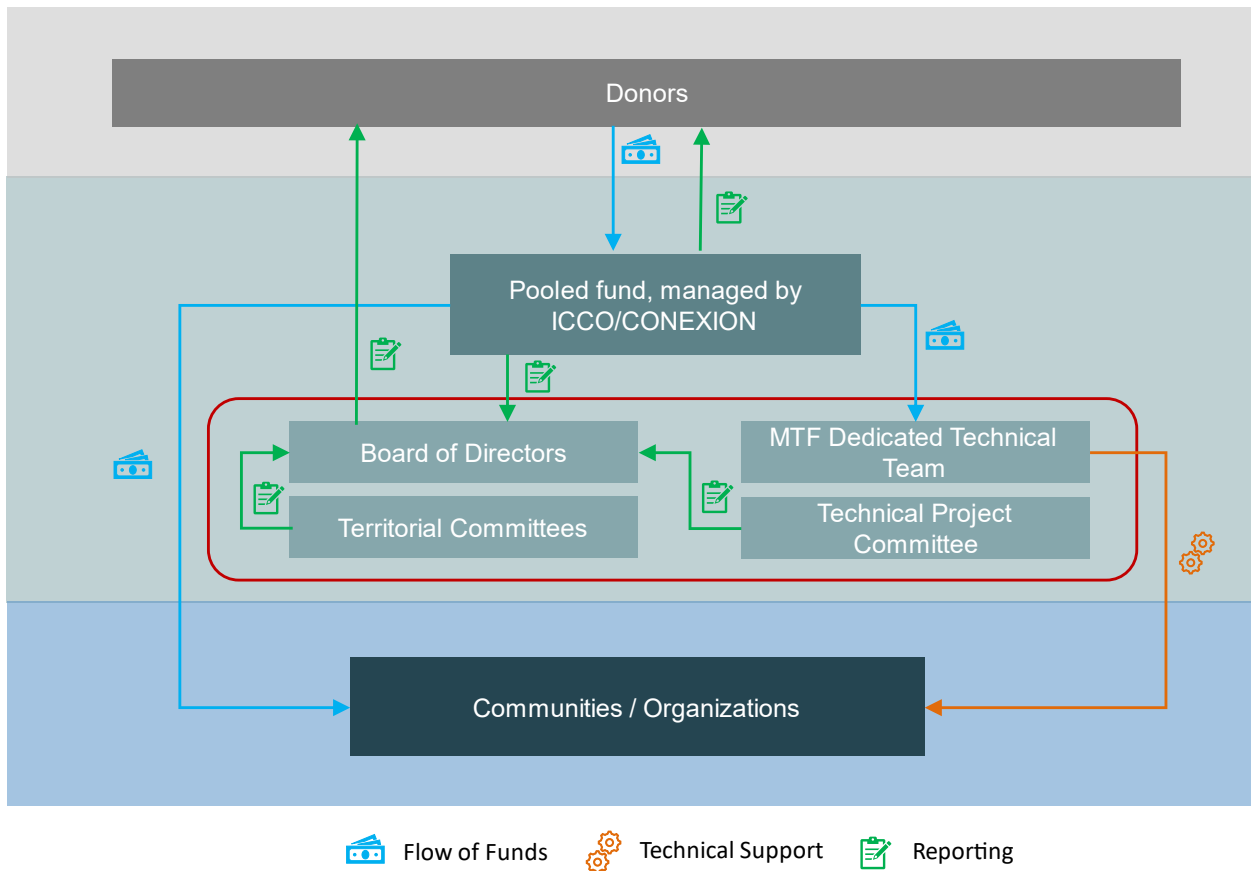
AMPB, a member of the GATC, brings together indigenous and peasant organizations representing more than 300 communities that exercise territorial governance over forests and natural ecosystems in its region. Its eleven members come from six of the Central American countries and Mexico. The MTF is a regional fund initiated by AMPB, focused on territorial (sub-national) forestry and agroforestry landscapes.

