

**ANNUAL REPORT 2007**

***SCOLEL TE***



**January 2008**

**San Cristóbal de Las Casas, Chiapas, Mexico**

# SCOEL TE 2007

## Introduction

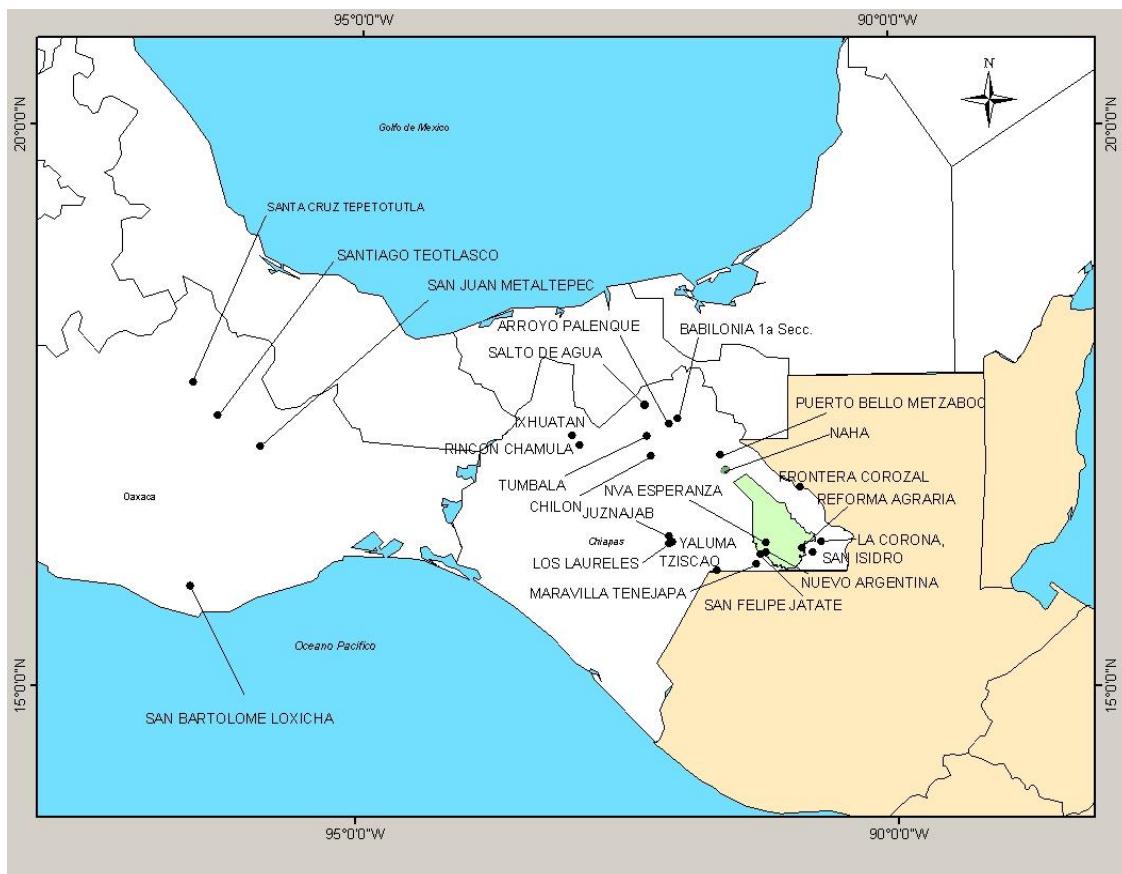
*Scolel Te* was one of the first projects of its kind in the market for carbon offsets. It specifically involves indigenous communities, and enables them to be involved in this international market according to their land resources available and interests in tree planting and land use change.

It was very rewarding for the project team to be able to celebrate in 2007 the tenth anniversary of the Project. The communities involved, carbon buyers, our team and others have worked very hard, and have faced many new challenges in order to improve the success of the project.

This report covers the projects activities carried out in 2007, and also includes a focused chapter describing the main achievements and developments of *Scolel Te* during its first decade.

## Newly involved Communities

In 2007, *Scolel Te* expanded into new areas, involving groups which showed a certain existing degree of organization. This included coffee producers who were already organised into cooperatives, and continued expansion into the communities and *ejidos* in which Plan Vivo activities were currently being undertaken. The following map (Map 1) shows the area covered by *Scolel te* in 2007.



