

USAID/Mexico Call for Expressions of Interest (EOI) to Decrease Deforestation Through Improved Livelihoods

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I. Introduction

USAID's Sustainable Landscapes (SL) programs seek to ensure that land is sustainably managed to achieve resilient, low emissions development. Through its SL assistance, and this Addendum to the Broad Agency Announcement (BAA-E3-SUSTAINABLELANDSCAPES-2020), USAID/Mexico seeks partners to research, develop, test, scale-up, and evaluate innovative approaches to decrease deforestation, add value to sustainable productive systems, diversify and improve rural livelihoods in selected landscapes in southern Mexico.

II. USAID priority focal regions

USAID will prioritize the Calakmul region (Quintana Roo and Campeche). Secondary priority regions will include the Lacandona Jungle and Sierra Madre in Chiapas, and the Sierra Sur region in Oaxaca (see adjacent image). These four Mexican states were part of early REDD¹ investments in 2010. These investments laid the groundwork for future sustainable landscape interventions. In many areas, community and subnational capacity exists to curb deforestation and ecosystem degradation focal areas related to agriculture and ranching.



¹ REDD stands for "Reducing Emissions from Deforestation and forest Degradation"; the "+" signifies the role of conservation, sustainable management of forests and enhancement of forest carbon stocks.

III. Problem and Challenge

Deforestation in Mexico is largely driven by land conversion to commercial agriculture and extensive livestock production, with higher rates concentrated in the south of the country. Between 2007-2017, 58 percent of tree cover loss in Mexico occurred in Campeche, Chiapas, Quintana Roo, and Yucatan (Global Forest Watch, 2020). Such forest loss is leading to increased greenhouse gas emissions and the reduction in the ecosystem services and biodiversity that underpin Mexico's productive systems, tourism industries, and economic growth opportunities. Land use change is driven by unsustainable growth and production models that undervalue standing forests and lead to degradation of natural resources and ecosystem services. Forest and biodiversity losses negatively affect the country's short- and long-term social, cultural and economic well-being.

Mexico is also vulnerable to climate impacts, including extreme temperatures and erratic rainfall, both of which drastically affect agricultural productivity. When compounded with deforestation, impacts like soil erosion have left land unusable and communities less resilient to shocks (including more frequent and intense hurricanes, such as those experienced in 2020). Similarly, the secondary impacts of COVID-19 on people, agriculture and forestry have exacerbated the vulnerability to shocks and highlighted the need to build resilience to expected and unexpected events. COVID-19 has placed additional, immediate pressures on *ejidos* (collective land tenure arrangements) and community-based enterprises. The pandemic has depressed demand for forest products and community tourism (an important secondary source of income), and led to reduced incomes and unemployment. The subsequent economic crisis is expected to generate additional pressures on natural ecosystems.

Reversing the trend of deforestation in southern Mexico will require working with smallholder producers who manage a large share of these natural landscapes. More than 60 percent of forests in Mexico are managed by *ejidos* and communities. For many smallholder producers, maintaining their lands under forest cover is unprofitable compared to agriculture and ranching. This is primarily due to market and policy failures that either depress the value of forest products and services, or make other land uses more profitable in the short term. This is also true for investing in sustainable agricultural practices, such as certification (e.g., Fair Trade, U.S. Department of Agriculture Organic, Biodiversity Friendly and Forest Stewardship Council) because price premiums do not always offset the short-term costs. Therefore, to reduce deforestation, it is critical that the producers at the base of the pyramid as well as those along the value chains, receive sufficient incentives to promote sustainable practices and diversify income sources that add value to the landscapes to keep forests intact.

IV. Nine Illustrative Strategies for Transforming Landscapes in Mexico

There are a myriad of approaches that promote sustainable practices that diversify and increase smallholder income, while reducing deforestation. Each landscape is unique and involves different actors. This Broad Agency Announcement (BAA) seeks to advance the technical understanding of the problem (incentives and disincentives that drive deforestation), pilot innovative practices, and test which combination of approaches will have success in the Calakmul region and other landscapes in southern Mexico.