Current Funding sources	<ul style="list-style-type: none"> • <i>Private Donors:</i> Ford Foundation, Climate and Land Use Alliance • <i>Bilateral Donors:</i> USAID
Annual Turnover	<ul style="list-style-type: none"> • USD 600 thousand (MTF pilot 2020/2021)
Management/Administration - % of total funds	<ul style="list-style-type: none"> • 20% for administrative and technical support to grantees (MTF pilot 2020/2021)
Scale of Representation	<ul style="list-style-type: none"> • Current: Medium – Representing >300 communities through eleven members in five Central American countries and Mexico¹. • Potential: High – Projecting 50 million people managing 50 million hectares
Replicability potential	<ul style="list-style-type: none"> • High potential globally, and uncertain² within the region
Absorption capacity	<ul style="list-style-type: none"> • Low in the short-term, moderate in the medium term
Expansion potential	<ul style="list-style-type: none"> • MTF's goal is to expand from current management of USD 1.5 million to USD 50 million in five years.

¹ Mexico - MOCAF Network; Guatemala – ACOFOP, National Forestry Alliance, Utz Che'; Honduras – FEPROAH, MASTA; Nicaragua – Mayangna Nation, YATAMA; Costa Rica – RIBCA; Panama – Guna General Congress, and Embera-Wounaan Comarca

² In the specific case of the Mesoamerican region, the question would be more about the need for replication versus the desirability of expansion, e.g., to El Salvador, Belize, Chiapas, and Yucatán (in Mexico) and other regions in each of the Central American countries.

Mesoamerican Alliance of Peoples and Forests / Mesoamerican Territorial Fund Fund Flow Diagram



Mesoamerican Alliance of Peoples and Forests / Mesoamerican Territorial Fund (AMPB / MTF)

What is the Mesoamerican Territorial Fund? The Mesoamerican Territorial Fund (MTF) is a regional fund initiated by the Mesoamerican Alliance of Peoples and Forests (AMPB) in 2014¹ to address the historic gaps in climate finance access by IP & LCs. It is focused on territorial (sub-national) forestry and agroforestry landscapes.

The AMPB, established in 2009, brings together indigenous and peasant organizations representing more than 300 communities that exercise territorial governance over the most important forests and natural ecosystems in its region. Its eleven members come from six of the Central American countries and Mexico³. AMPB is a member of the Global Alliance for Territorial Communities (GATC).

Global objective (-s): IP & LC rights and governance, sustainable forest management and livelihoods.

Organizational objective (-s): AMPB – Defense of IP & LC rights; strengthen territorial management and governance; strengthen participation and influence of territorial organizations and governments in local, national, regional, and international settings; and analyze, evaluate, and influence political, economic, environmental, socio-cultural initiatives and laws affecting IP & LC rights and Alliance members.

MTF – To rapidly deploy direct financing to communities across Central America and Mexico that targets the strengthening of rights and governance, and livelihoods.

Typology: Accountability – IP & LC-owned. Scale of target outcomes – Strengthening of IP & LC organizations and complex coordination.

Focal region: Central America and Mexico

Operational context: Mesoamerica is a region of great biological diversity that for 60 million years has been a natural bridge connecting the northern and southern hemispheres. It also a region of great cultural diversity, currently represented by more than 113 distinct groups of Indigenous peoples, with an estimated indigenous population of 23.2 million for Mexicoⁱⁱ and 11 million for Central Americaⁱⁱⁱ. The link between cultural diversity and biological diversity is revealed by the fact that the best-preserved natural ecosystems are found precisely in indigenous territories, where, based on their systems of collective tenure and territorial governance, Indigenous Peoples have made possible the conservation of the most important forests of the region.