**Map 1. Area under Influence of the project *Scolel te* in 2007**

Table 1 shows the communities and municipalities who have recently joined the Project.

**Table 1. Communities newly involved or where the participation in *Scolel te* has increased**

Community	Municipality	Ethnic Group	No. of families	Observations
San Isidro	Marqués de Comillas	Tzeltal	65	This <i>ejido</i> has approx. 800 ha of tropical forest of medium and high conservation value
Babilonia 2 <sup>nd</sup> section	Palenque	Chol	3	Both new producers and increase in land area
Babilonia 1 <sup>st</sup> section	Palenque	Chol	1	New producers
La Tronconada	Salto de Agua	Chol	4	New producers
Hidalgo	Tumbala	Chol	30	New producers
Horizonte	Tumbala	Chol	4	New producers
Tehuacan	Tumbala	Chol	11	New producers
Flor de Bazcan	Salto de Agua	Chol	1	New producer
Rancheria Cololil	Tumbala	Chol	3	New producers
Rodulfo Figueroa	Maravilla Tenejapa	Chol	5	New producers
Barrio La Libertad	Ixhuatán	?	3	New producers
El Calvario	Amatan	?	1	New producers
Espiga de Oro	Solosuchiapa	?	2	New producers
Tziscao	La Trinitaria	Mestizos	7	Increase in the area with the same producers

As in previous years, the visits to the project locations have, as well as the training and promotion, targeted many more *ejidos* and groups. In addition to the recruited groups (table 1.) there were also many communities which are still to be defined and several others who joined a waiting list. because it was perceived that the Project was not a priority for them. In both cases, we are waiting for a confirmation to continue or to end our activities with them.

### **Biannual meetings**

#### First biannual meeting

This meeting took place on the 20<sup>th</sup> of January 2007 in the offices of the Co-operative AMBIO, in San Cristóbal de Las Casas, Chiapas, Mexico. Twenty six people from the different regions where *Scolel te* operates in addition to the technical team from AMBIO-FBC were present (see Appendix 1: Attendance list). The main issues discussed were:

1. Administrative Report: it was explained to participants that due to administrative changes, the resources coming from the Bioclimatic Fund Trust (FBC) would start to enter the accounts of the Co-operative AMBIO, which is responsible for the administration of the FBC. Previously, the funds were directly withdrawn from the FBC and distributed to the communities. However, this was changed with the aim of making the management of the FBC more transparent. It was also important to mention that authorizations, expenses and debits of the FBC can only be made through its representatives.
2. In each meeting, an opportunity was given for participants to discuss the programmed activities in their community or region. Nicolás Rodríguez, from Arroyo Palenque, commented on the necessity to develop strategies to support those producers who have received the last of their carbon payments and will not get any more immediate income from their plots. Concerning this, one strategy which could be used to avoid problems is the development of parallel projects. It was acknowledged that other strategies are also needed. Mr. Fernando, from Yaluma, added that he raises a few sheep that he allows to graze in his plot (already mature trees), helping to control grass and weed growth. The sale of timber is one potential major source of income which could be used by farmers who are no longer receiving payments from carbon sequestration activities.
3. Results from the verification undertaken by Smartwood: the verification process applied by Smartwood to *Scolel Te* in October 2006 was presented. Its importance was emphasized, as well as its key objectives, some aspects still to be improved and the way in which they will be tackled was discussed. One aim is to involve the participants and enable them to make a contribution to the process.
4. Miscellaneous: pruning activities, seed collection and establishment of communal tree nurseries were scheduled. An update was given on a proposition for the promotion of fuel efficient stoves which began to be implemented in January 2007. This is one of the parallel projects and part of the strategy of continuity for *Scolel Te* after carbon payments have ceased.

