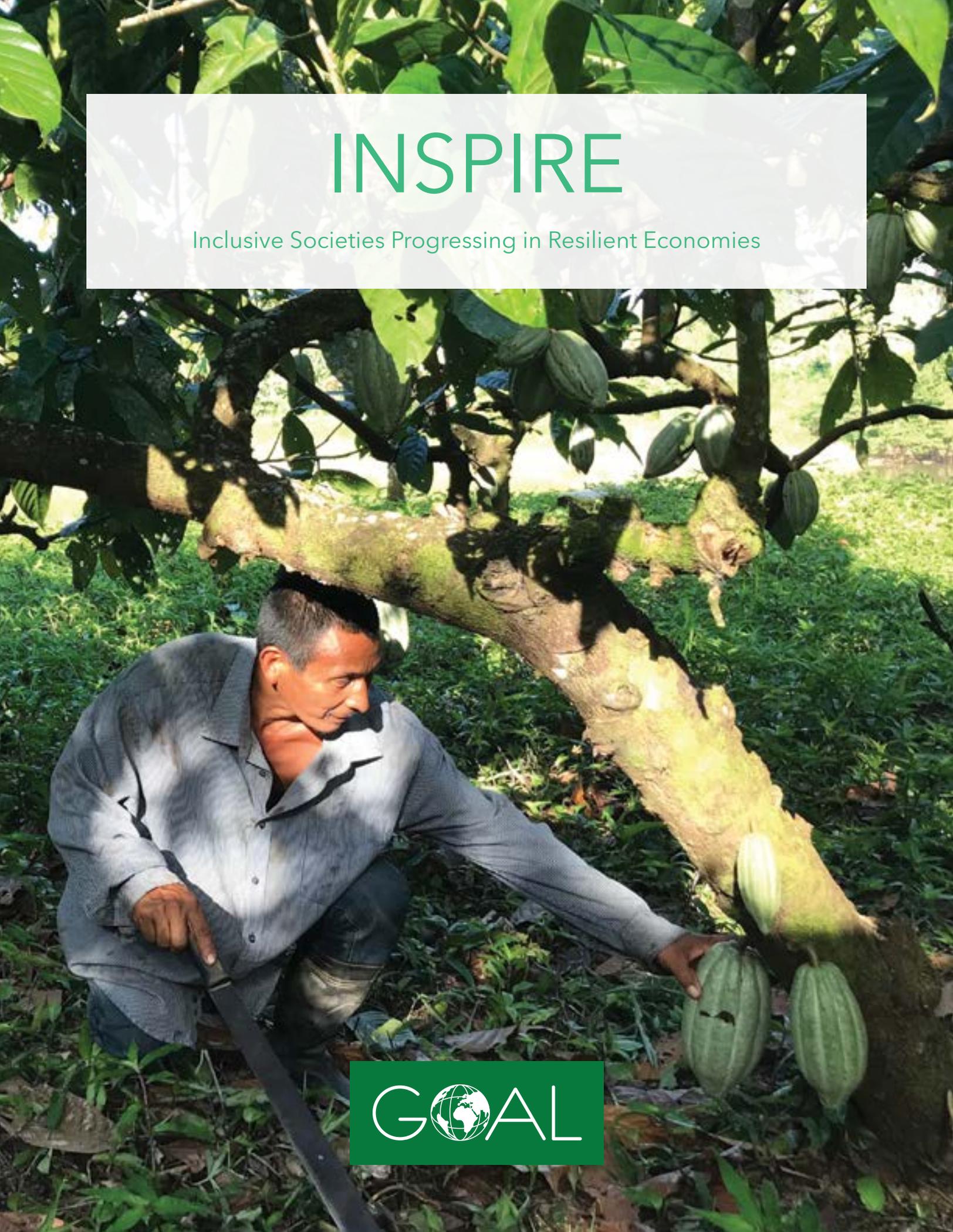


INSPIRE

Inclusive Societies Progressing in Resilient Economies



GOAL



For GOAL climate change is a reality that affects the most vulnerable and disadvantaged population. Its effects on food security, agricultural and forestry economy drive migration to urban areas and cross-border migration, creating a new phenomenon of economic injustice and social discrimination.

GOAL believes that the construction and connection of rural economies with inclusive markets is an opportunity to increase climate resilience, food and nutrition security.

Context

In 2014, 28.5% of the population of the Latin American Region was in a poverty situation (168 million people), a percentage that increased to 29.8% in 2015 (178 million) and 30.7% in 2016 (186 millions of people). The misery or extreme poverty, meanwhile, went from 8.2% in 2014 (48 million people) to 10% in 2016 (61 million people). In rural areas 48% of families lived in poverty and 22% of families lived in extreme poverty¹.

In the area of potential development of the program (Guatemala, Honduras, Haiti, Nicaragua, the Dominican Republic, and El Salvador) there is an approximate population of 61,776,000 of which approximately 44% live in rural areas, having the aforementioned countries, the largest in rural population of the region.



¹ Source: Economic Commission for Latin America and the Caribbean (ECLAC), based on the Household Survey Data Bank (BADEHOG).