Under various tenure regimes, formalized, collective IP & LC rights throughout the region represent 63% of the regions' national forests (Davis, Hodgdon, Martí, & López, 2021)(Davis, Hodgdon, Martí, & López, 2021). Many indigenous communities, however, lack titles (Fazeka, 2022)(Fazeka, 2022) or are fighting for the restitution of lands and territories affected by dispossession (Elias, 2009) (Elias, 2009). Additionally, the main protected areas of the region overlap with indigenous territories, and these are primarily administered by state entities or non-governmental organizations. Under these current arrangements, IP & LCs are generally excluded from both decision-making and benefit-sharing.

How it works: The MTF is still very much in the process of formation. During the pilot phase, support was received from the Ford Foundation and the Alliance for Climate and Land Use (CLUA) for the development of a pilot program of small conservation projects and productive investments amongst AMPB partner communities. Amongst others, a key conclusion from these pilots was the need to develop the fund's institutional capacities related to decision-making and fund management. (AMPB, 2022). During the next phase (2021-2022) the AMPB established a Board of Directors for the MTF with sufficient independence for decision-making. The administrative structure and platform for the management of the MTF is being developed, and outreach and promotional efforts carried out to build strategic alliances with, and seek commitments from, financiers for the next phase. Amongst others, portions of a USD2 million, three-year

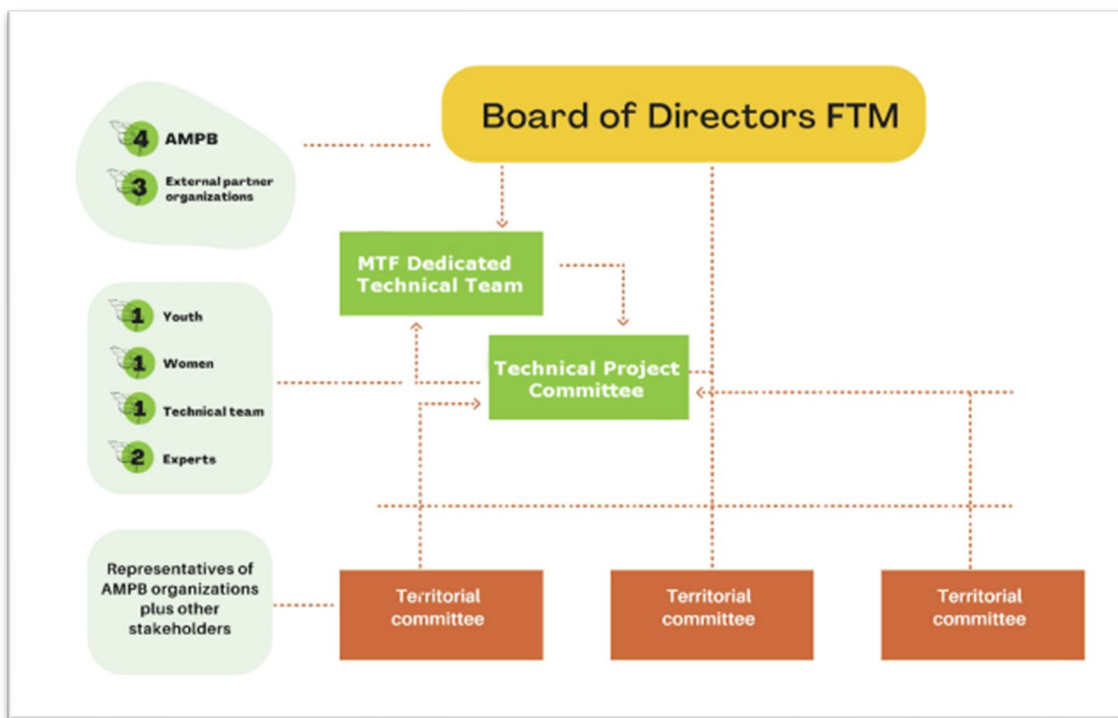
³ Mexico - MOCAF Network; Guatemala – ACOFOP, National Forestry Alliance, Utz Che'; Honduras – FEPROAH, MASTA; Nicaragua – Mayangna Nation, YATAMA; Costa Rica – RIBCA; Panama – Guna General Congress, and Embera-Wounaan Comarca

grant from USAID^{iv} to the AMPB and Rainforest Foundation US (RFUS)^v is supporting the establishment of AMPB as a legal entity and the setting up of the MTF. Two calls for proposals from AMPB member organizations have been made during this time period to finance projects of up to USD50,000 each, which must be executed within 6 months of their approval.