#### Second biannual meeting

The second biannual meeting took place on the 14<sup>th</sup> of July 2007, once again in the offices of AMBIO, in San Cristóbal de Las Casas, Chiapas, Mexico. Thirty people attended the meeting, including community representatives and members of the AMBIO-FBC technical team (See Appendix 2: Attendance list). The meeting tackled the following issues:

1. Representatives from different groups and *ejidos* gave an update on the progress made during the previous semester, and scheduled the activities to be carried out during the following six months.
2. An overview of the progress made on pruning, seed collection and tree nursery establishment was given.
3. Regarding the Verification implemented by Smartwood, the importance of the monitoring and of the verification of its results was emphasized. A new monitoring methodology was designed (according to the suggestions from Smartwood) and adjusted during field visits to Laureles and Tziscao. This methodology began to be applied during this year's monitoring.
4. A presentation was made summarising progress from the project over the past six months. This included the project's promotion of the use of efficient fuel stoves, progress made in the field and some of the main achievements and challenges for the project team.
5. Presentation of COFOSECH by MSc. Verónica Gutiérrez. Mrs Gutiérrez introduced the recently created Sustainable Forestry Commission of the State of Chiapas, whose aim is to work on several activities related to the forest sector, and described its main activities and the programmes through which *ejidos* and communities can get access to different forms of support and advice.

## **Monitoring**

The information obtained until December 2007 is as follows:

The following communities were monitored and verified: San Isidro, Babilonia 1<sup>st</sup> and 2<sup>nd</sup> sections, La Tronconada, Rio Jordán, Tziscao and Laureles.

The following were monitored but activities have not yet been verified: Naha, Yaluma and Rodulfo Figueroa.

The communities of the Areas Tzeltal, Nueva Esperanza, Naha, Metzabok, Frontera Corozal and Rincón Chamula still need to be monitored and verified.

It is necessary to mention that we experienced a delay in the monitoring activities, mainly due to the changes in the methodology being tried out in the field. This process appeared to be relatively slow. The time required to monitor the plots has increased. Indeed, 1.5 plots per day are now monitored by one technician, while 3 plots per day were monitored by the same technician before. We will reassess, at the end of February, the changes made to the methodology in order to make it more appropriate for community technicians and thus improve its efficiency.

## **Progress in the Verification Process by Smartwood**

Until now, progress has been made in various aspects mentioned during the verification visit done by Smartwood. However, a few things still need to be solved, such as the communication of the details concerning the forestation of the

participating plots, for which support is planned through short professional visits from students of the *Universidad Autónoma Chapingo*. Currently, arrangements are being made so that with the support of the students, the information will be collected for the registration of the plots. Moreover, this activity will require the use of highly accurate GPS, which will be purchased during the next months.

In order to illustrate the progress made, Table 2 summarises the observations given by Smartwood and the corrective actions implemented or planned.

**Table 2: Summary of the progress made following the Verification done by Smartwood**

Observation No.	Observation	With Ref. To Standard No.	Action	Planned for	Progress
01/06	It is important for the Operational Plan and technical specifications to be revised annually or systematically in a given time period, based on the guides written compared with the results from the monitoring, verifications, workshops and assemblies.	1.1, 1.3	Revision of technical specifications	First revision in 2007	In process The results of the thesis done by ECOSUR are available but need to be checked
02/06	The Project should use ranking systems or quantitative classifications to improve the data collected during monitoring.	1.3	Modification of the Monitoring Format	2007	100%
03/06	It is important for the technical specifications to be revised in order to take account of the changes already being implemented in practice.	1.3	Modification of the technical specifications	2007 An annual revision will be carried out	Pending
04/06	The Project could develop within the Operational Manual for its system, a policy to communicate to community or regional technicians if the corrections apply to them.	1.5	Modification of the Operational Manual and design of an instrument for the follow up of the Project	2007	Pending
05/06	It is important that the Project ensures that the spreadsheets and criteria used for the estimation and measurement of the indicators in the plots contain precise instructions, according to the production system implemented.	2.1	Modification of the Monitoring Format and Instruction Sheets	2007	100% It is being tried out in the field
06/06	It is recommended that the community technicians of the <i>Scoleste</i> Project receive training in forest inventories (methodology to count trees and collect data in the field) and in the use of GPS (Global Positioning System).	2.3	Training Workshops	2007	50% A training workshop was given. Training in the use of GPS still needs to be improved

