



Financing Mechanisms for Conservation: Lessons Learned

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AMAZONIA



FINANCING MECHANISMS FOR CONSERVATION: LESSONS LEARNED

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EDITOR'S NOTE

This publication aims to provide a deeper understanding of how the various financing mechanisms in the Amazon operate, as well as share lessons we have learned over time. Broadly speaking, we seek to build, through these financing mechanisms, operational and sustainable financial models to raise funds and create incentives for conserving landscapes. These mechanisms have varied characteristics, depending on the structures of local governance, how they align with national policies or even how they respond to the needs and demands of a region.

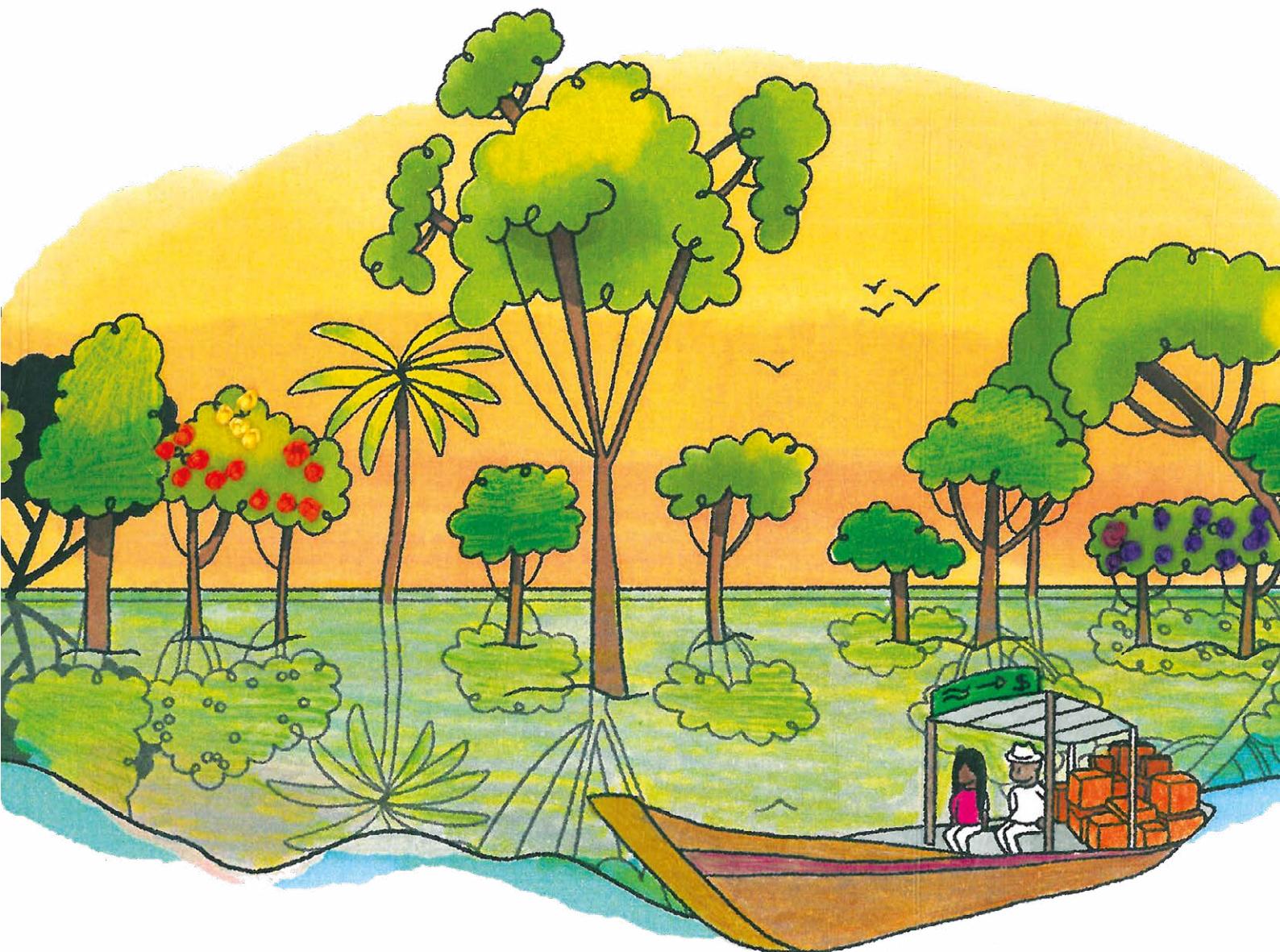
We at the Conservation International, Amazonia team are committed to identifying and disseminating information about what these mechanisms look like in the Amazon. The cases we have selected are the Programa Socio Bosque in Ecuador, the Fundo Indígena do Río Negro in Brazil and La Minga-Todos Juntos in Colombia. They were selected by our team due to CI's participation in implementing some of these financial systems, and our curiosity about funds that are managed by Indigenous Peoples.

The content was prepared by reviewing reports and publications and conducting interviews with people involved in designing and operating these mechanisms. Inputs from participants in the virtual knowledge exchange, "Financing mechanisms for the Amazon Basin: conservation of nature and well-being of local populations," were also acknowledged. The workshop was held on June 28, 2022 and included Conservation International staff and interested parties.

This publication is a collective effort led by the Conservation International – Amazonia's knowledge management team with funds from the Government of France. The team expects that the lessons identified will be important for designing new financing mechanisms and a resource in replicating and strengthening existing ones.

A special thank you to all those who shared their knowledge and experience and who continue to advocate for the protection of forests and its peoples.





INTRODUCTION

“We, the indigenous peoples, care for 70% of the Ecuadorian Amazon, that is, almost 7 million hectares of the most important forest on the planet. The deforestation of a single hectare of our Amazonian territories accounts for an amount of carbon equivalent to 160 cars driven for a whole year. It is not possible to deal with climate change without the Amazon, and it is not possible to protect the Amazon without us, the indigenous peoples, and without guaranteeing our rights.”

(A'i Kofán community of Sinangoe)¹

Indigenous territories in the Amazon, both with and without official recognition, account for around 28% of the 7.8 million km² of the biogeographic boundary of this region, i.e. approximately 2,144,412 km² (RAISG, 2012: 6). The struggle for land and territory has been a central element in the demands of indigenous peoples, since land is conceived as a guarantee of their social reproduction, and the space for their cultural survival.

Since the 1990s, several Amazon countries have enacted laws and regulations to protect the rights of Indigenous peoples, primarily in relation to the recognition of land and territory, the rights to free, prior and informed consultation and fair distribution of benefits. The protection of their collective knowledge and the recognition of their identity and particular forms of social organization have also been acknowledged. Although these rights have some limitations², throughout the Latin American region, several public and private initiatives recognize the conservation efforts and the meaningful work that indigenous peoples and local communities have done and continue to do in favor of conservation. Moreover, they have decided to support

¹ Statement by the A'i Kofán community at the Constitutional Court hearing in indigenous territory, 15 November 2021.

² One of the most substantive constraints is the power of States to exclude water and the subsoil and limit the concept of territory to the surface, meaning that the political decision on territory remains the prerogative of the State under the argument of the “best interest of the nation” (Walsh, 2002; Porto-Gonçalves, 2006; Gutiérrez, 2017).

INTRODUCTION

these efforts. These initiatives, of a diverse nature in terms of their conception, scope, institutional arrangements, organizational structure and financing modalities, will be addressed in this document under the heading of conservation financing mechanisms.

Considering existing financing mechanisms, this document describes the Programa Socio Bosque in Ecuador, the Fundo Indígena do Río Negro (FIRN) in Brazil and La Minga-Todos Juntos in Colombia. It aims to describe the how these mechanisms function gather lessons learned and underline further lessons from other active mechanisms such as Fondo Acción in Colombia and the Kayapó and Paiter Surui funds in Brazil.

The operation of conservation financing mechanisms is associated with two common outcomes:

- **Environmental:** they are a source of medium and long-term financing to guarantee the conservation of areas that are of particular value for the biodiversity they harbor or for the environmental services they provide, and,
- **Social:** they represent a support instrument for improving the living conditions of local communities by channeling resources to consolidate economic alternatives and sustainable productive initiatives that contribute to reducing poverty.

The document is structured in four parts. The first section describes the three financing mechanisms that have been subject to an in-depth study: Programa Socio Bosque, Fundo Indígena do Río Negro and La Minga-Todos Juntos³. The second section seeks to identify common elements and particularities of each of these mechanisms in terms of the participation of indigenous peoples and local communities; the management-administration model and the results achieved. The third section delves deeper into the best practices identified. The fourth and final part ends with some final considerations.

With this document, the CI Amazon team expects that the lessons identified will be an input for designing new financing mechanisms and a source to replicate and strengthen existing ones.

³ From a methodological point of view, it is important to note that due to the different trajectories, the duration of the three cases analyzed, and the availability of information (reports, studies, evaluations, etc.), the treatment is not always homogeneous. The Programa Socio Bosque has been in operation for 14 years, as opposed to the short period of operation of La Minga and FIRN of under three years. It is still too early to draw lessons from these last two financing mechanisms, to determine what has worked and what critical bottlenecks they have faced.

FINANCING MECHANISMS FOR CONSERVATION:
LESSONS LEARNED



CASE STUDIES

“We are nature. Indigenous peoples recognize this. Our spirituality is based on our interconnectedness with all living beings, and on the deepest principle of respect: reciprocity. This is why to the present day, despite centuries of displacement and violence against our peoples, we are the guardians of 80% of our planet’s biodiversity. We make up only 5% of the world’s population, and yet in our territories, we have been able to keep the ecosystems of our planet Earth alive and thriving.”