USAID convened several focus groups² around this problem set. USAID therefore presents nine illustrative strategies (below) to sustainably address deforestation in southern Mexico that in part resulted from these focus groups. These strategies may be helpful to organizations as they develop research and development (R&D) approaches.

1. **Landscape approach.** There is still much to do to be able to foster sustainable agriculture, forestry, silvopastoral systems³ alongside forests that are economically viable for smallholder producers. Building solutions with a landscape approach is a key component to ensuring success and sustainability. A landscape approach to sustainably managing natural resources integrates policy and practice for multiple land uses - within a given area, or landscape - to ensure equitable and sustainable use of land while strengthening measures to mitigate and adapt to climate change and enhance biodiversity and ecosystem services. A landscape approach also recognizes the interconnected patchwork of different land uses, ecosystems, land cover and the humans (governance structures, communities, socioeconomic status) that interact with them. It may include the management and protection of forests, afforestation and reforestation, and more sustainable agricultural and livestock practices with which resilient communities converge and thrive. An effective landscape approach should promote diversified productive systems that strengthen the resilience of the smallholder producer and his/her food security, and the functional biodiversity.
2. **Enhancement of cooperation across the landscape.** There are multiple ongoing activities (from a variety of organizations) already working on the above-listed challenges within the selected landscapes in Mexico. The enhancement of cooperation and collaboration among stakeholders is important for building a long-term development vision that stands alongside, and is aligned with, community objectives.
3. **Sustained community engagement in projects that impact the landscape.** Activities are more effective and sustainable if they are accountable and transparent to local communities. This includes co-designing, co-managing, and co-ownership by communities wherever possible. Local capacities and the strong base of governance (e.g. communal decision-making bodies and their internal structures) are an important asset for the targeted landscapes. Local structures might need business-oriented support for some years but are capable of gradually assuming responsibility of larger, more effective and profitable businesses. Fostering community engagement can decrease the need for sustained external support and increase long-term sustainability and self-reliance.
4. **Integration of gender and youth.** Women and youth - who frequently do not own or manage their land - should be full participants in the design and implementation of any

² The summary results from the focus group meetings can be found in an attached PowerPoint to this Addendum. The full report will be uploaded within the first week of the posting of this Addendum.

³ Silvopastoral systems purposely combine fodder plants, such as grasses, with shrubs and trees for livestock grazing (i.e. animal nutrition) and complementary uses. This type of system enables intensification of livestock production based on natural processes and is a recognized approach to sustainable land use.

activities. They should also have ownership of assets to ensure that benefits are distributed fairly and to help build a pathway out of poverty.

5. **Engagement with indigenous peoples.** The implementer should consider the ways that activity design and actions may impact cultures, territories, resources, and/or livelihoods. [USAID Policy on Promoting the Rights of Indigenous People](#) promotes thoughtful and direct engagement of Indigenous Peoples in the design, implementation and monitoring of projects to ensure the communities benefit, and that those benefits are in line with the communities' self-determined development objectives.
6. **Strengthen development of diversified and sustainable value chains.** Key to the landscape approach is fostering the resilience of communities. Diversified systems can generate resilience against certain crop losses, more stable and diversified cash flow for smallholder producers (including tourism), higher overall income, food security and longer-term health benefits from maintaining forested lands. The activity may explore direct relationships with buyers, or to work closely with intermediaries to provide important market services (aggregation, financial services, market information, and/or product transportation) and access to additional markets (including local and regional markets) for the purposes of creating more resilient win-win relationships that bring greater income.
7. **Support improved infrastructure and better access to markets.** Many smallholder producers could benefit from improved infrastructure and better access to markets (both physical and electronic). Investments in infrastructure could include new sorting, milling and storage capacity, slaughterhouses and cutting room facilities, new farmer-focused trading platforms, e-commerce and consumer-convenient retail. New capacity is also needed to provide independent and affordable guidance and advice on market opportunities and challenges, business management, and digital skills that will be needed to align with current challenges. Many community members and smallholder producers who already have these skills could be paid peer consultants, providing another source of income and bringing invaluable connections, experience and authenticity. Approaches not described above may also be tested or developed to effectively deliver this support.
8. **Promote off-farm income while retaining value in the landscapes.** Increasing smallholder income and the strength of sustainable value chains is a means to reduce deforestation. Many *ejidos* and smallholder producer communities already have strong community governance structures. Increased support for community-owned off-farm businesses (e.g. intermediaries, technical services, tourism) could generate additional sources of income, jobs, and retain value in the landscapes. Community co-owned businesses could help generate trust among private sector and smallholder producers and reduce the perceived risk of investing in smallholder producers. The activity should explore how to assist families with their off-farm activities, so as to move families away from pressures to deforest. Off-farm enterprises, which are often small in scale, are by themselves are not sufficient to lift a family out of poverty. However, for rural households, off-farm activities add to, and diversify cash flow. Any proposed off farm activities must demonstrate how it is linked with the reduction of deforestation.