Observation No.	Observation	With Ref. To Standard No.	Action	Planned for	Progress
07/06	It is important that the Project offers training to regional coordinators with respect to Mexican forest law to start preparing the future, knowing that wood extraction will take place in the plots.	2.3	Talks with technicians Regularisation of the plots (communication of forestation activities to Semarnat)	20% in 2007 If more resources were available, a higher percentage could be achieved	Pending
08/06	In order to develop a periodic training, the contribution of ECOSUR, <i>Universidad Autónoma Chapingo</i> and of other research or extension institutions which can have agreements with AMBIO, is important. A more intensive training programme could possibly obtain official funding, for example from CDI, CONAFOR, from the Government or international donors.	2.5	Research of cooperation agreements	According to the Training Plan, these agreements will be searched for from 2007 onwards	Pending
09/06	The Project should develop a way to handle special cases, so that there is also a monitoring system of the verifications. When most of the monitoring of an area is made by the staff from AMBIO or by regional coordinators, AMBIO should require a number of the plots to be verified by personnel not involved in the monitoring.	3.1	Modification of the Operational Manual in relation with the Monitoring	2007	100% Will be applied from this monitoring onwards
10/06	It is important for future annual reports from <i>Scolel Te</i> to include a summary (in a table and/or short paragraph) of the number of monitoring periods and verifications done from the last year on.	3.1	Modification of the Annual Report	2007	Will be done this year
11/06	Tree height assessment will have to be more systematic and scientific. Technicians should use simple methods or tools to measure tree height, such as bars, tapes or clinometers.	3.2	Training workshops	2007	100% It is being tried out in the field

## Training Activities

In 2007, three workshops have been organised.

### Workshop 1: Monitoring and Management of Agroforestry Systems of *Scolel te*

This workshop took place in the *Ejido* Arroyo Palenque, Municipality of Salto de Agua. The main objective was to train *Scolel te* community technicians in basic aspects of agroforestry systems management, and to give them the necessary practical and theoretical knowledge to be able to collect good quality and standardized data during the monitoring of the plots registered in the Project.

Previously, a Guide was developed to support the Monitoring and to help with the changes made to its format, in order to obtain better quality information.

Currently, changes in the monitoring system are being tried out in the field. A second workshop is expected to take place in February with the aim to assess the system and make it more practical and easier to implement for community technicians.



Practice in the use of GPS



Indoor Course



Field Practice: Tree height and distance measurement

## Workshop 2: Evaluation of *Planes Vivos*

The main goal was to train *Scolel Te* regional and community technicians in the application of the planning tool from Plan Vivo and in the assessment of the planes vivos to improve the establishment of agroforestry systems.

The idea is for community technicians to be able to help with the evaluation process of *planes vivos* in order to answer doubts at regional and communal scale concerning the implementation of agroforestry systems, and to better communicate with producers during the planning process to implement the Plan. This is expected to reduce the time needed for the registration of *planes vivos* and to decrease the costs associated with it.

This workshop took place in the Community Training Centre “La Albarrada”, in San Cristóbal de las Casas. Sixteen persons were present, including *Scolel Te* community technicians and technicians of the National Commission of Protected Natural Areas (CONANP) from the Naha-Metzabok Region, with whom we collaborate.



Workshop Participants



### Workshop 3: Vermiculture and composting

The aim was to train the community technicians in charge of the management of community nurseries, in the use of vermiculture and composting techniques to produce the good quality substrate necessary for the establishment of the plants, and to reduce the use of local soil.

Currently, the best results are obtained in the *Ejido Arroyo Palenque*.



In 2007, four tree nurseries were established with different production capacities, in the communities of Arroyo Palenque, Municipality of Salto de Agua, Alankantajal in the Area Tzeltal, Rincón chamula of the Municipality Pueblo Nuevo and in the Naha - Metzabok Reserve. In total, 40,000 plants of different tropical species were grown, the original goal being the production of 55,000. The reason for this difference was due to the lack of seeds. This year, seed collection will be improved and training will be provided to increase the production and efficiency.

### Research Activities associated with the Project

#### Agroforestry systems and carbon sequestration

For the last three years, the College of the South Border (*Colegio de la Frontera Sur (ECOSUR)*) located in San Cristóbal de Las Casas, Chiapas, has been investigating agroforestry systems established by producers who have been involved in *Scolel te* for the last ten years.

They assessed Taungya systems, as well as coffee and improved acahuil (sunflower) plantations, all from tropical climate. Evaluations of carbon capture in aerial biomass and soil have been undertaken.