*(Nemonte Nenquimo, waorani leader,
2020 Goldman Environmental Prize winner)*

PROGRAMA SOCIO BOSQUE

The Programa Socio Bosque (PSB) was created in 2008 as an environmental policy of the Ecuadorian government.⁴ Its objective is to reduce deforestation by transferring financial incentives to private and collective landowners who voluntarily decide to conserve forests, highland ecosystems or other native vegetation for a period of 20 years.⁵

Its conception was underpinned by two sources:

- The initiatives driven by several NGOs, including Conservation International, and,
- The guidance of the United Nations Framework Convention on Climate Change (UNFCCC) and the Bali Action Plan (2007) on reducing emissions from deforestation and forest degradation.

“Thanks to the international agreements signed by Ecuador and the internal political will to do something about the deforestation rates, the projects carried out by local NGOs were scaled up to a public policy that is still in place today.” (Interview with CI staff)

⁴ Two PSB spin-offs, Socio Páramo and Socio Manglar, started operating in 2009 and 2014, respectively. Moreover, in 2021 the Fondo Achuar was launched as an additional sub-account of the PSB.

⁵ The incentive amounts to USD 5 per hectare within community territories and USD 7 per hectare on individual properties.

Within this framework, the PSB set forth four objectives:

- Conserve areas of native forests, highland ecosystems and other native vegetation in Ecuador;
- Reduce greenhouse gas emissions caused by deforestation;
- Contribute to improving the living conditions of rural populations settled in these areas; and,
- Reduce forest fires caused by agricultural practices.

These objectives have a vast potential if one considers that Ecuador's forests cover approximately 57% of the country's area, around 15 million hectares. Forty percent (40%) of the total forest is located within the Heritage Natural Areas of the State (PANE) and the remaining 60% is in the hands of individual owners, communes and indigenous communities (Ministry of Environment, 2015).

Nonetheless, this important forest heritage is facing threats that have led to an increase in the rate of deforestation. Between 2014 and 2016, the annual rate of deforestation in mainland Ecuador was 94,000 hectares (MAE, 2017: 16), while in the following two years (2016-2018), it increased to 115,000 hectares (National Planning Secretariat, 2021: 82). The increase in forest loss is explained by the expanding agricultural frontier, the expansion of extractive activities and the weaknesses in control policies.

By 2019, 1.3 million hectares were incorporated into the PSB. Of this total, 88% was owned by eleven indigenous peoples and nationalities, Afro-descendant peoples and mestizo communities (Cotacachi, Perafán and Pabón, 2019: 7). Three years later, in 2022, the PSB has a coverage of 1,653,467.32 hectares with 2,555 agreements signed, 255 of which are collective. To date, 179,403 people are participating in Socio Bosque and the budget amounts to USD 10,600,000 (equivalent to 0.03% of the national budget).⁶

In economic terms, Socio Bosque is mainly financed by the national budget and to a lesser extent by international donor funds, mainly from Germany and more recently from France. It has also received cyclical contributions from the private sector.

To be part of the PSB, the community or interested party must submit evidence of legal ownership of the property⁷ and designate a specific area for conservation. The second step is to formulate an investment plan regarding use of the incentives. Once this plan is approved, contracts are signed in which partici-

⁶ The data for the year 2022 were provided by the technical team of the Programa Socio Bosque (02.06.22).

⁷ This requirement is a constraint since land tenure in the country is unclear and since the procedures involved in land regularization are very cumbersome, leaving aside communities that even live in territories that were later declared protected areas.



pants undertake “not to burn, hunt, engage in agriculture or introduce non-native species or any other activity that may impact the conservation value of the designated area” and to limit grazing. (Arriagada, Cotacachi, Schling and Morrison, 2018: 9).

“The land title deed is imperative. Nothing can be done without this. It is a security issue to avoid land trafficking.”
(Interview with PSB staff)

To verify compliance with the agreements, the PSB’s technical team performs periodic inspections, which in the early years were combined with training and coaching for the communities to assist them in preparing technical and administrative reports. “The technicians of the PSB, and several NGOs, went to the communities and trained the communities in mathematics and in the procedures of the Internal Revenue Service, and people learned how to do accounting, how to issue invoices,” as mentioned in one of the interviews conducted.

At present, given the downsizing of the PSB’s technical teams, inspections are less frequent and the training and coaching process has been discontinued. The interviews revealed that “since 2015, there has been a process of the PSB clearly becoming weaker. The on-site staff in the territories has decreased, which means that the communities no longer get technical assistance. Payments have been suspended.”

The evaluations conducted reveal that the impact of the incentives on capitalization and local development of the communities has varied (Arriagada, Cotacachi, Schling and Morrison, 2018; Cotacachi, Perafán and Pabón, 2019). With the incentives provided by the PSB, several communities were able to have more assets (communications equipment, repair of community houses, provision of piped water, furniture for tourist facilities). However, there was also funding for productive activities that did not have assured markets, did not have sufficient technical support or lacked articulation with existing networks, giving rise to divisions within the communities.

In other cases, the incentives were used to strengthen control and monitoring activities in order to prevent breach of the agreements signed with the PSB and therefore the return of the incentives granted. To this end, community fire brigades or community forest ranger brigades were set up within the communities and have continued to operate, even at times when the payment of incentives was suspended (Arriagada, Cotacachi, Schling and Morrison, 2018.). The brigades are also helpful for an internal redistribution of the incentives in view of the payment given to the community fire brigade members.

The Puerto Roma association of crab fishers in the province of Guayas agreed to strict changes in the management and harvesting of the species in order to ensure its sustainability (Cotacachi, Perafán and Pabón, 2019: 16).

The most tangible results have taken place when the PSB protection area coincides with the area that generates resources for subsistence (communities that live off mangroves), or when, due to the organizational strength of the community, the systematic development of management procedures and standards has contributed to the increase of flora and fauna in the areas under conservation or to the increase of water flows in the moorland ecosystems.

"Oyacachi requires this support (incentive payments) because it continues to care for the forest and the resources are allocated to a common purpose. They are not distributed among the community members, but are allocated to social benefit purposes. We, for example, have used the incentives to improve the infrastructure of the pools and to attract more tourism." (Interview with a community leader)

Expectations are that as from 2022, the PSB shall be relaunched with some changes. Among the planned modifications are a lower priority for agreements in areas within the National System of Protected Areas, the reduction of the term of the agreements from 20 to 4 years, a greater participation of private forest owners, to the detriment of community areas, and a target of 2.6 million hectares by 2025.⁸

FUNDO INDÍGENA DO RÍO NEGRO (FIRN)

The Río Negro region comprises the municipalities of Barcelos, Santa Isabel do Río Negro and São Gabriel da Cachoeira in the state of Amazonas, located in the far northwest of Brazil, on the border with Colombia and Venezuela. This region constitutes the legally recognized ancestral territory of 23 indigenous peoples distributed over 700 communities that, over the years and despite the continuous threats and pressures on nature in the area, have achieved territorial governance of the region. As a result of these achievements, in 1987 the Federation of Indigenous Organizations of Río Negro (FOIRN) was officially set up. FOIRN, whose motto is "Land and Culture", is made up of 91 affiliated associations. Its foundation marks an important milestone in the region as it is seen as "the beginning of the road to the recovery of self-esteem and ethnic autonomies lost or interrupted by years of massacres, repression, slavery and colonial domination." (<https://firn.foirn.org.br/historico/>).

⁸ Interviews with people who know the PSB (09.05.22) and with the Program's technical team (02.06.22).



The indigenous territories of the FOIRN encompass a total area of around 23 million hectares distributed in five large regions or regional coordination entities, with their own political and administrative management system: Coidi, Dia Wií, Nadzoeri, Caiarnx and Caimbrn (see Map 1), covering one of the best preserved areas of the Brazilian Amazon.

Since 2012, within the framework of the National Policy for Territorial and Environmental Management of Indigenous Lands (PNGATI), which regulates the importance of indigenous territories for environmental conservation in Brazil, FOIRN has been preparing Territorial and Environmental Management Plans (PGTAs). This was the result of a participatory process conducted over four years (2015-2019) in which numerous meetings were held with the participation of more than two thousand people. “The PGTAs are the life plans of the indigenous peoples in the territory and thus, set out what the indigenous peoples want in the future for themselves and for the territory they inhabit.” (<https://pgtas.foirn.org.br>).

Once the PGTAs had been developed, the challenge was how to implement them and with what resources. In this sense, FOIRN, in partnership with the Instituto Socioambiental (ISA),⁹ conceived the construction of a fund to finance the actions envisioned in the territorial and environmental management plans, at the same time strengthening the autonomy, governance and living well in the indigenous territories of the upper and middle Río Negro that are part of FOIRN. **[VIEW MAP 1](#)**.

This initiative was supported by Norway which, at the beginning of 2021, through an agreement signed with FOIRN and ISA, enabled the establishment of the Fundo Indígena do Río Negro. Its financial contribution, channeled through Norway's International Climate and Forest Initiative (NICFI), amounts to approximately USD 1.5 million for years 2021-2024.

In addition to being a financing mechanism, FIRN articulates management training processes and provides technical advice to the associations. The projects are conceived as a practical incentive for learning and technical training of the associations.

⁹ The FOIRN-ISA alliance has existed for a long time: since the 1990s when FOIRN started with the land demarcation process (<https://www.socioambiental.org/onde-atuamos#rio-negro>). ISA is a public interest civil society organization.