Its economy is directly or indirectly related to the agricultural, fishing, livestock and forestry sectors. The agricultural sector is an important generator of food, income, exports, self-employment and provides valuable environmental services for water production, soil stability and climate regulation.

Climate change has added new negative factors to deepen this situation by modifying precipitation patterns, increasing the temperature, causing more destructive and frequent extreme hydro-meteorological events. In the last 20 years, the level of vulnerability of developing countries has deepened in the face of increasingly frequent climate events, which has drastically reduced resilience, especially in the agricultural and livestock production sector.

According to the less pessimistic scenario of the impact of climate change on maize production, by 2020 the average yield of the region is estimated to decrease by 4% with the following variations between countries: 1% in Guatemala; 3.5% in El Salvador; 4.8% in Honduras; 5% in Costa Rica; 6% in Nicaragua and 7% in Panama and Belize. Towards the end of the century, the most affected countries would be Belize, Nicaragua, Panama and Honduras, whose yields would decrease by more than 24% and regionally a reduction of 17% is estimated. In the most pessimistic scenario, by the end of 2020, the regional average yield would decrease by 9% and the most affected countries would be El Salvador, Costa Rica and Nicaragua with reductions of 11%. By 2050, the regional average yield would drop by 16%, with variations from 6% in Panama to 21% in Belize, Nicaragua and Honduras.²

The LAC region and especially Central America exposes alarming figures of human mobility from the rural sector to the cities and even greater at a cross-border level. In the last year, the phenomenon of cross-border migration has triggered massive collective displacement events that crudely expose the inability of the Honduran economy to generate opportunities for its population.

The agricultural sector is an important asset, but it will be necessary to stimulate its transition to a food system and to more sustainable and inclusive agro-industrial chains that can successfully cope with the challenges imposed by the social and economic deterioration generated, among others, by the effects of climate change and by the abandonment of the rural sector.

A more articulating approach to the various social and economic forces, as well as a new look at the Green Economy, can be the pragmatic and effective way to develop the rural sector.

²ECLAC Potential Impacts of Climate Change on Basic Grains in Central America

■ Why a resilience-building strategy based on green economy?

The Resilience of the Green Economy is an economic model that *"results in better human well-being and social equality, while significantly reducing the risks related to climate variability and the loss of natural resources and biodiversity."*

GOAL aims to maintain, improve and rebuild natural capital as a critical economic asset and a source of benefits for the population.



The green economy is a strategic route to influence the decreases in the migratory phenomenon through the increase of resilience to climate change and the food and nutritional security of the populations living in the rural area of the country, promoting investment and entrepreneurship in the agricultural, forestry, livestock and fishing subsectors responsible for the environment, livelihoods and well-being of rural communities.

The approach

The problems of the rural sectors are similar in the countries of the region. The program, articulated in 6 pillars, entails the strategic elements to be applied successfully in different countries of the region.

1. Multiethnic and Multicultural Approach

The program recognizes the close connection of the people with their lands, waters and forests, as a particularly important aspect since the life of the people in rural areas is directly linked to the natural resources. The approach is based on awareness and recognition of rights, mainly those of financial and productive inclusion, and in general terms with territorial, environmental, cultural, spiritual, social and economic rights that affect their individual and collective integrity.

In the case of indigenous peoples, it recognizes and implements the UN Declaration on Indigenous Peoples and ILO Convention 169, which orders in its Article 6 "indigenous peoples have the right to be consulted on legislative and administrative measures, susceptible to affect them".

2. Systemic Approach

The systemic approach analyzes the object of study as a system, encompassing the totality of the elements of the studied system, their interactions and their interdependencies, guiding them to a greater efficiency in the actions. The analysis focuses on studying the rural sector as an interdependent

system using the M4P methodology³ in order to identify the relationships among actors, supply channels, resource and product transfer routes, key points and decisive factors to stop or strengthen the system. Among these key systemic factors, the following can be mentioned:

a) Inclusive financial system: It is necessary to increase access, reduce the cost and extend credit coverage to the sector as a profitable business for agricultural producers and the private, public and / or public-private financial system, reaching a long-term credit agreement that allows the payment of accumulated debt and facilitate greater credit placement in the sector, using insurance, reciprocal guarantees and agricultural futures. Ensuring the level of operation of trusts with public and private funds is as decisive as the review of financial products designed for the rural sector as well as a triangulation route that reduces the risk for producers, market agents and credit agents.

b) Inclusive and resilient market systems: The strategy is aimed at improving the enabling environment for small and micro enterprises, facilitating the growth, diversification and dignification of market systems.

To ensure the growth of companies, the capacity of intermediary institutions is promoted by financial service providers, thus increasing business advisory and financial inclusion services. The program aims to strengthen a weak link in the Value Chain to increase the capacity of economic actors and ensure that

small and micro enterprises have access to more appropriate and more affordable services in order to grow their businesses and opportunities.

c) Strengthening human talent: Strengthening human capacities to conduct their development processes in a resilient and sustainable way. This allows to revalue the community organization, to stimulate the equal and equitable participation of men and women and the professionalization of the human resource with greater emphasis on the family productive units.

