

AMBIO COOPERATIVE

SCOЛЕL TE REPORT 2008.



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SCOLEL TE PROGRAM, 2008

1. EXECUTIVE SUMMARY

This report summarizes the most important actions performed during 2008 in the *Scolel Te* program. Adjustments made to field monitoring are highlighted, as part of the improvements pointed out in the Smartwood external verification process. “*Scolel Te*” literally means *the tree that grows* in the Tzeltal language, one of the indigenous languages of the program’s region.

One significant activity this year was the creation of a regional team of technicians, which coordinates directly with the program’s technical direction. Bimonthly meetings were held to analyze each region’s current situation to evaluate on-going improvements. The technicians were selected based on their experience, interest, and competence, all of whom had been collaborating in the program in the past year to three years.

In terms of program expansion, with complementary financing *Scolel Te* extended to the *Sierra Madre* region of Chiapas. This region is considered high priority in biodiversity, as it holds 3 decrees of federal natural areas (the Sepultura Biosphere Reserve; El Triunfo Biosphere Reserve; and the Fraylesca Reserve, the last of which was decreed this year). This year shows a registration of 8 communities and approximately 100 producers who have begun to establish forest systems for carbon sequestration.

Important collaborative efforts include partnerships with *Reforestamos Mexico (Let’s Reforest Mexico)* and the Mexican Fund for Nature Conservation, both Mexican NGOs, as well as with the FIA Foundation. The aim of these alliances is to support and strengthen the program’s actions with an emphasis on promoting and strengthening *Scolel Te* both nationally and internationally.

The program is in a development period on many different levels: promoting within the communities and groups; fostering and strengthening local capacities through the group of regional technicians; producing a system of community plant nurseries; continuing with the external verification process; and promoting the program externally with the goals of searching for markets and spearheading complementary activities.

In addition to improving the program and the participating producers, these actions shape *Scolel Te* as a more integrated program, whose central goals are community development and environmental protection.

2. KEY EVENTS, ADVANCES AND CHALLENGES

During this year, the Scolel Te program established new institutional alliances and reaffirmed existing ones toward its own strengthening and development. These and other actions are described below.

The Expansion of Scolel Te in the Sierra Madre region of Chiapas

With financing from the Critical Ecosystem Partnership Fund (CEPF), this year AMBIO facilitated the creation of an operative structure to support Scolel Te's development in 8 communities in the Sierra Madre region of Chiapas. These communities are located in in-between zones and within the natural protected areas of La Sepultura (REBISE), El Triunfo (REBITRO) and la Fraylescana. The goal is to establish 120 hectares of agroforestry systems. The region's main economic activity is coffee production and the majority of the producers participate in the coffee market under the best conservation practices.

This CEPF initiative seeks to strengthen the conservation of the zones' forest areas; sponsor the consolidation of biological runners or connectors; maintain and recover the agricultural border; strengthen the presence of coffee crops and discourage changes in soil use (for example, from coffee to corn); and provide incentives for maintaining community reserves that protect the region's important endangered or vulnerable species.

Collaboration agreements between AMBIO-Reforestamos Mexico and AMBIO-FMCN As part of its alliance efforts, this year AMBIO signed an agreement with the Mexican civil association Reforestamos Mexico (Let's Reforest Mexico). The goal of this pact is to promote the project among Mexican companies and companies present in Mexico. This effort focuses on motivating the compensation of CO2 emissions of these companies within Scolel Te. Within this pact, AMBIO and Reforestemos Mexico recognize common ways of meeting each of their established goals.

Since 2001, AMBIO has been collaborating with the Mexican Fund for Nature Conservation (MFNC) in strengthening, training and equipping community brigades for forest fire management in the Marqués de Comillas region of Chiapas. This region is located to the southeast of the Montes Azules Biosphere Reserve. The pact was renewed this year, combining the goals of protecting community reserves, fire management, and selling environmental services.