Currently, following a call for proposals and their reception, a Technical Committee for Regional Selection and Verification of the Fund [Technical Project Committee] evaluates them and provides its recommendation to the MTF Board for their approval or rejection. Responsibility for financial management and administration was given to the Inter-Church Organization for Development Cooperation (ICCO), a long-standing partner for the AMPB, which is now known as “Connection” (Conexión in Spanish).⁴ ICCO/Connection is responsible for the administration, accounting, and monitoring of the grants, including internal audits of the grant recipients’ management of funds. They report to the Executive Directorate of the MTF. ICCO is expected to transfer its expertise to the MTF so that it may administer and manage the

Figure 1. Mesoamerican Territorial Fund Structure¹.

Source: <https://foresttenure.org/gallery/MTF.pdf>



Funds finances itself. Technical support to the recipient communities for the implementation of their grants is provided by technical personnel assigned to the MTF Executive Directorate.

Current plans call for two additional phases: a consolidation phase during 2023–2024, and a scaling phase from 2025 onwards. The goals of the consolidation phase are to diversify the sources of donations and types of financing, primarily from private donors⁵; consolidate the governance system of the fund and the administrative capacity of community-based organizations with the capacity to manage the funds; and assess the potential for expanding to new geographical areas and other communities beyond the AMPB’s. The projected goals of the scaling phase are to refine the governance of the fund to adapt it to the communities it serves and their projects, as well as to community-decision-making processes; capture and

⁴ ICCO has collaborated with AMPB for many years and was selected by AMPB to be the financial manager of the MTF. In 2021 it merged with Coraid and currently operates as “Connection”.

⁵ The perception is that they will be able to respond more quickly, with fewer bureaucratic requirements, as well as being more committed to the AMPBs advocacy agenda.

incorporate lessons learned; achieve a capitalization of USD50 million; and diversify the MTF's activities and services as needed.

As currently conceived, the MTF will support community-defined initiatives in six thematic areas⁶ and provide three types of grants:

- Small grants to communities with minimal administrative and financial management experience (USD10,000-USD15,000)
- Large grants to communities with established records of administrative and financial management, usually constituted as “second-level” organizations, e.g., such as those comprising the AMPB members (USD 200,000-1,000,000)
- Rapid response grants to address crises and emergencies, for example, combatting forest fires, post-disaster repairs following extreme weather events, or management of socio-environmental conflicts (Amounts not yet defined).

Governance: The approaches, priorities, and governance of the MTF originate from the AMPB and its understanding of the needs and capacities of its constituent organizations.

- The MTF is governed by an independent, seven-person **Board of Directors**; four are members of the AMPB and three are independent experts in climate finance who are appointed by the AMPB's Board of Directors. At least three members of the board must be women. The Executive Management of MTF is charged with operating the fund and reports to the Board.
- Community members⁷ in each of the eleven AMPB constituent organizations participate in **Territorial Committees** for the identification of ideas and projects for potential investment in response to calls for proposals. They work by consensus.
- **Technical Project Committee**, composed of five members⁸, issues calls for proposals and is charged with the evaluation and selection of proposals according to the thematic basis of the call and relevance to IP & LC rights; the potential strategic impacts on conservation and strengthening of territorial governance; and the administrative, technical, and financial viability and capacity of the applicant organization.
- **MTF Dedicated Technical Team**, led by the Board of Directors, is composed of technical experts in technical and administrative aspects who support communities that have less experience in the implementation of projects and less access to technology.