According to the results obtained, after 7 years of growth, most of the agroforestry systems established have captured between 70 and 80% of the total carbon expected to be stored. However, it is important to use this information carefully, since it is necessary to increase the number of samples to verify these findings.

## **Additional Proposals**

In 2007, AMBIO proposed the use of fuel efficient stoves. This initiative is funded by Manos Unidas, and will end by March 2008. The objective was to install 230 stoves, from a model accepted and tried by the communities, in 4 regions (Rincón Chamula, Arroyo Palenque, Area Tzeltal and Area Tojolabal) where *Scolel te* is implemented. This initiative aims at reinforcing the presence of *Scolel te* in these areas where producers have shown interest in fuel saving stoves, and where the payment for carbon is soon to be completed.

The installation of such stoves should improve the quality of life of the families involved, and should help to measure the quantity of wood used and subsequently assess the savings, in comparison with the traditional open stoves.

The results of this research could be useful to convince more families about the importance and benefits of the use of the stove, and to foster external donations to improve the living standards of rural families.



Fuel efficient Stoves in the Areas Tzeltal and Tojolabal, within communities participating in *Scolel te*

## ***Scolel te* tenth Anniversary**

In 2007, *Scolel te* celebrated its tenth Anniversary, made possible thanks to the contribution of a variety of actors including voluntary carbon buyers, producers, and communities and *ejidos* interested in restoration and conservation activities within their land.

It is important to mention that *Scolel te* has been a pioneer project in the provision of environmental services by carbon sequestration, at national and international scale. The key for success has been the collaboration between the different actors directly or indirectly involved, such as the technical and administrative team, community technicians, community promoters, local Governments, municipalities, Government bodies (CONAFOR, CONANP, INE, SEMARNAP), and associated researchers. All

of them have been working with the objective of pushing forward this initiative, which is nowadays one of the most recognised Project for its actions and durability.

Some of the most significant activities during the last 10 years for **Scolel Te** are:

- a) Pilot project for the development and implementation of the methodology named “Plan Vivo System” (*Sistema Plan Vivo, SPV*)
- b) Development of technical specifications according to the different systems established in the field.
- c) Development of the critical path and of its appendices for the correct functioning of *Scolel Te*.
- d) Development and implementation of the database for the transactions related to carbon trading.
- e) Definition of the actions to implement in carbon capture projects at small scale.
- f) Development of local strategies involving the payment of environmental services by carbon sequestration as the main driver.
- g) ISO 9000 verification in 2001 for the administrative aspects, done by SGS.
- h) In 2006 started a verification process to improve the monitoring system, undertaken by Smartwood (a programme of the Rainforest Alliance).

Table 3 summarizes some of the achievements of *Scolel Te* during the last ten years.

**Table 3: Main achievements of *Scolel te* during the last 10 years**

<b>No. of producers</b>	677
<b>No. of families</b>	2400
<b>No. of communities</b>	51
<b>No. of active communities</b>	40
<b>Ethnic groups</b>	Chol, Tzeltal, Tzotzil, Lacandon, Zapoteca, Chinanteca , Zoque
<b>No. of hectares (ha)</b>	7534,54
<b>Mean area (ha) / producer (reforestation)</b>	1.2 ha
<b>Area Range (ha) / producer (reforestation)</b>	0.25 ha - 5 ha
<b>Carbon buyers</b>	Foundation FIA, World Bank, Future Forest, The Neutral Carbon, several private parties
<b>Planes vivos created</b>	677
<b>Agroforestry systems established</b>	Taungya (different types), improved tropical and subtropical acahual (different types), living fences (different types), improved tropical and subtropical coffee plantations, forests restoration and conservation
<b>Carbon committed (t)</b>	65,926.96
<b>Carbon accredited (t)</b>	43,645.87
<b>Carbon sold (t):</b>	42,053.85

<b>USD paid for Carbon</b>	311,495.91
<b>No. of transactions</b>	2262

### Carbon sales completed

Table 4 shows a list of the carbon sales and corresponding incomes for the FBC from 1997 to 2007.