Smartwood Verification

A verifier from Smartwood (a Rainforest Alliance programme) visited the program as part of the continuing verification process. In general, significant advances were made, such as the design of a training program for community and regional technicians; the design of a monitoring guide of the plots; standardized methods for collecting monitoring data; and the compilation of a complete directory of community and regional technicians.

Some corrective actions remain pending, such as improving the project database in order to more efficiently provide information on monitoring and agroforestry systems in place. Another pending action is establishing a system for evaluating community technicians in order to improve their functions and plan time for following up on actions in the field. On this issue, the design of the monitoring format was improved.

Participation in the Plan Vivo Stakeholders Meeting in Edinburgh

During July of this year, *Scolel Te* coordinators participated in the first international gathering of projects that use the Plan Vivo System. These projects are located in Mozambique, Uganda, and Mexico. Among other issues, participants discussed and analyzed the necessary actions in order to provide greater clarity and confidence to the buyers and to improve the conditions of the participating communities.

In addition to the different project coordinators, other participants in the gathering included the directors and staff of the Plan Vivo Foundation, project developers, technical advisers, Plan Vivo Resellers, environmental NGOs, and other interested persons.

Financing from the FIA Foundation

With the goals of creating lessons for all Plan Vivo projects through building business capacity and strengthening communications, financing was obtained this year from the FIA Foundation. This funding covers a four-month project beginning in October. Some of the complementary activities are: a market study for identifying potential buyers in Mexico; developing a promotion package that includes a video and an informative brochure; and participation in meetings and workshops, as part of program promotion. These materials could be used in other Plan Vivo projects.

3. ACTIVITIES

In the tropical zones agroforestry systems were implemented to improve coffee farms. Annual crop farms were also established and, to a lesser extent, natural enclosures were created in aquatic farms. In template zones living or natural fences were mainly established. Coffee farms were improved and some fallows were enriched.

4. SALES IN 2008.

This year's sales are presented in the table below. It has to be noted that amounts of carbon allocated in producers plots are estimations. The monitoring verifying these estimations will be fully completed in end of January-beginning of February. Once the results of the monitoring are available, accurate figures will then be given for the amount of carbon to be sequestered in plots of land.

5. NEW COMMUNITY PARTICIPATION

This year new communities joined from the Sierra Madre region of Chiapas. Groups also joined from the states' north and jungle regions.

Year	Name of buyer/reseller	Amount of CO2 purchased (tons)	Price per ton (\$/tCO2) *	Total amount received (\$)*	Amount to the project (\$)*	Amount to the Foundation (\$)*
2008	U & w	2456				
2008	U & w	1155				
2008	U & w	2786				
2008	U & w	2062				
2008	U & w	5240				
2008	It's the Planet	600				
2008	FIA Foundation	184				
2008	Enviromarket	20				
2008	Global Canoby	201				
2008	CAMCO	20000				
2008	Reforestamos México	1000				
2008	FIA Foundation	4900				
TOTAL		40,604				

* Commercially sensitive Information has been blanked out of the public version of this report.