Priorities: The MTF's grants are focused along three axes:

- Governance: improve the organizational and institutional structures of IP & LCs to strengthen the use and access rights in their territories. Emphasis has been placed on organizational development and strategic communication networks within the territories, and the AMPB in general.
- Rights: defense, titling, restitution, sanitation, and resolution of territorial conflicts. Emphasis has been placed on capacity-building related to IP & LCs' territorial rights, advocacy, and dialogue with key governmental and non-governmental actors.
- Indigenous and Community Entrepreneurship: improve the efficiency of community productive activities in support of food security and livelihoods, e.g., by value-added production, alternative tourism, others.

Primary Outputs/Outcomes: The initial call for proposals (*“Iniciativas incluyentes hacia el Cambio Climático desde los territorios”*)⁹ financed ten projects that averaged USD47,000 in size. These were led by seven Indigenous Peoples' organizations, two local community organizations and one mixed organization (Indigenous Peoples and local community) in 6 countries across the region (AMPB 2021). Examples of projects funded include entrepreneurship of a women-led forest nursery business in Honduras;

⁶ Climate change, the degradation of nature and biodiversity protection; Land and forest rights; Indigenous and community economic and productive enterprises; Projects for women; Youth projects; and Emergency support.

⁷ Representatives of different community and social groups in each territory, including women, youth, community entrepreneurs and other issues.

⁸ Includes a woman and a young person designated by the bases of the AMPB, a member of the technical team of the AMPB and two independent experts.

⁹ Inclusive initiatives from the territories to address climate change

establishment of a biointensive community garden in Moskitia, Honduras; and, support in marketing of products of the Agricultural Farmers Network in Texcoco, Mexico. These projects reached almost 17,000 people in 228 communities, 40% of whom were women (AMPB 2022).

The second call for proposals is ongoing (“*Fortalecimiento organizacional, defensa de derechos y emprendimientos económicos frente al cambio climático a organizaciones miembros de la AMPB*”)¹⁰, launched in June 2022, aims to strengthen organizational capacity, management of territorial rights and local economic development in territories and communities. (AMPB 2022).

Funding sources: Private foundations (Ford Foundation, CLUA), and a bi-lateral donor (USAID).

Financial mechanism: The financing mechanism of MTF is still under development. It will be a pooled-funding model, operating as a centralized funding system to channel finance to Indigenous communities’ region-wide^{vi}.

Annual turnover: Currently, AMPB/MTF are reported to be managing USD1.5 million in assets, of which USD 1 million is destined for financing. In the MTF pilot phase during 2020/2021 a USD0.6 million turnover (80% direct grant financing to member organizations, and 20% for administration and technical support to grantees) occurred.

Absorption capacity: In the short-term, the absorption capacity is likely to be modest. However, assuming continued systematic support¹¹ such as the kind currently being provided, and maintenance of internally cohesive and transparent governance, the MTF should be able to mature and expand its coverage and scale of work, year on year, such that it could be a major source of direct finance for IP & LCs in the Mesoamerican region in the coming years. To realize that capacity, investment is ongoing in the current architecture to strengthen the governance structure; improve technical, political, and administrative capacities of AMPB’s member organizations; and strengthen its technical teams and administrative mechanisms. To reach full potential, additional work will be required to expand to geographic areas with communal lands and Indigenous territories with potential for climate action that are currently not being addressed by the AMPB, including El Salvador, Belize, Chiapas and Yucatán (in Mexico) and other regions in each of the Central American countries.