MAP 1

Indigenous land, regional coordination entities of the Federation of Indigenous Organizations of Río Negro



Abrangência das ações da FOIRN e coordenadorias regionais

	CAJARNX	Coordenadoria das Associações Indígenas do Alto Rio Negro e Xié
	CAIMBRN	Coordenadoria das Associações Indígenas do Medio e Baixo Rio Negro
	COIDI	Coordenadoria das Organizações Indígenas do Distrito de Iauaretê
	DIA WII	Coordenadoria das Organizações Indígenas dos Rios Uaupés, Tiquié e Afluentes
	NADZOERI	Organização Baniwa e Koripako

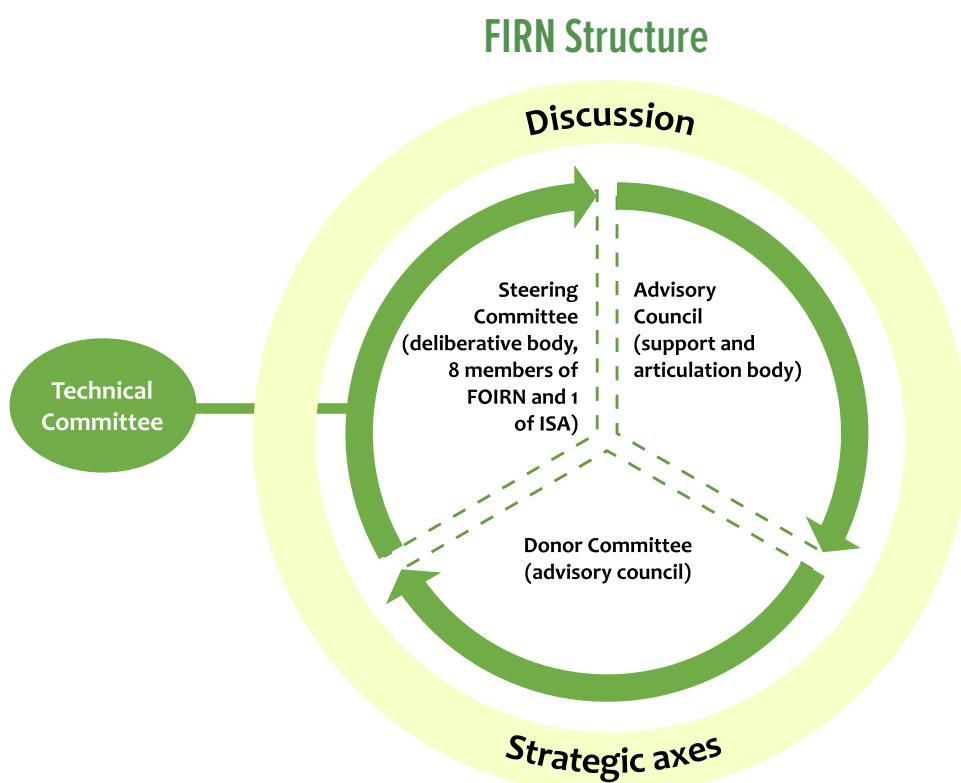
Source: Fundo Indígena do Río Negro
[\(https://firn.foirn.org.br/territorio-ou-area-de-abrangencia/\)](https://firn.foirn.org.br/territorio-ou-area-de-abrangencia/)



After its recent constitution, so far it has been able to launch a first call for proposals in the last quarter of 2021. As a result of this first call for proposals, 15 projects were selected for an investment amount of BRL 978,953 (USD 190,000) in the sectors of indigenous sustainable economy, culture and food security. The selected projects are distributed equally among the 5 regions that make up the FOIRN territory and directly involve 1,711 people and 14,323 beneficiaries.

"The fund strengthens the protagonist role of indigenous associations because it creates a mechanism to implement the actions planned in the PGTAs. Accordingly, the associations will be essential for the dynamism and implementation of these actions. The winners are the indigenous communities because, through their associations, they will be able to carry out their projects and work around what they have been demanding for the last thirty years." (Juvencio Cardoso, baniwa people, teacher and leader of the Ayari River region, <https://acortar.link/iKWaLO>).

Although the Fundo Indígena do Río Negro is part of the FOIRN structure, FOIRN and ISA take charge jointly of its technical and financial management through three bodies:



Source: Fundo Indígena do Río Negro. PPT presentation.



The Steering Committee is responsible for monitoring and managing the fund. It validates the projects selected by the Technical Committee, approves the calls for proposals, modifies the rules and supervises the technical team made up of 5 people.

The Advisory Council is made up of a network of institutions present in the upper and middle Río Negro with the purpose of supporting fundraising, disseminating FIRN's work and promoting articulations with donors and local institutions. The Donor Committee monitors the operation and helps to outline sustainability perspectives.

LA MINGA – TODOS JUNTOS

In the Colombian Pacific, between Bahía Málaga and the north of Chocó, there are 350,000 hectares of protected areas, including the Sierpe Regional Natural Park, the La Plata Regional Integrated Management District and the Bahía Málaga National Park; the Tribugá-Cabo Corrientes Gulf Integrated Management District and the Utria National Park (see Map 2).¹⁰ The 30,000 people who have traditionally inhabited this region are faced with situations of vulnerability due to legal and illegal extractive activities, the presence of armed gangs and the persistent critical poverty indicators. This is a justification for these areas and their buffer zones to be part of the regions prioritized for investment as a result of the post-conflict negotiations.¹¹

In environmental terms, this mosaic of protected areas is home to 1,400 species of flora and fauna, including the humpback whale, 25% of the best-preserved mangroves on Colombia's Pacific coast and 36% of the marine species in the Colombian Pacific region (Fondo Acción, 2020: 8).

In 2009, Conservation International started to work in the area of the Pacific coast of Colombia, specifically in the Malpelo Fauna and Flora Sanctuary, an island considered the ninth largest protected marine area in the world. Since then, Fondo Acción has also joined this effort to act as administrator of the protected area's resources (Fondo Acción, 2020: 14). The latter, an entity governed by private law created in 2000 following a bilateral foreign debt swap between the United States and Colombia, is recognized in Colombia as a fund manager with six financial mechanisms and a direct operator in the two lines in

¹⁰ *The Integrated Management District category, coined in 2010, “provides conservation strategies to halt biodiversity loss and, in addition, allows the population to generate sustainable productive strategies to improve the quality of life” (Calero, cited by CVC and CC Bahía Málaga, 2015: 35).*

¹¹ *After more than five decades of internal conflict, in 2012 the Colombian State began formal talks with the armed group Revolutionary Armed Forces of Colombia (FARC). These talks led to the signing of a Final Agreement for Ending the Conflict in 2016. That same year and as defined in the Agreement, a citizen consultation was to be held to approve or reject the peace accords. Although the “no” vote won by a slight margin in the plebiscite, the government renegotiated the agreement with the opposition to implement the policies agreed upon for ending the conflict.*