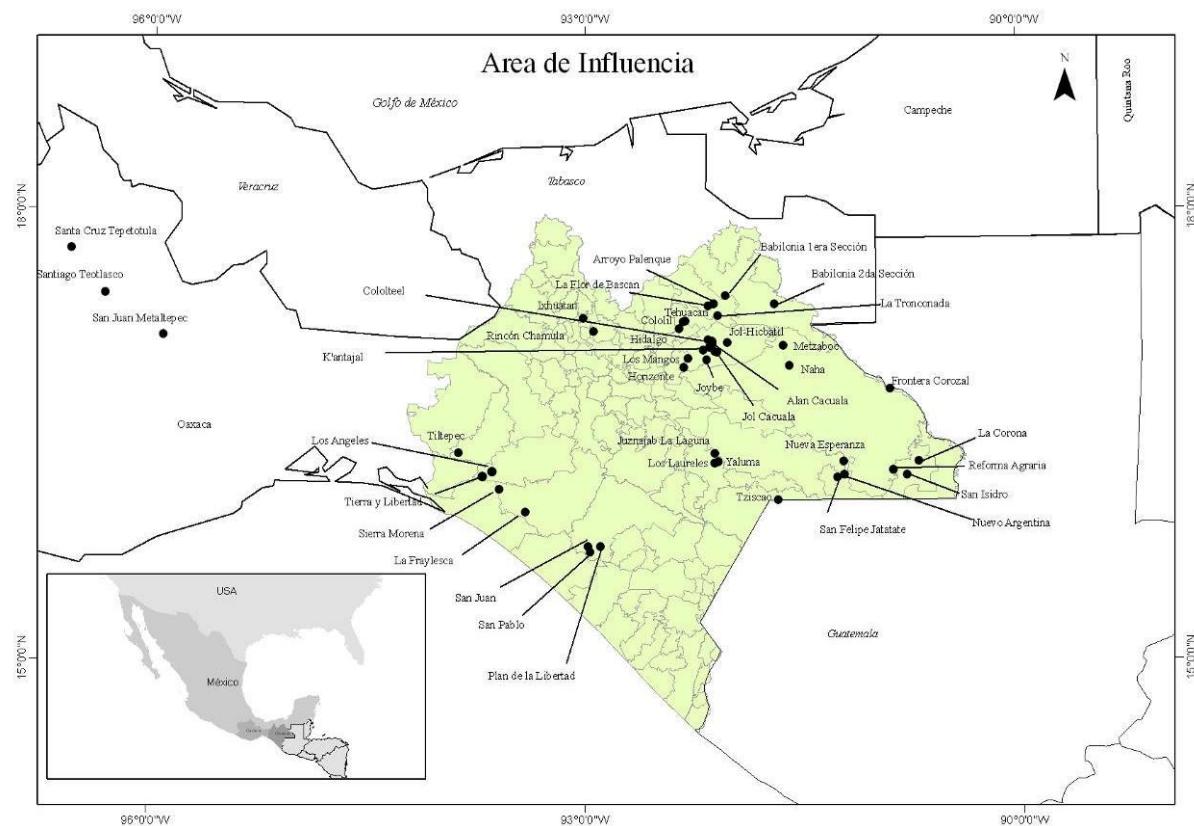
Details are provided below of the newly joined producers and communities and their respective zones.

Community	Municipality	Ethnic group	No. of families	Observations
Yaluma	Comitan	Mestizo	1	New producer
El Porvenir	Tumbala	Chol	1	New producer
Actiepa yo chib	Salto de Agua	Chol	13	New group
Emiliano Zapata	Salto de Agua	Chol	16	New group
Punta Brava	Salto de Agua	Chol	12	New group
Tronconada	Salto de Agua	Chol	14	Increased number of producers
Villa Las Rosas	Ocosingo	Tzeltal	28	New group
Lacandón	Ocosingo	Tzeltal	6	New group
Sierra Morena	Villacorzo	Mestizo	25	New group
Los Ángeles	Villaflorres	Mestizo	30	New group
Tierra y	Villaflorres	Mestizo	18	New group

Libertad				
Tiltepec	Jiquipilas	Mestizo	12	New group
La Fraylesca	Villaflor	Mestizo	24	New group
San Juan	Vilacorzo	Mestizo	10	New group
San Pablo	Vilacorzo	Mestizo	5	New group
Plan de la Libertad	Vilacorzo	Mestizo	10	New group

According to the table above, there was very little area increase among the communities or groups where the program was already present. The majority of the new members are from other regions.

Map 1 shows the location and distribution of the groups and communities currently participating in *Scolel Te*.



Map 1. Location of the groups participating in *Scolel Te*, as of 2008.