What works: Though the MTF is yet in its early stages, it is striving to incorporate good practices for enabling IP & LC direct finance based on the significant experience within its leadership, and amongst its network of members with both community-level work and donor engagement, as well as relevant lessons and learning from outside the region and the AMPB. Examples include:

- The MTF has adopted principles of accountability and transparency in order to demonstrate the good use of available resources and strengthen credibility with communities and donors:
 - The direct, immediate, and accountable relationship that AMPB has with its partner organizations and down to its constituent communities is one of the main assets the MTF has for developing a foundation of trust for its financing model. This, in turn, can mitigate financiers perceptions of risk, as well as improve donors’ strategic understanding of communities’ priorities and how best to attend to those priorities, as well improve access to and relationships with the communities themselves.
 - Social and livelihood indicators are developed according to each territory’s particular context and ecological indicators are designed to assess the health of ecosystems. From the communities, collective knowledge is leveraged to reflect on the ways in which the grant projects, and their implementation mechanisms have contributed to the strengthening of territorial governance, the fight against climate change and the economic empowerment of communities in order to inform both the MTF’s approach as well as to capture behavioral change impacts from the investments.
 - Within the MTF structure, the work of the Territorial Committees and the Technical Project Committee¹² both legitimize projects and provide first-hand information on their implementation and

¹⁰ Organizational strengthening, defense of rights, and economic ventures in the face of climate change for AMPB member organizations

¹¹ AMPB is working with, and supported by, a set of very experienced actors, including PRISMA, RRI, RainForest Foundation US; and financiers Ford Foundation, CLUA, and USAID.

¹² Previously the “Technical Committee of Verification and Validation”, see Reference vi

self-evaluation. The fund also promotes independent donor evaluations and audits, the results of which provide lessons to help rethink the fund's implementation strategies¹³.

- Emphasis is being placed on the design of performance mechanisms simple enough to allow immediate actions, which can be nested in, or adjusted to, more sophisticated mechanisms eligible for financing, through carbon markets or through the climate regime of the UNFCCC.
- Partnership with a trusted and experienced organization¹⁴ to handle financial management while building up its own administrative and finance unit to whom that partner can transfer its knowledge and experience.
- The AMPB's Mesoamerican School of Leadership¹⁵ and the Coordinator of Women Territorial Leaders of Mesoamerica¹⁶ provide articulating centers for a professionalized leadership and capacity development process and ensure that the human resources needed to guide and implement efforts come from the very same communities receiving financial support. In this fashion, indigenous and community youth become the talents who assume the responsibilities for the implementation of the fund.

Strategic Insights

The MTF offers useful lessons for other high-IP & LC ownership funds of modest scale. In time, with additional organizational maturity and experience with larger grant funding, these experiences will undoubtedly be relevant to larger funds, as well.

Consolidate the political project. Climate finance for IP & LCs must be based on the recognition, respect, and exercise of their territorial rights, FPIC, self-determination, indigenous knowledge, and fair access to benefits. Funding should support IP & LC-defined and owned initiatives (e.g., strengthening governance, legal recognition of lands and territories, protecting life-sustaining ecosystems, protecting traditional knowledge, strengthening local economies), all of which must be accompanied by commitments by governments and international agencies in policymaking to reduce extractive and criminal pressures on IP & LC territories and organizations. The political aspects cannot be ignored, and the ability to engage with these must be reinforced internally within the organizations that make up the AMPB, and before governments and international organizations.

Towards a climate financing model based on trust. Despite promises to provide increased resources for IP & LCs, processes remain too rigid, with complex procedures that are difficult for community-based organizations to meet. Accountability is considered as one of the main ways to build this culture of trust and it is obvious that achieving this depends not only on the political will of donors, but also on the ability of the AMPB/MTF to create its own operational architecture which encourages trust to develop from donor to grantee, e.g., through the aforementioned direct, immediate, and accountable relationship with partner organizations and their constituent communities.

Define strategic and differentiated work axes. Considering that the regional reality presents both common and highly specific situations, an effort of reflection is necessary among the partner organizations of the AMPB to build an Indigenous and Community Climate Action Agenda, broad enough to respond to the different challenges and needs of the territories in the region¹⁷. This will make it possible to direct differentiated actions according to the national contexts in which the efforts to combat climate change are framed. To respond to this complex panorama, the AMPB can promote the construction of this agenda

¹³ These reports were not available for this case study.