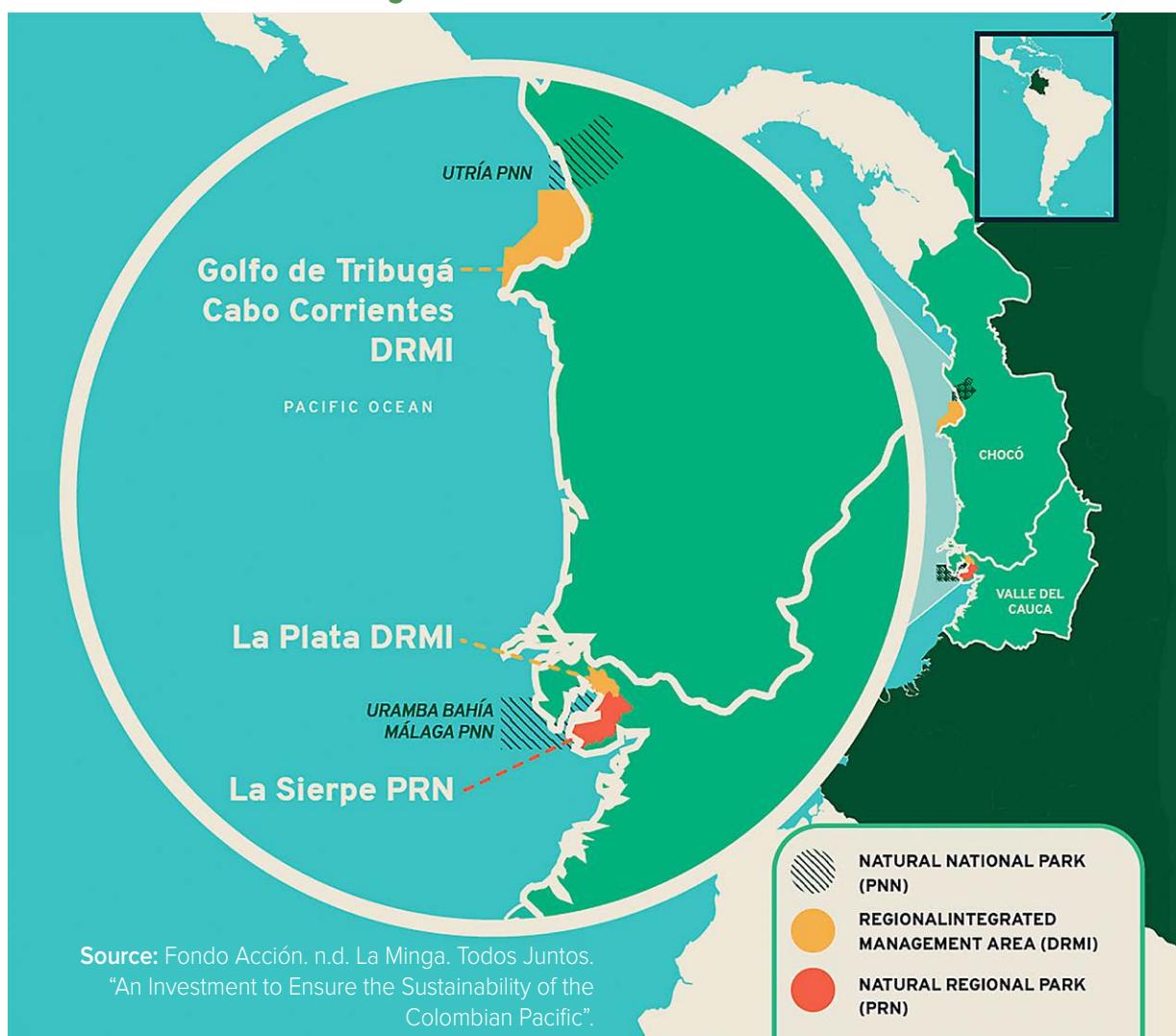


which it has specialized: conservation and promotion of children's rights (Fondo Acción, 2020: 10). [VIEW MAP 2.](#)

This joint and articulated interinstitutional experience with the Colombian Ministry of Environment and Sustainable Development, the regional environmental authorities and the community councils of Riscales (Nuquí, in Chocó), La Plata-Bahía Málaga and Chucheros (Buenaventura, Valle del Cauca) led to the creation of a technical and financial support mechanism in 2018 for the protected areas of Bahía de Málaga and northern Chocó which was called La Minga-Todos Juntos.

MAP 2

La Minga-Todos Juntos intervention area



La Minga pursues four objectives:

- Ensure the conservation values of the protected areas over time.
- Foster effective governance and financial sustainability to implement the management plans.
- Encourage community participation in management decision-making processes.
- Put forward productive alternatives for local communities to reduce negative impacts on natural resources and improve human well-being.

La Minga complements the efforts of environmental authorities and community councils to implement protected area management plans, supporting basic operating costs and the activities prioritized in these planning instruments (training, community monitoring, control and monitoring, and development of sustainable productive activities). In this sense, La Minga makes complementary investments rather than covering the State's environmental and conservation responsibilities. Its resources finance approximately 40% of the investment foreseen in the management plans, while the rest comes from the Colombian government budget.

"We were worried that the conditions for conservation to be sustainable were not in place. The intervention in the territories has been characterized by cyclical assistentialism. We were interested in coming up with a financing arrangement that would last over time in order to ensure that the management plans are accomplished. That is why we thought of a model based on an endowment fund and a sinking fund." (Interview with staff of Fondo Acción)

In financial terms, La Minga provides for two structures: a) an endowment fund with an estimated life of at least 30 years, and b) a sinking fund with resources used each fiscal year. The resources of the sinking fund, which for the time being come from contributions made by various donors, will come from the financial returns of the endowment fund in the future. The availability of both financial structures makes La Minga the first fund in Colombia to provide long-term financing for protected areas and to conserve the valuable biodiversity as important cultural heritage and the natural resources on which communities depend on.

La Minga's seed capital fund of approximately USD 2.5 billion came from the Swedish Embassy, the Walton Family Foundation and the Global Conservation Fund. Using these contributions and others from the Colombian Presidential Agency for International Cooperation (APC), the Blue Action Fund and Fondo Acción, the two financing structures were set up. Thanks to the financial management of these resources, the endowment fund currently amounts to USD 3.2 million, nearing the target of USD 5 million based on the expectation of having annual (sinking) returns of approximately USD 250,000.¹²

¹² For more information on Fondo Acción's financial management, see "Portafolios de inversión 100% sostenible. Un imperativo ético" published in August 2020.



After a period of preparation of the conditions for its operation that began in 2019 and the suspension of activities due to the COVID-19 pandemic, it is only in 2021 that La Minga resumed its operations. Until that year, La Minga had co-financed 17 local projects aimed at strengthening the productive chains of fishing, piangua (cockle harvesting), ecotourism, recycling and the use of responsible fishing gear, contributing to the protection of 900 hectares of mangrove and 118 marine and bird species (Fondo Acción, n.d.: 2).

The projects co-financed by La Minga are derived from the annual investment plans of the protected areas where priorities are defined on the basis of collaboration among the institutional actors and the communities. These investment plans are in turn derived from the management plans prepared in a participatory manner, in accordance with Colombian legislation.¹³ Fondo Acción then launches a call for proposals aimed at selecting the institutions that could implement the approved priorities based on the terms of reference prepared for this purpose. La Minga has chosen for local entities to carry out the actions, providing them with the necessary technical and administrative tools for execution through Fondo Acción.

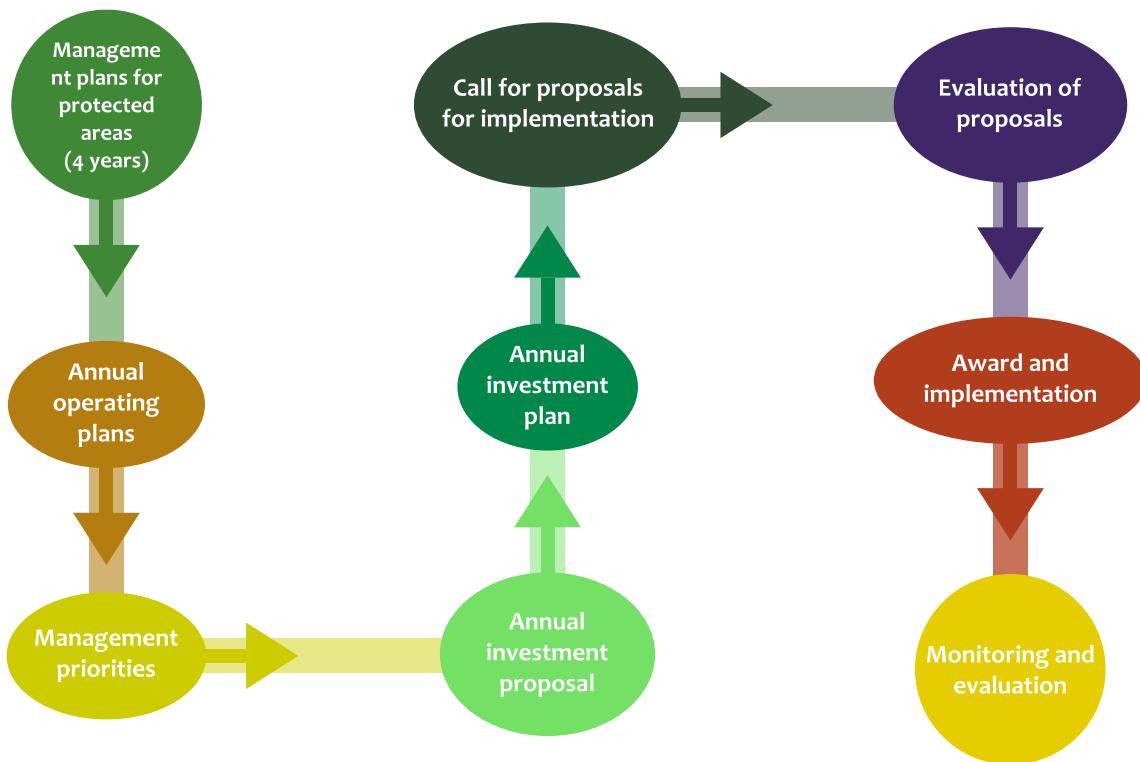
“Drawing up the management plans was a consensus-building exercise. The protected areas where we work allow for sustainable uses and there is zoning and we have conservation agreements. Thus, we have been able to support projects for managing cockle harvesting, responsible fishing gear, ecotourism, along with an initiative to add value to fishing called Eco-Gourmet. We are also supporting complementary initiatives that are linked to REDD+ and thanks to which it has been possible, for example, for the community of Málaga to start selling carbon certificates. In all cases, community monitoring is a cross-cutting component in this process, which allows us to know the level of ownership and make an assessment of what we are doing.”
(Interview with staff of Fondo Acción)

La Minga's governance structure consists of a Technical Committee and an Executive Committee. The Executive Committee is made up of CI, Fondo Acción and donor representatives, while the Technical Committee is a more pluralistic body with representatives from CI Colombia, Fondo Acción, local environmental authorities, community councils and academia. The Technical Committee analyzes the proposals received under the call for proposals and makes recommendations to the Executive Committee, which makes the final decisions. The chart below summarizes the operation of La Minga. **[VIEW GRAPH 1 Pag 20.](#)**

¹³ Article 72 of Law 70 of 1993 provides for prior consultation for indigenous and black communities.

GRAPH 1

La Minga's operation flowchart



Source: Fondo Acción, 2020. Jaramillo, 2018.



THE ROLE OF INDIGENOUS PEOPLES AND LOCAL POPULATIONS IN THE CASE STUDIES

"For the black communities, the territory is the space of and for life, which is made up of the rivers, mountains, estuaries, ravines, farms, trails, air, people, genetic resources, as well as the ancestral knowledge and customs to care for and use each site. It is about the different forms of organization to go fishing, practice mining, go hunting, wood gathering, planting and harvesting. (...) The territory is the space where, based on the form of appropriation, the conscience of BEING a people with its own identity is built, which guides the manner and conception of exercising property and authority over the space and what it comprises."