**Table 4: Summary of carbon sales from 1997 to 2007**

<b>Year</b>	<b>Buyer</b>	<b>tC sold</b>	<b>Price in USD / tC</b>
1997	FIA	5500	10.00
1998	FIA	5500	12.00
1999	FIA	5500	12.00
2000	Future Forest	1073	12.00
2000	FIA	5500	12.00
2001	Future Forest	500	12.00
2001	FIA	5500	12.00
2001	FIA	3297	11.68
2002	FIA	5500	12.00
2002	FIA	3297	11.68
2002	Future Forest	2500	13.00
2002	Future Forest	2000	13.00
2003	DFID-FRP	5.7	70.00
2003	World Bank	1215	18.33
2003	FIA	5500	12.00
2003	FIA	3297	11.68
2004	Future Forest	1909	14.00
2004	DFID- FRP	47.7	12.03
2004	World Bank	1215	18.00
2004	FIA	5500	12.00
2004	FIA	3296	12.00
2005	World Bank	1215.00	13.00
2005	FIA	5499.81	12.00
2005	FIA	3295.91	11.98
2005	LLOYD	20.2	14.99
2005	One World International	1.09	28.05
2005	Civil Society Systems	5.77	27.90
2005	Passion Organic	5.73	27.81
2005	Toby & Meg Wedding	6.95	27.89
2006	TCNC 2006a (INVOICE IN £)	2727.27	16.50
2006	TCNC 2006b	2727.27	16.50
2006	FIA World Rally 2006	9420.00	13.00
2006	U&W	695.45	20.17
2006	Peak Leaders UK Ltd	14.18	26.21
2006	Martin Wattenbach, U of Aberdeen	5.45	26.21
2006	U&W	5.18	26.21
2006	Peter Noorlander	1.36	22.27
2006	Gillian Donald	1.09	19.48
2007	Daniel Morrell Ltd.	136.36	21.47
2007	U&W	3706.09	14.85
2007	Dan Morrell Ltd	13.64	29.63

2007	Peter Wright	9.55	38.08
2007	Expressohead Coffee	8.18	36.67
2007	U&W	1534.09	16.50
<b>TOTAL</b>		<b>98,708.00 tC</b>	

### Administrative Expenditures

The administrative expenditures of *Scolel Te* include staff salaries, costs associated with the development and implementation of the project itself, the payment of community technicians, and the fees paid to the FBC for the management of the accounts and overall administration. It is important to mention that this is the first year that the FBC has a special fund to cover the expenses generated by the production of plants. A detail of the expenditures for 2007 is presented below.

**Table 5: Operational expenditures of *Scolel te* in 2007**

CATEGORIES	USD
<b><u>Salaries</u></b>	
Administrative Director	12000
Technical Co-ordinator	12000
Technician	3600
Community Technicians	1200
Social Advisors	4800
Accounting	2400
<b><i>Subtotal</i></b>	<b>36, 000.00</b>
<b><u>Operational Expenditures</u></b>	
Office, Phone, etc.	7800
Petrol and Travel expenses	9000
Vehicle Insurance	500
<b><i>Subtotal</i></b>	<b>17, 300.00</b>
<b><u>Biannual Meetings</u></b>	
Diverse meeting expenditures	1000
Moderator	200
<b><i>Subtotal</i></b>	<b>1, 200.00</b>
<b><u>Miscellaneous</u></b>	
Bank Commissions	2460
Nurseries establishment	5992
Training of Community Technicians	1261
<b><i>Subtotal</i></b>	<b>9, 713.00</b>
<b><i>TOTAL</i></b>	<b>64, 213.00</b>

## **Carbon Payments to Communities involved**

Table 6 illustrates the payments made to the different groups and communities involved in *Scolel te*.

**Table 6: Payments made in 2007 to *Scolel te* producers**

<b>COMMUNITIES</b>	<b>USD</b>
Santiago Teotlaxco	1287,36
San Juan Metaltepec	1931,04
Quiringuicharo	345,6
Tziscao	2569,52
Frontera Corozal	6197,34
Nueva Argentina	501,57
Los Laureles	98,7
Several communities, Babilonia, Tronconada, Rio Jordan	2504,49
Los Laureles	560,55
San isidro	2400
<b>Total</b>	<b>18, 396.17</b>

It is important to mention that in 2007, a restructuration of the monitoring activities took place, taking account of the observations made by Smartwood during its verification. This led to a significant delay in the payments, which will only take place in 2008 and will therefore appear in the 2008 Annual Report.