

Summary of Key Factors in Mexico

- Strong legal framework and national-level commitments to reduce deforestation and promote sustainable rural development
- Focus on positive incentives (mostly subsidies)
 - Agricultural subsidies compete with conservation subsidies
- Lack of negative incentives
- Lack of user-friendly tools to promote spatial planning and monitoring/enforcement of commitments

Potential Approaches

Strengthen Factors that are Absent

- Create negative incentives
 - Fines
 - Supply chain interventions
- Increase enforcement
 - Increase capacity of enforcement agencies
- Supply chain pressure
 - Create private sector commitments to sustainability

Focus on Existing Factors

- Reform rural subsidies
 - Promote intense systems vs. extensive systems
 - Target subsidies to specific areas
- Improve spatial planning and monitoring capacity
 - Provide user-friendly zoning tools
 - Make monitoring information publicly available



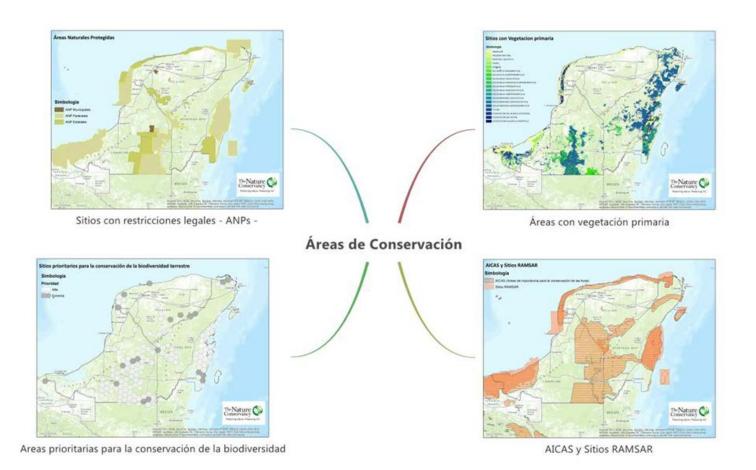
Improving Rural Subsidies through Integrated Zoning

- Tool: Sustainable Production and Conservation Priority (aka Go/No-Go) Zoning
- **Objective:** Create a user-friendly tool for planning public and private investment in production and conservation systems in order to promote sustainable rural development in Mexico

Audience:

- Federal Environmental, Agricultural, and Planning Agencies
- State Governments
- Academic Institutions
- Financial Institutions
- Commodities Buyers
- Land Managers

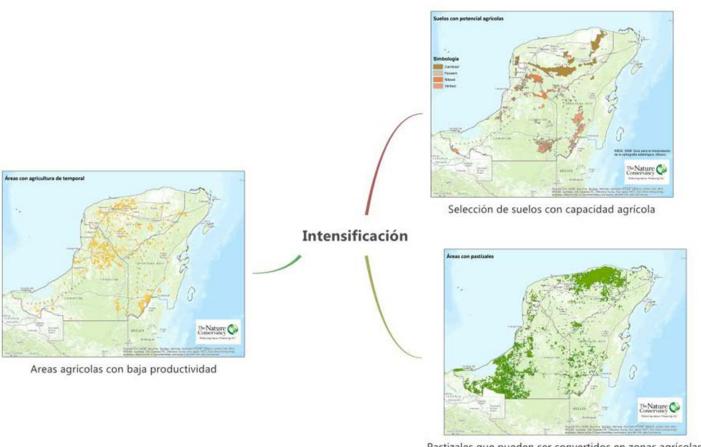
Conservation Priority Zones



Data:

- Natural Protected Areas
- Biosphere reserves
- RAMSAR sites
- UNESCO sites
- Biological corridors
- Water recharge areas
- HCVFs
- Cultural sites

Sustainable Production Zones

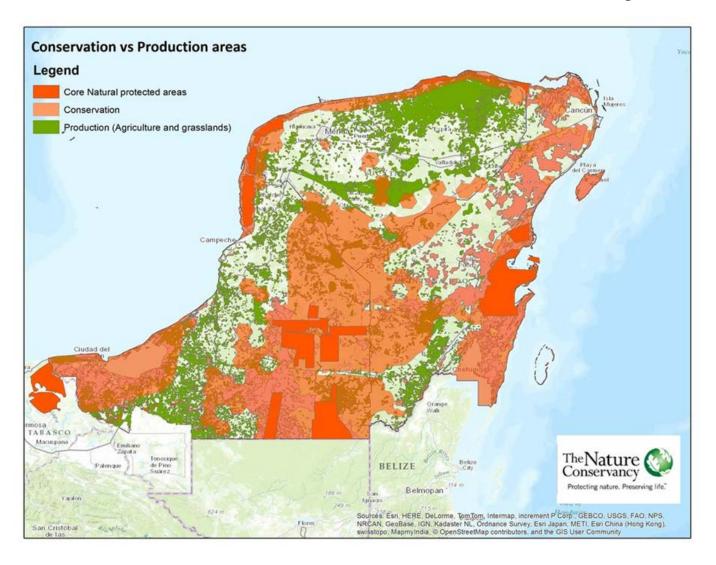


Data:

- Current land use
- Low productivity areas
- Crop aptitud
- Access to infrastructure
- Access to markets

Pastizales que pueden ser convertidos en zonas agrícolas intensivas

Sustainable Production/Conservation Priority Zones



Uses of the Tool

- Government:
 - Target rural development subsidies
 - Target conservation finance
 - Target investments in infrastructure
- Private Sector:
 - Target investments in appropriate crops
 - Identify opportunities to intensify production
- Communities/Land Managers:
 - Improved land use planning
- How does it create accountability?
 - Need to develop government and private sector commitments to comply with the zoning plan

Summary

- Some key factors in Mexico are absent
 - Negative incentives
 - Enforcement capacity
 - User-friendly spatial planning tools
- We are developing some tools based on the factors that are present
 - Reforming rural subsidies
 - Increasing transparency and accountability through integrated zoning
- Challenges:
 - Political will to reform subsidies
 - Getting commitments to comply with the zoning plan