9. **Focus on deforestation as the highest-level outcome.** Increasing smallholder income and the strength of sustainable value chains is a means to reduce deforestation. However, in some cases, increasing sustainable incomes and providing incentives will be insufficient to reduce deforestation. This activity will explore additional incentives to sustain forests, including linking with the carbon market, as well as exploring partnerships with local and community governments. The activity may also examine ways to support enforcement of laws and regulations that protect standing forests in targeted landscapes.

Additional preliminary findings from an analysis commissioned by USAID/Mexico can be found in the “Strategies for Transforming Landscapes for Mexico; Communities as agents of sustainable change” report attached to this Addendum.

V. Solutions Sought

Through this Call for EOIs and the subsequent co-creation process, USAID/Mexico seeks to identify partners who can successfully research, develop, test, and evaluate innovative approaches to decrease deforestation in the Calakmul region and other selected landscapes in southern Mexico (Lacandona Jungle and Sierra Madre regions in Chiapas and Sierra Sur region in Oaxaca). Applicants are asked to consider the approaches described above and use their own knowledge and experience to generate solutions that can be tested and evaluated during the implementation of proposed activities in the selected landscapes.

Specifically, USAID is seeking solutions that can be tested across landscapes with a variety of stakeholders. Solutions should enable and empower community co-owned cooperatives and businesses, community and forestry enterprises (CFE), *ejidos*, and communities (with a particular focus on women and youth). Solutions should adopt economically-viable and sustainable business models that provide services, diversify income and/or add value to sustainable land use products and value chains for improved and resilient rural livelihoods while reducing deforestation and GHG emissions.

In addition, USAID is seeking to develop systemic approaches that integrate policy and practice across multiple land uses within the identified landscape(s). This may include issues such as governance, market access, community ownership, and value-added products that can have a transformational impact on deforestation and sustainable land use in Mexico.

USAID seeks creative approaches and new partners, and looks to organizations submitting EOIs to bring new thinking and genuine interest in collectively designing, testing and evaluating solutions that will leverage USAID resources to advance the key objectives outlined above.

VI. The BAA Process

A. Stage 1: Submissions of Expressions of Interest (EOI)

a. Who May Apply

EOIs may come from organizations in the natural resources management sector, including technical assistance providers, community forest and smallholder producer organizations, private

sector, civil society and non-governmental organizations, businesses buying and selling sustainably-sourced products, investors, asset managers, intermediaries, academia, thought leaders, and other entities that have experience and capabilities in line with the objectives of this solicitation. Applicants should be willing to meaningfully discuss challenges and to collectively develop, and then test and evaluate potential market-based solutions to reduce deforestation and promote sustainable livelihoods, taking into account challenges and opportunities that include access to markets, community governance, access to finance, market failures or distortions, capacity to implement sustainable agriculture, livestock and forestry practices, policy and regulatory barriers, and consumer demand, among others.

b. Expressions of Interest Submission Guidelines

EOIs should illustrate the submitting organization's (and/or consortium's) interest, capabilities, and experience in sustainable land management, community forestry, enhancing economic opportunities and capacity building with small producers, sustainable value chain development, green finance, blended finance, land use policy, and/or other areas relevant to the objectives and challenges outlined in this solicitation. Previous experience with USAID is not required.