3. Human well-being

People are the main end in the Green Economy approach, the search for the individual and collective good of the communities of the rural sector is manifested with the increase of resilience of the financial, productive and business systems. Other external factor that can be identified is the access to a health system, including both medical services and nutritional education.

Rural access to practical and effective health services at surprisingly affordable costs for micro, small and medium producers have been developed⁴. The rural sector offers elements of opportunity to design, create and implement health systems, that can be own or can be outsourced, based on the contribution of family productive units and the social sector of the economy to self-generate conditions of well-being and independence in terms of weaknesses of public policies linked to health.

⁴ Savings and credit cooperatives offer these services to their members

³ Methodology developed by the Springfield Centre, as an all-encompassing means to development that offers development agencies with the route needed to achieve extensive and sustainable change, focusing on the fundamental constraints that inhibit the sustainable development of market systems for the poor people in different contexts



4. Increase in resilience based on good resource management

a) Community management driven by indigenous communities, municipalities, mancomunidades and territorial councils and a national government committed to programs that support community and territorial expectations.

b) Prioritization of community agroforestry to guarantee changes in essential aspects such as:

- Improve participation in community management in order to achieve community empowerment based on governance models oriented to locally appropriate management and decision making.
- Promote the conservation of the habitat, by delimiting territories and facilitating the implementation of plans for the use of natural resources in order to promote the mechanisms of appropriation of the territory with a focus on productive landscapes.
- Reinvestment of quotas agreed with the local government and with the private sector to improve social aspects, restoration and conservation of resources through payment agreements of canons and eco systemic services.

c) Integrated forest management: Forest management must guarantee its conservation and exploitation of its full potential, considering that it is not only a producer of wood, but also a source of various goods and services from which economic benefits (wood, firewood, non-timber products), ecological benefits (water, soil, climate, fauna) and biodiversity are obtained.

d) Integrated farm management: diversification and improvement of the agricultural production unit in order to increase the availability of food and generate surpluses to increase family income.

5. Social behavior change

Considers intervention strategies based on formative research, appropriate to the context and with cultural relevance. Where it seeks to promote observable, sustainable and measurable behaviors (and actions), through the identification of barriers, motivators and determinants that impede or promote improved agricultural practices, as well as the adaptation and synergy of the technologically innovative proposal with the recognition of ancestral practices.

At the same time, the social and behavioral change strategy is accompanied by a communication campaign for change (through the relevant channels according to the target population), where awareness on the topics of climate change, sustainable management, resilience, diversified production oriented to better nutrition and community health, etc. are promoted.

To promote the selected behaviors, strategies are used, such as: promotion of incentives, capacity building, participatory and active learning, among other specific methods to address the prominent determinants. These are the result of formative research and in this way they help with the reduction of barriers that prevent positive action.

Incentive system

The program promotes the approach based on the creation and application of an incentive system aimed at promoting good practices and/or decreasing bad practices. The design and application of the tool of a traceability strategy is a fundamental part to allow markets and regulatory bodies to reward or sanction products and goods that respect and integrate, for example, principles of social responsibility and good use of resources. A system of effective incentives in counterpart to an equally clear normative framework, consensual and supported by public policies focused on protecting the system and protecting the interests and expectations of the actors involved.

The participation of the business sector, whether private or social, is essential to introduce, in a scheme of honorable agreements, decisive factors for the incentive and disincentive systems to be functional; it highlights the contractual relationships related to safety standards, innovation and adoption of green methods, traceability, preferential scale of interest rates and amounts, transparency and accountability, corporate responsibility, among others.





The essential criteria of the INSPIRE programme

The Green Economy must be delimited by a list of essential milestones that allow implementing, monitoring performance and generating the required adjustments. A clear and complete protocol must consider at least 10 essential criteria on which a local, territorial or regional intervention should be designed.

These essential considerations have been identified based on the historical performance of hundreds of experiences implemented by the cooperation and / or the State of Honduras. The entire spectrum of factors that affects a Green Economy model has been evaluated in order to clarify this bet:

- I Transparent and accessible market information
- II Accessible, timely and relevant financial services
- III Business development services
- IV Stable and inclusive business relations
- V Better tools for the sustainable use of resources
- VI Producers implementing good agricultural practices⁵ (e.g. basic grains, rice, beans among others), agroforestry⁶ (e.g. cocoa /mucaceae) and silvicultural⁷ (e.g. production of ojon oil)
- VII Early warning systems developed against the main hazards (floods, droughts and wildfires)
- VIII Functional traceability system adopted by the market
- IX Validated national regulatory framework already tested
- X Governance system for agricultural and forest resources based on the appropriation of resources by communities
- XI Risk mitigation mechanism for health and nutrition that reduces the exposure of employers / employees of the green economy to catastrophic expenses.

⁵No-burning, staggered planting, development and use of organic fertilizer, rotation of plots, association of crops, soil conservation, mass selection and use of resilient seeds.

⁶Association of agricultural and livestock crops with forest systems, cocoa, arboriculture, fruit growing.

⁷Considering also chains related to production and transformation of timber products, water production, sustainable and planned uses of wild-life, non-timber products such as roots, stems, resins, fibers, waxes and gums.