(José Absalón Suárez, coordinator of the team of territory and environment of the black people)

Based on the description and characterization of the three financing mechanisms presented in the previous section, in this section an analytical effort is made aimed at identifying how these mechanisms have addressed the participation of indigenous peoples and local communities in the design and implementation phases and in the organizational structures.

LOCAL POPULATIONS AND FINANCING MECHANISMS: PARTICIPATION AND COLLECTIVE RIGHTS

National laws and international treaties¹⁴ emphasize the importance of States guaranteeing that indigenous peoples are consulted on issues that may affect them. The right to free, prior and informed consultation is linked to the right to participation and is fundamental for the effective enjoyment of the right to collective land ownership of indigenous peoples, as well as being related to the right to cultural identity, organizational autonomy and self-determination. However, the consultation processes face constraints such as a weak conceptual understanding of their scope, a lack of clarity regarding the bodies of representation of indigenous peoples or the unawareness of this obligation on the part of public officials and justice operators, academia, non-governmental organizations and even the indigenous peoples themselves (IIDH, 2016).

How was the right to consultation and, more broadly, the participation of indigenous peoples and local communities made effective in the design and operation of the financing mechanisms presented in the previous section? The answers and implications of this question vary greatly.

When drafting the Programa Socio Bosque as a government policy, no space for consultation or dialogue with the indigenous peoples was provided for. Once the government defined the modality of operation of the PSB, information was shared with the local communities and indigenous peoples regarding the requirements to be met in order to qualify for entry into the program. This would be unthinkable today in light of recent provisions of the Constitutional Court that confirm the explicit obligation of the State to consult the communities on any decision that may affect their environment or culture.¹⁵

The protagonist participation of communities and indigenous peoples in the PSB's organizational and decision-making structure became more important lat-

¹⁴ Two particularly important instruments are ILO Convention 169 on Indigenous and Tribal Peoples (1989) and the United Nations Declaration on the Rights of Indigenous Peoples (2007).

¹⁵ Ver Sentencia 20-12-IN/20 de 1 de junio de 2020 sobre la declaratoria del bosque protector Triángulo de Cuembí y Sentencia No. 273-19-JP/22 referida a la consulta previa en la comunidad A'I Cofán de Sinangoe.

"In 2016 we made some efforts to encourage organization of the communities receiving incentives. There was interest for organized communities to support Socio Bosque's decision-making and support its implementation and strengthening as a public policy that should be sustained." (Interview with former technicians linked to the PSB)

er on. In this sense, experience sharing and capacity building events were organized around 2016-2017 on the basis of the farmer-to-farmer methodology. This attempt did not prosper, as there was no agreement within the government, and so the original PSB operating dynamics were maintained.

Some of the interviewees have a different point of view. Although they accept that no free, prior and informed consultation processes were conducted and that the communities did not participate in the PSB design, they consider that this reality changed over the course of its effectiveness. The central arguments underlying this statement are that prior to signing the conservation agreements, the communities must consult the community assembly on its acceptance or rejection. The community assembly is also the body in charge of approving the investment plan regarding the use of incentives.

From this perspective, the approval or rejection by the community assemblies of the signing of conservation agreements and investment plans constitute compliance with the right to free, prior and informed consultation:

"Every agreement is voluntary and therefore based on consent. Everything has been approved by the Assembly. The Assembly approves the investment plan and the program accountability reports must also be submitted to the Assembly. This means that the community knows and participates in the whole process, even though the person who signs is the legal representative on behalf of the Assembly."
(Interview with CI technical staff).

This perspective ignores the fact that the right to consultation of indigenous peoples and local communities cannot be reduced to consultation within their organizations, but rather implies a dialogue on equal terms with external entities that carry out actions that have an impact on collective territories. This explains the limited response capacity of the populations attached to the PSB at times when the payment of incentives was suspended, as happened throughout 2016, as well as the communities' perception that regardless of the community agreements included in the investment plans, it is the State that determines whether or not they can be realized. "It is important to mention that, even though the beneficiaries draw up their investment plans, they still perceive that the PSB predetermines the eligibility of expenditures." (Cotacachi, Perafán and Pabón, 2019: 30).



At the other end, the case of the Fundo Indígena do Río Negro (FIRN) stands out. The high degree of ownership of the FIRN by the Federation of Indigenous Organizations of Río Negro (FOIRN) is the result of a long-standing process of organizational consolidation in which the Instituto Socioambiental (ISA) has been supporting for 34 years in the search for solutions to the problems affecting the communities. It is therefore a long-term coordinated effort between an indigenous organization and a support entity, within the framework of a participatory construction where the voice and interests of the communities can be expressed and which gave rise to the FIRN.

In effect, this fund was created as a tool to implement territorial and environmental management plans for indigenous lands. According to Marivelton Barroso, president of FOIRN, “it was necessary to have a specific fund structured and managed by us. That is why we took the experience gained in other existing funds and programs with the objective of doing something with our format and considering the Río Negro peoples to meet the specificities of our region.” (<https://firn.foirn.org.br>).

La Minga's operations are based on participation in the formulation of protected area management plans between environmental authorities and local communities, in compliance with Colombian legislation.¹⁶ This participatory drafting of protected area management plans is described as an exercise of prior, free and informed consultation.

The management plans consider aspects directly linked to conservation, as well as others that aim to improve the living conditions of the communities, such as the promotion of community-based ecotourism, support for women in mollusk harvesting and waste recycling.

BENEFICIARY POPULATIONS OR PARTICIPATING POPULATIONS?

The nature, scope and sense of the transfers made by the financing mechanisms have implications for the way in which they perceive and relate to local communities: beneficiary populations or participating populations, as alluded to in the title of this section.

These two views are not mutually exclusive because often, in the management of these mechanisms, they are categories that are used and applied interchangeably or simultaneously. However, in an effort to understand the differences, the two present approaches can be simplified.

¹⁶ Interviews with the technical team linked to La Minga conducted on 25 May and 1 June 2022.

When the emphasis is on the transfer of incentives, the starting assumption is that it is necessary to motivate the development of attitudes favorable to conservation. The very meaning of ‘incentivize’ in the dictionary is to stimulate something to increase or improve. The notion of incentive, linked to this action, is therefore associated with an economic gratification that is granted to achieve a specific action or result.

Although this concept, which is more accentuated in the PSB, seeks to motivate local communities and populations to commit to conservation, the downside is the scarce recognition of local knowledge and practices that have contributed to the conservation of certain areas. By not recognizing and valuing the role of local communities in conservation, they are rather assimilated into the category of “beneficiary population” that, without external support, would endure situations of greater vulnerability.

The provision of this external support, i.e. incentives, requires the application of control procedures to ensure compliance with its purpose. Unfortunately, in recent years PSB staff has been reduced and control has not been directed at areas subject to conservation, but has focused on the use of incentives, which, in case of misuse, can be grounds for a penalty. This means that priority is given to a logic of inspection with a greater focus on the role of control and sanction, to the detriment of a facilitating role. According to the respondents, this conceptual bias has resulted in the configuration of a “punitive model” in which the procedures defined by the State Comptroller’s Office have been given greater weight, with little sensitivity to the particularities of the territories where the PSB operates.

Conversely, when these mechanisms accompany the conservation work carried out by indigenous populations and local communities, a more equal relationship unfolds. The target population is not perceived as a passive recipient of external support, but as a social group with agency capacity, as participants. This understanding is closer to the way FIRN and La Minga operate.

This scenario favors co-responsibility, the valuation of other visions and practices and a more horizontal relationship between duty bearers. Hence, co-learning and coaching are favored over administrative control of resource use.

PARTICIPATION IN DECISION-MAKING

The three cases analyzed consider inclusive governance bodies where indigenous and community organizations converge, in addition to local NGOs and donor entities, as well as public institutions. What is the level of participation of indigenous peoples and local communities in these bodies?



In the PSB, the indigenous peoples are not present in the program's steering bodies and decisions are taken by the Ministry of the Environment. It is only with the Achuar sub-account that a technical working group was set up with participation of representatives of the Achuar Nationality of Ecuador (NAE). In this working group, the NAE decides on the destination of the incentives and the technical support required by the territories of the eight Achuar centers with links to this mechanism.

In La Minga, the community councils are present in the Technical Committee where, together with other stakeholders, recommendations are made to select the organizations that will carry out the projects. Based on these recommendations, final decision-making is the responsibility of the Executive Committee made up of the institutions that set up and manage La Minga.

In FIRN, the Steering Committee is mainly made up of representatives of the Federation of Indigenous Organizations of Río Negro who lead management of the fund and who, through a proposal selection process involving external actors (Technical Committee), channel the resources for the execution of projects by their grassroots associations.

Although the confluence of this set of organizational and institutional actors with decision-making capacity undoubtedly strengthens participation and dialogue, there are some problems as well. How to minimize, for example, the emergence of potential conflicts of interest when community organizations act as both resource recipients and decision makers?

This challenge, with different connotations, affects both La Minga and FIRN. During the interviews conducted, the technical staff linked to La Minga pointed out, among other things, that it is still necessary to delve deeper into how to deal with possible conflicts that could arise from the participation of the community councils in the body that analyzes the proposals received (Technical Committee). The knowledge, closeness or frictions that may exist between the community councils and the local organizations with the capacity to execute projects are elements that will influence the recommendations issued regarding the approval of proposals by the Executive Committee.