6. ALLOCATION OF SALES

Buyer	Sales (tCO2)	Buyer Price (\$) t/CO2*	Producers & PV number			Price to producer (\$) t/CO2	monitored? (Y/N)	Payment due			
			Location	Producer/ Producer group name*	Systems / ha						
U & w a	2456		Sierra Madre	Comunidad Tierra y libertad, Villaflores.	a) Subtropiocal live fence:27.5 ha b) Subtropical Restauration: 1 ha	2.72 dll/CO2	under process	January			
U & w b	1155		Sierra Madre	Comunidad Tierra y Libertad Villaflores; Tiltepec, Jiquipilas	a) Subtropiocal live fence: 13.5 ha	2.72 dll/CO2	under process	January			
U & w c	2786		Sierra Madre	Tiltepec, Jiquipilas	a) Subtropiocal live fence: 32 ha. b) Improved coffee plantation: 1 ha.	2.72 dll/CO2	under process	January			
U & w d	2062		Sierra Madre	La Frailesca, Villaflores.	a) Subtropiocal live fence: 19.5 ha. b) Live fence: 4 ha.	2.72 dll/CO2	under process	January			
U & w e	5240		Sierra Madre.	La Frailesca, Villaflores. Plan de La Libertad, La Concordia	a) Live fence: 41.5 ha. b) Improved coffee plantation: 15 ha. c)Improved fallow: 2 ha.	2.72 dll/CO2	It is under process	January			
It's the Planet	600		Sierra Madre	Plan de La Libertad, La Concordia	a) Live fence: 2 ha. b) Improved coffee plantation 4	2.72 dll/CO2	under process	January			
FIA Foundation	184		Sierra Madre	Plan de La Libertad, La Concordia	a) Live fence: 3 ha.	2.72 dll/CO2	It is under process	January			
Enviromarket	20		Sierra Madre	Plan de La Libertad, La Concordia	a) Live fence:0.25 ha	2.72 dll/CO2	under process	January			
Global Canoby	201		Sierra Madre	Plan de La Libertad, La Concordia	a) Live fence: 3 ha.	2.72 dll/CO2	It is under process	January			

CAMCO	20000		Sierra Madre	Sierra Morena Villacorzo; Los Ángeles, Tierra Y Libertad, Villaflores	a) Live fence: 169 ha. b) Improved coffee plantation: 21. 5 ha. c) Improved coffee plantation: 7 ha. d) Live fence: 1 ha. e) Improved coffee plantation: 1 ha. f) Live fence: 1 ha. g) Reforestation: 1 ha.	2.72 dll/CO2	It is under process	January
Reforestamos México	1000		Sierra Madre	Sierra Morena, Villa Corzo	a) Live fence: 6 ha. b) Improved coffee plantation: 4 ha.	2.72 dll/CO2	It is under process	January
FIA Foundation	4900							

* Commercially sensitive information has been blanked out of the public version of this report

7. MONITORING AND RESULTS

Throughout the year, monitoring was done of the plots registered in previous years (2000, 2001, 2004, 2006, 2007 and 2008). Currently, 241 of the 371 total plots have been monitored, leaving 130 plots pending. 21 of these 130 remaining plots will be updated during the monitoring process, which will conclude in February 2009.

At this moment, some communities are pending field verification. 73 plots in the Tzeltal zone are in this status. These plots were monitored by the zone's regional technicians and that monitoring verification is still pending. Up until now, payment has not been possible due to social problems that occurred with the representative of the zone, which have yet to be cleared up.

Improvements in monitoring format

In October, a workshop was performed with the goal of making changes in the field monitoring format. The principal change consists of introducing a separate item for recording the recommendations made to the producer and the time frame for when these will be performed, as well as the community technician follow-up actions. These changes were made to emphasize the specific recommendations made to the producer.

A copy of the monitoring format is given to the producer so that it may serve as both a guide and a reminder for implementing the recommendations.

8. PAYMENTS TO PRODUCERS.

In reference to last year's report, the observations made in the Smartwood verification have delayed the monitoring and verification actions. For this reason, at the beginning of this year, carbon payments from 2007 were still being distributed and, finally, in August of this year payments corresponding to 2008 were made.

The following table shows the payments made and their corresponding year.