¹⁴ ICCO, now known as "Conexión" ("Connection", in English)

¹⁵ The Mesoamerican School of Leadership of the AMPB is a novel model for its pedagogical philosophy and approach to transformative education adapted to communities that aims to strengthen leadership and capacity building in community-based organizations and indigenous organizations.

¹⁶ The Coordinator of Women Territorial Leaders of Mesoamerica is a space in the AMPB for dialogue and advocacy around the setting of AMPB's environmental policy agenda in response to threats and challenges faced by indigenous and community women for the defense of their territories, natural resources, forests, and cultures; and to propose solutions for the inclusion of women in environmental policies linked to their territorial rights.

¹⁷ For example, in Honduras and Nicaragua livestock expansion demands public policy and actions, for which advocacy work is needed to generate government commitments to stop this process. In Costa Rica, there is relative security of tenure, but very significant resources are needed to increase the recovery of IP lands appropriated by others, as well for social and economic development. In Panama, Guatemala and Mexico, a constant threat of large energy, mining, tourism and infrastructure projects generate conflict and violence, and are a latent threat that can weaken territorial rights and governance.

from an inventory of needs, priorities, and projects identified from each territory/organization, including with estimated amounts, management mechanisms, timelines, and milestones. PRISMA has conducted significant studies on the strategic challenges of climate finance in the region, but greater efforts and support are required to shape this agenda, with the full and effective participation of the IP & LCs. USD 1 million is estimated as needed to develop such.

Affirm the struggle for territorial rights and their governance. The MTF has its *raison d'être* in demonstrating that the fight against climate change necessarily involves recognizing and securing the rights of use, access and control that IP & LCs have over their resources and territories, and also in deciding the direction of their own development as indicated by the international conventions on IP & LC rights.

Position the MTF as a window to more IP & LCs. The MTF must take advantage of the experience it has been accumulating so that more Indigenous and community-based organizations can have access to climate finance. This can also provide an opportunity to increase AMPB membership and expand the recognition of climate rights to more territories and communities across the region.

Risk management. The implementation of the MTF is not without risks, some of which have to do with the internal dispute over access to resources and leadership. Special attention should be paid to the dissimilar political and administrative capacities and contexts in which the organizations that make up the AMPB operate. Conflicts of interest in decision-making in the allocation of donations must also be addressed, in addition to the natural tensions that can occur around governance and management of funds.

Scalability

Replicability. As is being proposed by the GATC through its Shandia Vision, the global potential for replicating this type of funding mechanism that is owned and managed by IP & LC “membership organizations” is high. In the specific case of the Mesoamerican region, the question would be more about the need for replication versus the desirability of expansion (e.g., to El Salvador, Belize, Chiapas, and Yucatán (in Mexico) and other regions in each of the Central American countries). Such a strategic question might be best addressed through the aforementioned efforts to define strategic and differentiated work axes.

Expansion. The MTF has proposed over the next 5 years to move from managing USD 1.5 million today to USD 50 million¹⁸ to cover 50 million people and 50 million hectares in the region, which they project could be met through financing annually an average of ten large community projects and fifty small community projects. To reach this goal would require significant and systematic investment in its current architecture. It also would likely presuppose the previously discussed expansion into geographic areas with communal lands and indigenous territories with potential for climate action that are currently neither being addressed, nor are members of the AMPB in other regions and countries of Mesoamerica.

As has been noted by one knowledgeable actor in the AMPB, under a best-case scenario for the MTF “*to help both conserve a massive amount of forests and raise the standard of living for the indigenous peoples and local communities who are there...close to USD 100 million by 2030 [could be deployed through]...a consolidated financing mechanism in Latin America that will have a substantive impact on these territories*”

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¹⁸ Capitalization of USD 50,000,000.

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