FIRN's response to this challenge has gone in a different direction. In order to minimize the possibility of the selection of projects becoming a source of conflict among the communities, the decision was taken to award the same number of projects to each of the regions that are part of the FOIRN territory (five regions, three projects for each). This decision seeks to highlight the equitable treatment of all regions, reaffirming that the FIRN is a collective financial mechanism for all FOIRN member communities.



In general terms, the experience of other financing mechanisms shows the importance of laying down strict rules from the outset to minimize possible conflicts of interest, thus strengthening credibility, integrity and transparency (Bayón, Deere, Norris and Smith, 2020).

INTERCULTURALITY AS AN APPROACH AND PRACTICE

Interculturality refers to exchanges between cultures on equitable terms, under conditions of equality. This exchange involves the relationship, communication and learning between people and groups with different knowledge, values, traditions and rationalities, within the perspective of building and strengthening mutual respect and favoring capacity building.

In interinstitutional relations, interculturality “seeks to develop an interaction between people, knowledge, practices, logics, rationalities and principles of life that are culturally different; an interaction that admits and starts from social, economic, political and power asymmetries, and from the institutional conditions that limit the possibility for the ‘other’ to be considered a subject - with identity, difference and agency - with the capacity to act.” (Walsh, 2009: 45)

Interculturality as a dual relationship process, with constant construction and tension, shows limits in the operation of financing mechanisms to the extent that a set of tools and procedures and a technical terminology applied by the entities channeling the funds are generally imposed.

Starting from the recognition of the cultural gaps, the low level of links between indigenous peoples and rural communities with the formal economy, the lack of conditions to prepare reports or maintain accounting systems (electricity, computers, internet, etc.), and the lack of knowledge of the language and procedures used by donors, the technical teams of the financing mechanisms have developed various strategies.

Once the projects have been selected within the framework of a call for proposals, FIRN, for example, develops an intensive training process (two weeks) with six-monthly refresher sessions and has provided the communities with minimum equipment to prepare reports. FIRN also fostered the participatory construction of ideas with a high level of female participation, which contributed to strengthen their sense of ownership of their initiatives.¹⁷

¹⁷ *Using this work methodology, it was possible to formulate projects aimed at meeting women's needs, such as medicinal plants for marketing or the production of sanitary pads with local materials.*



La Minga's experience is to encourage intensive coaching of the local organizations executing the projects, providing them with the necessary management tools to address problems that may arise in advance.

Fully recognizing the importance of these initiatives, one pending task is to raise awareness among donor agencies about the reality in the local communities in order to make reporting and accounting requirements more flexible and adapt them to local realities¹⁸ and further focus on the culturally relevant translation of procedures and tools.

Regarding interculturality, two additional limitations derived from operation of the PSB for almost 15 years should be mentioned since they can be lessons learned in the implementation of other financing mechanisms:

- In the management of conservation areas, the program prohibits access to medicinal plants, the use of palm species for house roofs, or the manufacturing of canoes with wood from the forests. Moreover, there are restrictions on grazing and firewood collection, which affect traditional practices. Considering these prohibitions, the socio-cultural assessment conducted three years ago concluded that "the PSB conservation arrangement does not take into account the experience and traditional knowledge of the communities regarding their own definition of land/forest uses, the rules of access to resources and, in general, the traditional management of their territory." (Cotacachi, Perafán and Pabón, 2019: 37).
- The incentive payments offered by the PSB vary depending on the size of the property covered by the agreement. The payment is set inversely to the size of the land: the larger the area, the lower the payment and the smaller the area, the higher the payment. This logic does not keep in mind that large areas represent higher costs for care and control (Cotacachi, Perafán and Pabón, 2019: 41), giving priority to an economic logic that aims for the effectiveness of spending.

CONSERVATION AND WELLBEING

The three cases analyzed confirm that the investments are aimed at meeting the needs of the population and strengthening conservation. Nonetheless, when delving deeper it becomes clear that there are different emphases and that the implemented responses have varying implications. In order to understand this assertion, it is worth mentioning how each of the financing mechanisms channels the investments directed to the territories.

In the first case analyzed, the PSB, it is worth recalling its emphasis on the invest-

18 *Virtual workshop for the exchange of experiences on financing mechanisms, 28.03.2022.*



ment plans defined by the communities. These investment plans tend to respond to cyclical needs and are therefore not always linked to longer-term visions or to a proposal for integrated territorial management (life plans). This has resulted in isolated and disjointed actions, which are difficult to sustain over time.

Recognizing this limitation, the PSB sought to promote the development of life plans in the communities with links to the program, which in the end was largely watered down because the formulation of territorial management proposals did not stem from a genuine demand from the communities, but rather constituted an external requirement.¹⁹

It is likely that the deficient articulation of the investment plans of the PSB incentives with a territorial management proposal is one of the reasons explaining the low impacts achieved in modifying the living conditions of the communities participating in this program. In effect, an evaluation made by the Inter-American Development Bank concludes that “the results show no statistically significant differences between beneficiary and non-beneficiary indigenous households, suggesting a neutral socio-economic impact on the part of the PSB.” (Arriagada, Cotacachi, Schling and Morrison, 2018: 29) A protected area administrator interviewed agrees on this point:

“There are communities that have benefited from Socio Bosque’s resources for many years and yet, conditions have not changed. They are the same.”

Beyond receiving financial benefits, it is important to highlight that studies carried out on the PSB found that “above and beyond the financial incentive, to decide to sign a contract with the PSB” (Cotacachi, Perafán and Pabón, 2019: 14), the communities perceive that their connection with the program “constitutes a means to enhance the legal security required beyond the property title deed or customary law rules.” (Ibid.: 15) From this perspective, the main motivations for joining the PSB include the achievement of territorial integrity, understood as the management of a unit, as opposed to segregation; improved resource availability (water, fauna, flora); and protection against external threats.

In the second case analyzed, FIRN, investments are aimed at contributing to the implementation of environmental and territorial management plans drafted by FOIRN’s member associations. These plans, imbued with the world views and values of the indigenous peoples of the Río Negro region, include their own vision of the territory, and refer to the meaning of nature in the life of the communities and their priorities.

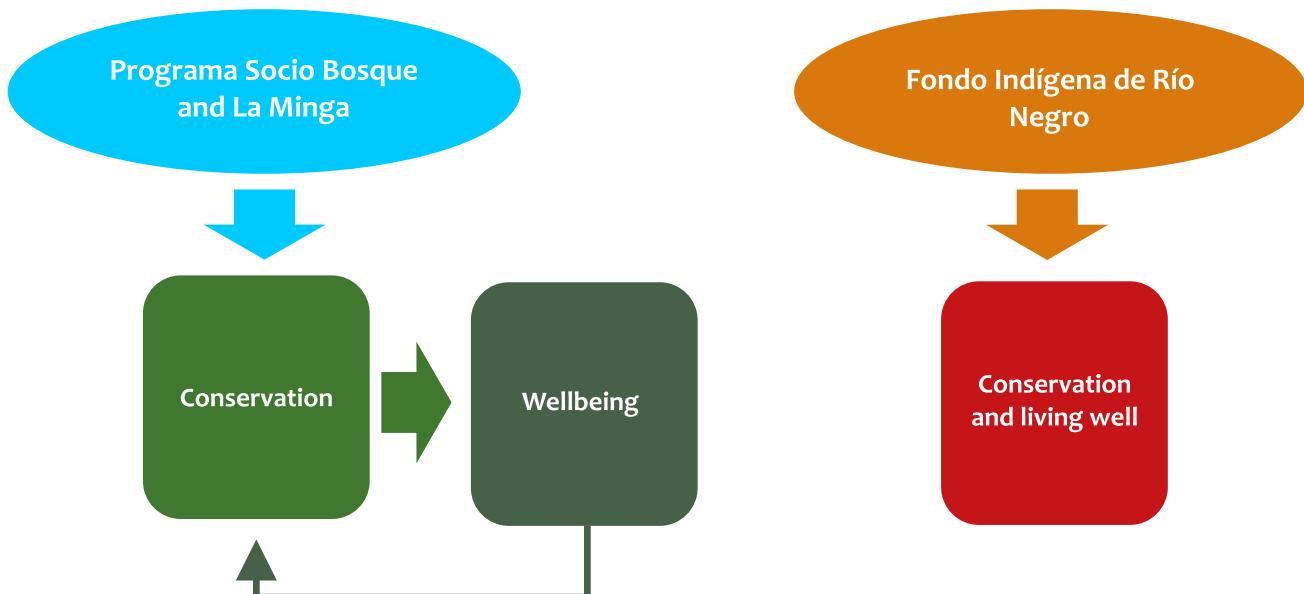
¹⁹ Interview with former social advisor of the Programa Socio Bosque, 19.05.22.

In the third case studied, La Minga, the investments are aimed at underpinning the strategies contained in the management plans of the protected areas. Although it provides a longer-term perspective, this articulation is based on institutional mediation (Ministry of the Environment) rather than community mediation. In this case, the management plans of the protected areas and the protection of their conservation values ultimately define the destination of investments in the territories.