COMMUNITIES	\$ (US)	YEAR
Frontera Corozal	1,658.84	2007
Arroyo Palenque	167.31	2007
Naha	2,111.97	2007
Yaluma	340.18	2007
Varias de Tumbala	491.44	2007
San Isidro	2,400.00	2008
Arroyo Palenque	881.03	2008
Yaluma	3,953.62	2008
Several communities, Tzeltal Zone	3,520.46	2008
Several communities, Tzeltal Zone	619.70	2008
Emiliano Zapata	695.60	2008
Babilonia 2da. Sección	1,302.45	2008
La Tronconada	247.32	2008
Punta Brava 2da. Sección	1,296.00	2008
Flor de Bascán	213.84	2008
Plan de Rio Azul	561.63	2008
San Felipe Jatape	252.64	2008
Nuevo Rodulfo Figueroa	1939.04	2008
Hidalgo	475.64	2008
Tehuacan	112.32	2008
Hueshib	56.16	2008
Cololil	90.72	2008
Total	23, 387.91	

During November and December, payments will be made to approximately 5 more groups.

In agreement with the commitment letters that were signed between with the producers and the project coordinator, the majority of the producers from the communities of Arroyo Palenque and Yaluma and those of the Tzeltal Region have fulfilled their committed quota of total carbon sale for 2008.

Alternative or complementary projects need to be developed with these groups in order to strengthen the agroaquatic systems and the family unit. Part of this strategy has been achieved with the wood-saving stoves project. It is anticipated that an agreement will be made for the continuation of approximately 300 stoves.

However, it is important to comment that these projects require extra financing and assessment. As of now, these activities have been performed according to AMBIO's possibilities and those of *Scolel Teq* community and regional technicians.

In the case of the San Isidro producers, where the commitment is at a community level, resources have been invested for, among other things, creating and maintaining fire breaks. These breaks are done as a protective activity within *Scolel Teq* committed forest area. Another resource was assigned for housing improvement, including the purchase of fencing and improved grass.

In combination with a proposal and funding from the Mexican Fund for Nature Conservation (MFNC), a community brigade was established for preventing and combating forest fires. This brigade is trained and equipped to perform initial response actions to forest fires.

9. COMMUNITY PARTICIPATION.

The goals of *Scolel Teq* semester meetings are to share financial information; coordinate project management; inquire about the concerns of the participating groups and communities; create a space for sharing experiences. Below, some aspects of this year's meetings are mentioned.

First semester meeting

This meeting was held on January 19th in AMBIO's offices. 23 assistants were present from the different communities and regions of Chiapas and Oaxaca.

The administrative report was presented from the semester corresponding to July to December 2007.

Planning was completed for visiting and training new communities.

Insatisfaction was expressed at the delay in payments to the communities. It was explained that this situation was due to the adjustments in the field monitoring system format resulting from the suggested corrective actions by the SmartWood external verification. It was added that this situation will try to be corrected as soon as possible and that it consisted of an adjustment period, soliciting understanding support from all.

Among other points, information was shared on:

- a) The conclusion of the project financed by Manos Unidas, through which 260 stoves were installed in 4 *Scolel Teq* regions. A general report was presented on this project: workshops, number of women trained, use of wood-saving stoves, evaluation of intramural contamination, and continued community interest that more stoves be installed. It was mentioned that support would be sought for the possibility of new installations.
- b) The annual training program was presented, which is designed for the regional technicians.
- c) Results were shared on the regional nurseries established in 2007.

- d) Change of Finance Committee member. One committee member requested a termination of his/her participation in the Finance Committee, and thus, a replacement person needed to be found.
- e) It was agreed to transfer year-10 payments to producers who have participated in program during the past 8 years with the aim of supporting activities in the farming plots.
- f) The results were presented of the ECOSUR research project, directed by Dr. Lorena Soto. The research included plot measurements and an evaluation of social aspects.
- g) Anthropologist, Stephanie Paladino participated in the meeting and expressed her interest in developing postdoctoral work with *Scolel Te* on an analysis of the communities' social benefits from the project.

