

# THE ECONOMIC COSTS AND BENEFITS OF SECURING COMMUNITY FOREST TENURE: EVIDENCE FROM BRAZIL AND GUATEMALA

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## Economic analysis and securing community rights

- Securing Rights, Combating Climate Change (2014): deforestation rates were significantly lower in legally recognized and protected community forests than in forests outside those areas
- Economic analysis useful to identify and quantify value of benefits and costs; helpful in decision making and prioritization of projects
- Results suggest that, in the study areas, the economic benefits of securing community forest tenure outweigh the costs
- Challenges
  - Estimates are modest approximation of complete benefit-cost accounting
  - Data-collection constraints: addressing them could lay the groundwork for a deeper understanding of the net economic gains from community forests
  - Transparency of data: Investing in improved efforts for monitoring and evaluation of community forests could be an important first step

## Objectives and methodology

## Objective

Investigate what are the costs compared to the benefits of securing and maintaining community forest tenure for community forest areas in Brazil and Guatemala?

## Methodology

- identify and describe the applicable costs and benefits associated with securing and maintaining secure tenure
- Conduct benefit-cost analysis to estimate the net economic benefits from community forests

### Project components

- Economic Analysis: Working paper (Oct. 2015) Brazil, Guatemala, and Mexico; Report (May 2016) – Bolivia, Brazil, Colombia, and Ecuador
- Global Platform

# Economic costs and benefits: Community forest tenure

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#### COSTS

#### TENURE-SECURITY ESTABLISHMENT COSTS

Costs associated with establishing or changing the institutional and legislative framework to support community forest tenure. They include investment and transaction costs associated with legislative or regulatory changes.

#### COMMUNITY-FOREST ESTABLISHMENT COSTS

Upfront or initial investment and transaction costs for identifying and securing lands as community forests, including identification, demarcation, registration, titling, and establishing forest-management plans.

#### COMMUNITY FOREST MANAGEMENT, OPERATING, & MONITORING COSTS

Annual or recurring costs associated with protecting community forest tenure; monitoring and enforcement activities on these lands to ensure rights are protected; transaction costs associated with handling disputes over community forests; production costs for timber and non-timber forest products; and recurring investments in programs or activities to support and strengthen community rights and livelihoods on these lands.

#### **OPPORTUNITY COSTS**

These include foregone income from alternative land uses.

#### **BENEFITS**

#### **ECOSYSTEM-SERVICE BENEFITS**

Forest ecosystems provide extractive benefits as well as non-extractive benefits. Extractive benefits include timber and non-timber forest products and recreation (e.g., hunting and fishing); non-extractive benefits include climate change mitigation, water regulation, habitat and biodiversity, protection of local and regional climate systems, and tourism.

#### COLLECTIVE ACTION & CONFLICT RESOLUTION

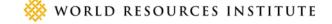
The clarification of land-use rights and roles can lead to behavioral changes by community members, which in turn can result in avoided transaction and conflict-resolution costs associated with insecure forest rights.

#### SOCIAL BENEFITS

These include benefits related to capacity-building efforts that strengthen local communities (e.g., job creation and community reinvestment in education and health programs).

# Site visit (Guatemala's Maya Biosphere Reserve)

- Link economic analysis with evidence from concessions at the Reserve
- Interaction with stakeholders show that other uses (agriculture, cattle) are less profitable than sustainable management of forest (highest value)
- Source of income from timber, timber products (furniture), non-timber products (fruits, nuts, plants)
- Community interested in improving local livelihoods (income, jobs, better infrastructure and services) rather than in profits and business expansion
- Retribution for high global benefits (Guatecarbon Project, REDD+)

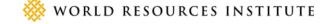


# Concluding remarks

 Analysis show that secure community forest tenure is a potential good "investment" as a solution to tackling climate change

 Community forests generate variety of economic benefits, environmental services and behavioral changes (conflict resolution, societal reinvestments); need further economic analysis to show more accurate value of these

- Potentially a cost-effective solution if compared to technology based solutions (comparison not developed in the paper)
- Extension to Amazon region (Colombia, Bolivia and Ecuador)



## **THANK YOU!**

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