“With these plans, which were drafted in a participatory and collaborative manner with the communities, we know what we want for the present and future of our territories. The plans are important instruments of dialogue that help us in the search for public policies, alliances and strategies to promote living well in our region.” (<https://foirn.org.br/governanca-territorial-e-ambiental/>)

In the future, it will be important to assess how the management plans of the protected areas are complementary and have links with the ethno-development plans of the Afro-Colombian community councils. It is worth remembering that the communities of the Colombian Pacific, which are part of La Minga, joined the discourse of environmental protection and adhered to the conservation objectives to protect their presence in a territory threatened by the tourism industry and other activities such as the construction of a deep-water port in the Bay of Málaga (Escobar, 2013). Colombia's Pacific region is faced with problems caused by territorial control, which pits communities against armed groups, as well as disputes between community councils that promote ecotourism and the tourism association in Bahía de Málaga.

Schematically, these three approaches can be illustrated as follows:



**FINANCING MECHANISMS FOR CONSERVATION:
LESSONS LEARNED**

When examining these three approaches, the conclusion is that there are different emphases in terms of how these three mechanisms operate. While FIRN promotes investments that combine well-being of the population and sustainable management of the territory on the basis of social ownership of the indigenous peoples living in the Río Negro region, the approach of La Minga and the Programa Socio Bosque is based on conservation and puts the improvement of living conditions in place as a necessary condition to guarantee the commitment of local populations to preserve ecosystems and protect biodiversity.



DISCUSSIONS AND LESSONS LEARNED

“Our ancestors have always taught us to live well, in full harmony with the other living beings of this mother earth. It is necessary to combine this with current tools without putting aside these teachings. Until 60 years ago we had no concern for survival. The future was guaranteed in nature. But now things have changed. We have to think about the economy, produce to earn some money, there are expenses for school, clothes, soap, salt. Because of these situations, we have these policies, these territorial and environmental management plans. It is not like they are going to teach us to be ‘indios’. The idea is for us to understand what the government thinks and know how to dialogue with it.”

(Braz França, baré leader, former director of FOIRN)

HARVESTING BEST PRACTICES

Operation of the three financing mechanisms studied has led to a series of common best practices which are summarized below.

Initial steps

Setting up these mechanisms takes time, as it involves interacting with various stakeholders to build a common vision, securing acceptance of the rules and designing and implementing a communication strategy to minimize false expectations. When involving indigenous peoples and local communities, it is necessary to comply with current consultation procedures, which implies recognizing the value of the communities' points of view. Commitment and ownership are two key elements when designing a financing mechanism.



Based on the experience of people involved in the design of financing mechanisms, the existence of solid organizational structures would seem to be a necessary premise to guarantee good future performance. In areas where there is cohesion and where the leaders enjoy legitimacy and representativeness, the financing mechanisms have yielded results and it has been possible to bring about changes in the living conditions of the communities.

Governance structures

When thinking about organizational structures, it is important to consider the representation of communities based on the recognition of their organizational particularities and the understanding of the dynamics of the territories. There are no single formulas in this regard; the important thing is to value and open spaces for their participation.

In La Minga and FIRN, community organizations are an integral part of the governing bodies and their voices and opinions carry weight in the operational and programmatic development. In the Kayapó Fund and the Achuar Fund, the organizations participate in the discussion of strategic visions. And there are also experiences such as those of the Paiter Surui Fund in Brazil, which has a conflict resolution chamber made up of elders who enjoy a high level of credibility and who settle conflicts (Gebara, María Fernanda, et al. 2014). A decision that combines management and intercultural strategies.

Capacity building and strengthening

Throughout operation, the training of local populations and communities in the use of accounting and accountability tools generates the skills needed to respond to the reporting requirements of the institutions that channel the funds. In addition, this training has important effects within the communities by reducing conflicts that could arise around the management of financial resources. Training in these areas cannot be reduced to one-time events, but must materialize in a long-term coaching process that takes into account the structural gaps that affect indigenous peoples and rural communities, as is clear from the experience developed by the cases studied (La Minga and FIRN).

However, the general underlying need is to address the limitations that local communities and indigenous populations have to internalize a series of procedures and get a grasp of the language full of technicalities. This entails that it is essential to foment an intercultural dialogue aimed at the adoption of flexible agreements adapted to local contexts.

This goes hand in hand with the need to provide local communities with minimum infrastructure and equipment conditions to connect to the dynamics of the institutions. The lack of these conditions constitutes an additional obstacle for the communities to report on technical and administrative management of the resources. In this regard, the support provided by FIRN to the communities in terms of equipment (computers and internet) stands out.

Monitoring and evaluation

A GEF study on environmental funds found that most of those in operation in the early years of this century did not have indicators and did not include an analysis of environmental impacts (Bayon, Deere, Norris and Smith, 2020: 14). La Minga and FIRN propose to implement monitoring mechanisms linked to the projects and initiatives to which they channel resources, which will materialize in regular visits to the territories, whereby the general perspective, in terms of impact, will be the management plans of the protected areas and the environmental and territorial management plans, respectively.

In the case of the PSB, the monitoring and evaluation in its early years of the state of conservation of the areas subject to agreements gradually gave way to the greater importance granted to controlling the use of the resources received as incentives.

This reality brings to light the shortcomings in monitoring and evaluation and the need to introduce lines of financing directly geared towards these purposes. To fill this gap, one practice that could be emulated is the decision to incorporate a monitoring and evaluation budget line in the projects supported by the financing mechanisms. This experience, which has been applied by some funds,²⁰ implies that the money is not given to the implementers but that it is managed by the funding mechanism to monitor and evaluate the changes and impacts achieved (Bayón, Deere, Norris and Smith, 2020: 14).

Information and communication

One of the strategies supporting the ownership of financing mechanisms is linked to communication and dissemination, in order to bolster credibility, trust and transparency. Inwards, this strategy must be based on the cultural practices and codes of the local populations.

One best practice in this regard is the involvement of various institutional actors in the management structures of the financing mechanisms, encouraging these actors to become active disseminators of the actions and results.

²⁰ Without being a financing mechanism for conservation, the Ecuadorian-Swiss Countervalue Fund (FOES) used this mechanism.

Outwards, the prestige and recognition of the PSB at the international level should be acknowledged, stimulating similar public policies in other countries.

Towards the improvement of living conditions

The biggest bottleneck for involving local communities in conservation plans is related to the effort to give these plans local meaning, which implies, among other alternatives, supporting productive initiatives as an option to discourage illegal activities (logging or mining) and other activities that generate harmful environmental impacts such as cattle breeding.

In this sense, the three case studies favor the implementation of sustainable productive initiatives, albeit with different emphases, that strengthen participation and encourage organizational cohesion by enabling opportunities for the populations to have resources to manage their territory. Moreover, the promotion of income-generating activities contributes to consolidate the social ownership of land and territories and the importance of their conservation.

Promoting these initiatives, it is important to consider the involvement of all social sectors that make up a community, recognizing that within the community, the participation of young people and women has encountered obstacles due to the hierarchical social structure in which adult men predominate.²¹ One best practice worth highlighting in order to influence this reality is that of FIRN, for example, which has encouraged the interest of young people, valuing the contribution of their skills and knowledge to carry out dissemination, communication and marketing actions. In fact, unlike the adults, the young population speaks Portuguese and is computer literate. Another practice worth highlighting is the design of a school of leaders for children, young people and adults promoted by La Minga in the Colombian Pacific region.

On another note, it is important to recognize that the momentum of these initiatives has also been a source of frustration when the communities' efforts are not connected, or are connected insufficiently, with the market. In view of this reality, the technical teams of the financing mechanisms need people with the necessary profile to support the consolidation of the ventures developed.

Parallel to the participation in local and regional markets, it is necessary to strengthen traditional production systems, promoting the autonomy of the people living within areas of importance for conservation in food production and in meeting their needs.

²¹ *It is illustrative to mention that although women participate in community activities and those financed with the PSB incentive, “no efforts were identified to include women’s initiatives in the Investment Plans. In the case of associations, it is clear that membership favors men, clearly excluding women.” (Cotacachi, Perafán and Pabón, 2019: 41)*



Conservation financing

One first best practice in relation to capitalization of the funds has to do with the coherence between the destination of the financing mechanisms and the way in which the financial resources are invested, giving priority to environmentally and socially responsible investments over economic returns. La Minga and Fondo Acción are both pioneers in this field.

A second point refers to the cost/effectiveness of the financing mechanisms. This is often a cause for concern because of the perception that technical and administrative costs could draw away resources that would otherwise be used for conservation and support to local communities. Without ignoring the fact that this characteristic may be present in some mechanisms, the cases analyzed show that they operate with small technical teams whose funding is rather marginal in relation to total resources.²²

A third lesson learned is linked to the scale of intervention of the mechanisms. Studies have shown that highly focused experiences demand a lot of effort and resources compared to the results and impacts that can be achieved, with difficulties to keep the operating costs at a reasonable level. Despite this limitation, another aspect to be pointed out is that the strength of targeted financing mechanisms lies in their catalytic effect, within the perspective of attracting other resources or scaling up to other broader policies (Bayon, Deere, Norris and Smith, 2020).

Sustainability of the financing mechanisms

Financial sustainability is a means to consolidate the governance and sustainable management of a territory and to ensure conservation of the forests and ecosystems therein. Its importance is however decisive. “The financing or payment for biodiversity conservation remains one of the most challenging and difficult tasks to address today” (Bayón, Lovink and Veening, 2020: 7), particularly in a context of structural debt and diminishing official development assistance.

The three cases analyzed herein are facing the challenge of economic sustainability in different ways, with the perspective of setting up endowment funds whose credits are used to cover the costs of conservation and contribute to improving the quality of life of local populations.