Second semestre meeting

This year's second semestre meeting was held on July 19th.

An administrative report was presented. A structure of regional technicians was created as a strategy for maintaining and strengthening the program's local operative capacities. Regional technicians would now be assigned regular salaries. Within administrative spending, a payment for the Smartwood verification was also being considered, a cost which previously was paid by the Plan Vivo Foundation, but, as of this year, became part of *Scolel Te*'s running costs. Information was also shared about this year's truck purchase, made possible by a donation from the FIA Foundation, which was important to explain in order to avoid misunderstandings with the communities.

This meeting marked the first time that the group of regional technicians presented its work report, which consisted of activities performed in the previous months. This presentation included information on seed collection, plant production, trainings received, and promotions in the regions' new communities.

As is customary, the community technicians reported on completed and planned activities. This plan generally consisted of planting, cleaning and monitoring activities.

For the first time a semester meeting, representatives were present from the communities of the Sierra Madre and the San Isidro de Marqués de Comillas regions.

In the 'Miscellaneous' section the following issues were discussed:

- a) Preliminary results of Stephanie Paladino's research. She recommended that *Scolel Te* host a meeting among participating producers in order to share experiences. According to the research conclusions, the program indirectly helps to create employment in the regions. She observed that, in some zones, the production and maintenance of the plots coincides with the producers' other activities, resulting in a work overload. The researcher recommended improved planning of activities.
- b) The results of the Smartwood verification were presented, stressing the needs to train technicians and update technical specifications according to the current systems. According to this report, AMBIO must design mechanisms for verification and following up on recommendations from the field.

- c) Meetings in Edinburgh. In June, representatives from AMBIO and *Scolel Te* attended a meeting in Edinburgh, the goal of which was to exchange information, on an international level, among the projects that are using the Plan Vivo System in order to identify actions for strengthening the projects.
- d) Geo-referencing of the plots. Comments were made on the need to geo-reference the plots established long ago so that they may be recorded in the National Forest Registry and, with this, possibly gain future permission to legally commercialize wood. This activity will be done from November 2008 to February 2009 through help from pre-professional students of the Autonomous University of Chapingo.
- e) Sale of the FBC truck. It was commented that the FBC truck needed to be sold because it is no longer useful. This point was approved by the assembly.

10. SOCIAL BENEFITS

Technical Training

Three training events were held for the regional and community technicians:

- a) Monitoring and Follow-up Workshop. Adjustments were made to the monitoring guide and format and agreements were established for filling out forms in the field. In this workshop doubts and possible solutions were analyzed related to monitoring. This workshop was repeated in October to train community technicians from the Sierra Madre and Lacandon zones of Naha-Metzabok, an area located to the north of the Montes Azules Biosphere Reserve. In this second workshop new changes were made in the formats and supporting guide as a response to the corrective actions from the Smartwood verification.
- b) Workshop on managing contained nurseries. The technicians in charge of the community nurseries attended a workshop on plant production in containers, this with the aim that in a medium range period plant production could be improved based on semi-technified community nurseries. However, it was analyzed that pilot tests are needed for plant production and for the technicians to become familiar with managing the containers, especially in handling the substances to be used, since the goal is to work with regional materials and diminish, as much as possible, the use of external substances.
- c) Workshop on safe scaling of forest trees. This training is planned for December and its goal is to learn new scaling techniques to improve the climbers' personal security and, with this, strengthen the gathering of forest seeds.

New structure of regional technicians

This year, a regional structure of community technicians was created, consisting of more experienced technicians. This group is made up of 5 technicians who fulfill functions such as: training and supporting community technicians; passing on

technical information; providing follow-up; coordinating monitoring actions in their zones; and presenting and promoting *Scolel Te* in interested communities.

Bimonthly meetings are held with the technicians to follow-up on activities and trainings, share current information, plan activities, and get to know local problems.