²² *Thus, in its first phase (2008-2012) the PSB had, for example, a team of 40 people at the national level for a total of 1.5 million hectares under conservation, with participation of 14 nationalities and peoples distributed over more than 100 communities. La Minga's financial management, project administration and management, technical monitoring and support services are only a small fraction of the resources mobilized annually by this fund, amounting to a yearly budget of USD 9,000. Finally, FIRN has a stable team of five people who report to the Steering Committee.*



La Minga has put in place a long-term financial sustainability model, the objectives of which are close to being achieved, as mentioned in the first part of this document: [VIEW GRAPH 3](#).

GRAPH 3

Flow chart of La Minga operation



Source: Fondo Acción, 2020. Jaramillo, 2018.

FIRN, for its part, is operating with a sinking fund for the time being. It has expectations of moving towards sustainable financial scenarios, attracting new partners from the donor community and eventually from private companies, without requesting public resources. This refusal is aimed at preventing the receipt of public funds from justifying the lack of investment in sectors that fall directly under the government's responsibility - "the government must fulfill its role".

PSB's sustainability is based on fiscal and donor resources. At some points, it has also received contributions from the private sector. The PSB's fiscal resources are of variable amounts, which in the midst of fiscal crisis scenarios, was translated into the suspension of incentive payments, highlighting the fragility of the program's financial sustainability. In recent years, the State's non-compliance was covered thanks to the contribution of the donor community.

"Endowment funds are difficult to set up and maintain because most donors are not willing to give money for a long period of time." (Interview with CI technical staff)

The operating model of the PSB displays some modifications in the Achuar sub-account that manages this program insofar as it aims for constitution of an endowment fund close to USD 10 million, the financial returns of which, added to the fiscal funds, contribute to cover the items planned to execute the conservation actions within the Achuar territories.

The description of these three experiences shows the interest each one of them has in consolidating endowment funds that make long-term financing pos-

sible. Although attaining this objective is complex due to the reservations that potential donors may have regarding the use of their resources as capitalization funds, the initiatives underway show that institutional strength and transparency in the management of resources are two elements that contribute to bringing long-term financing mechanisms into fruition. In addition, it is important to expand and diversify the sources of financing.

"It is important to recognize the autonomy that the PSB enjoyed in its early days.

Nonetheless, it has not been possible to resolve

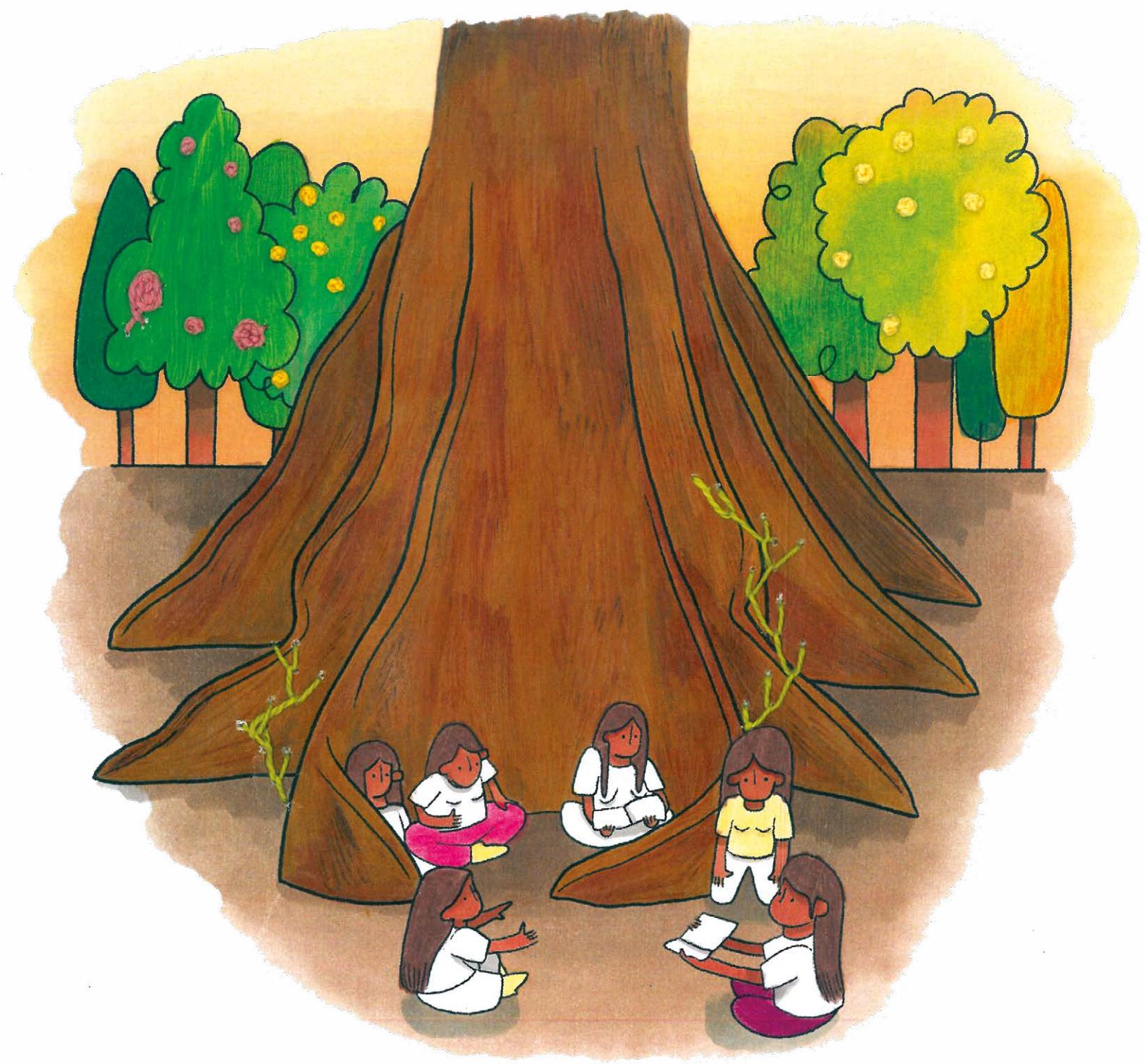
one tension. Is Socio Bosque a project or a public policy that will be sustained in the future?"

(Interview with CI staff)

Experience has shown that the sustainability of financing mechanisms must be based on the diversification of sources of income, since the financial resources cannot come entirely from the donor community, nor can they be based solely on fiscal resources. There are a number of options that have not yet been explored, such as the participation of private companies of different scales, multilateral banking or climate funds, the setting of environmental tariffs (payment for environmental services), carbon sequestration, and new financial arrangements that lead to the need to include fundraising bodies within the organizational structure of the financing mechanisms.



DISCUSIONES Y
APRENDIZAJES



FINAL CONSIDERATIONS

Recognition of the role of indigenous peoples in biodiversity conservation was consolidated in the 1990s.²³ Since then, the environmental movement has given meaning to the historical coexistence of indigenous peoples with forests, jungles and protected areas and has forged an alliance to advocate for their territorial rights (Assies, 2003).

Hand in hand with this recognition, it has been gradually accepted that conservation is an integral concept. Biodiversity-rich territories are not enclaves or areas disconnected from local, regional and global dynamics; they are often the focus of interest of extractive projects that threaten their integrity.

Conservation cannot be merely equated with guaranteeing the preservation of a specific geographic space of importance in view of its forests and ecosystems, but also entails territorial management based on the visions, priorities, needs and own forms of organization and thinking of the communities and indigenous peoples historically settled in these areas (Carenzo and Trentini, 2014). Hence, the fundamental challenge is to merge conservation agendas with the agendas defined by indigenous peoples and local communities, i.e. life plans, ethno-development plans or environmental and territorial management plans, according to the various names they have.

This is the framework surrounding the central challenge and complexity regarding the operation of conservation financing mechanisms. These mechanisms are an option to support compliance as regards how local populations and communities plan the management of their territories and the social organization of their lives. The long-term perspective usually linked to financing mechanisms tries to avoid falling into the logic of projects, which is generally associated with one-off and short-term interventions, duplication and repetition of actions. From this perspective, financing mechanisms can be a tool to contribute to increasing autonomy and decentralization processes by giving local populations the possibility of making decisions and accessing benefits.

²³ One example to be noted is that in 1991, the World Bank adopted Operational Directive 4.20, which stipulated that World Bank-financed projects should include strategies to protect indigenous populations and ensure their informed participation. Around the same period, the Latin American states initiated proceedings for the legalization of indigenous territories.



FINAL CONSIDERATIONS

One of the most important elements is the support for strengthening community organizations, including their structure and formalization, which will help consolidate their autonomy and reaffirm the sovereignty of local communities in decision-making and their ability to decide how to address their priorities.

On the other hand, it is important to point out that although operation of the financing mechanisms contributes to put in place the conditions for conservation scenarios to last over time, they cannot and should not fill in the State's responsibilities regarding these territories, as stated by FIRN and La Minga. The effective control and protection of territories whose attributes are substantive for conservation is the responsibility of the competent bodies, which must take the necessary actions against invasion of the territory (illegal mining and logging, drug trafficking), thereby supporting the communities to exercise oversight over their territories by putting in place essential conditions in terms of communication, transportation and training.

The exercise and guarantee of territorial rights implies recognizing, as a starting point, that the forests, mosaics and ecosystems inhabited by the indigenous peoples and black communities targeted by the three case studies, are living and deeply historical entities subject to permanent changes. Accompanying this process entails a permanent effort to re-invent, re-create and structure support networks that enable the enforcement of environmental and collective rights.

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