Next year's challenge is to improve communication among participants within the same zone in order to provide a swifter response to technical problems occurring in the zone or region.

11. 2008 OPERATING COSTS.

The following table shows the total costs of the 2008 *Scolel Te* program, including administrative, operative, and miscellaneous costs.

ITEMS	US DOLLARS
<u>Salaries</u>	
Administrative director	12600
Technical director	12600
Technician	6600
Community technicians	5000
Accounting	4400
<i>Subtotal</i>	41, 200.00
<u>Operative Costs</u>	
Office and telephone, etc.	6000
Fuel and travel expenses	12000
Vehicle insurance	500
<i>Subtotal</i>	18, 500.00
<u>Meetings</u>	
Miscellaneous expenses for the meetings	1000
Facilitator	200
<i>Subtotal</i>	1, 200.00
<u>Miscellaneous</u>	
Bank commissions	2460
Truck purchase	26000
Plant production	24000
Smartwood verification	4300
<i>Subtotal</i>	56, 760.00
<i>GRAND TOTAL</i>	117, 660.00

Observations on the above budget:

1. Salaries were improved for *Scolel Te*'s participating staff, this is especially noteworthy considering that they were at the same level for the previous 10

years. The decision was made by the committee members since, after discussing the issue no objections were raised.

2. Beginning this year, *Scolel Te* has a permanent group of regional technicians, for which a set budget was assigned. Administratively, the social advisors now form part of these regional technicians, and thus, this item disappeared. Although this group joined at the beginning of the year, it was not until March that they began to receive a salary.
3. Through a donation from the FIA Foundation, this year a new truck was purchased. This donation also contained a specific item for establishing community nurseries for plan production.
4. This year, the Smartwood verification was paid for by *Scolel Te*, and thus, is an administrative cost that should be considered while the verification process continues.

12. FUTURE DEVELOPMENT AND IMPROVEMENTS.

Complementary Projects

With support from the National Forest Commission (CONAFOR, the Mexican government), funding was received for the installation of 160 wood-saving stoves in two communities, one of which currently participates in the *Scolel Te* program and the other which has shown an interest in participating.

Improvements of technical specifications

Scolel Te's carbon capture estimates in the different agroforestry systems were indirectly calculated 10 years ago based bibliographic information and indirect estimators. Up until now, these calculations have been applied to the sale of environmental services for carbon capture. However, this data needs to be updated through field samples of the existing forest systems, an activity that requires external financing.

AMBIO and *Scolel Te* are interested in conducting a technical specification of the mesofilo mountain forest (fog forest), an endangered ecosystem in Mexico, and, with this, create further opportunities for the sale of this environmental service. The intent is to do the technical specification during the first months of 2009, in collaboration with the Rincón Chamula community (Pueblo Nuevo municipality, Chiapas), ECOSUR researchers, and community technicians.

Proposal of regional meetings and gatherings for exchanging experiences.

With the aim of improving regional coordination, regional meetings are planned for 2009 in the zones where the program is growing most quickly. The goals of these meetings are to:

- Establish regional plans for tree-planting and plant production through community nurseries.

- Facilitate the resolution of internal conflicts on a regional or community level.
- Support and detect training needs
- Promptly become familiar with the interests of newly joined communities and groups as well as information on the possible number of participants and characteristics of the forest and agroforest systems of each region.
- Give greater responsibility to the regional technicians and their assemblies so that they may more independently and autonomously make management and organizational decisions in regard to the planned activities in the zone.

Possibilities are being analyzed for hosting events for exchanging experiences among communities of different zones. The aim of these events would be to facilitate an exchange of information from *campesino* to *campesino*, as well as be able to resolve similar problems detected in the field. It is important to point out that external financing is needed in order to carry out this event.

PHOTO ARCHIVE



First monitoring workshop with community technicians



Community and regional technicians trained in the Live Systems Plan



GPS Management, community technicians



Monitoring training with regional and community technicians



Field application of changes to monitoring format



2008 Semester meetings