EOIs must be submitted no later than **12:00 Central Daylight Time on March 31, 2021 to BAAMexico@usaid.gov**.

Submissions must:

- Be in English or Spanish;
- Be no more than three (3) pages in length, with text no smaller than 12 point; Times New Roman font with 1-inch margins;
- Include a cover page (not counted against page limit) with the following information: Applicant Name/Group, Contact Information, and Response Title; and
- Include two submission attachments in email, one in .doc and one in .pdf format.

In your EOI, please include the following sections outlining your ideas of how to support sustainable landscapes and reduced deforestation in Mexico, while improving rural livelihoods:

- Problem Statement
- Organizational Background and Experience: A brief background of your organization (and consortium members if applicable) and a description of how your organization's experience is relevant to the objectives, context, and challenges outlined in this solicitation. If applicable, you may also provide examples of how you have achieved similar results through implementing creative or innovative approaches to novel problems through other activities/initiatives carried out by your organization.
- Target Partnerships: Specify partners (e.g. community-based organizations, producer groups or ejidos, private sector buyers, investors, market catalyzers, etc.) that the

proposed solution could engage and how they will collaborate in the process of designing and selecting interventions.

- **Proposed Solution(s):** A clear and concise summary of the proposed solutions to be tested and evaluated that address the problem as defined above.
- **Resource Leverage Plan:** Resources you (and your consortium if applicable) could bring to a USAID partnership (capital, products or services, existing programs, etc.) or a plan to leverage additional funding.

c. EOI Selection Criteria

The following criteria will be applied to all EOIs. Submissions are not evaluated against other submissions, but solely against the evaluation criteria outlined below:

1. **Technical approach:** Creative, informed, and realistic thinking based on research and past experience that is likely to result in the increase in the value of forested land (this could include both incentives and disincentives), reduction in greenhouse gas emissions and deforestation, and the increase and diversification of the livelihoods of smallholder producers.
2. **Impact:** The extent to which the proposed ideas show potential to be transformative and upon design, testing and evaluation are likely to result in reduced deforestation and/or forest restoration within the Calakmul region or other priority landscapes in southern Mexico while improving rural livelihoods. Proposed solutions should also seek to strengthen income diversity coming from environmentally sustainable products and services.
3. **Partnership additionality:** Strengths of the applying organization as a partner, including its ability to make a unique contribution to the development challenge. USAID seeks to connect disparate communities, i.e. investors, large-scale buyers, agroforestry input providers, community agriculture, silvopastoral and forest enterprises, technical service providers, market catalyzers and consumers.
4. **Diversity of perspectives and capabilities:** USAID seeks to bring together a diverse set of co-creators to enable broader thinking and innovation. Additionally, USAID values experience implementing activities, developing successful business approaches, and catalyzing new ideas effectively.

USAID will review and select EOIs in accordance with the criteria set forth above. USAID reserves the right not to review any EOIs that do not meet the criteria or submission guidelines. Please note that due to the expected number of EOIs, USAID is unable to provide specific feedback on those EOIs that are not selected to move forward.

Organizations selected to move forward will continue onto Stage 2 of the co-creation process.

B. Stage 2: Co-Creation and Concept Paper

a. Co-Creation Workshop

USAID and participants will gather to collaboratively build on initial ideas and collectively begin to develop concept papers that will achieve the objectives of this addendum. EOI applicants selected to advance in the co-creation process must be available to participate in the virtual co-creation workshop. USAID anticipates having the co-creation workshop for two weeks in April. There will be three sessions per week for approximately four hours each. Also, throughout the weeks of the co-creation workshops, teams are expected to dedicate additional hours per day outside the workshop for strategic internal conversations, decision making, and relationship building amongst other participant organizations. Please note, an invitation to co-create and attend the workshop is not a guarantee of funding nor moving forward to the next stage. Up to two experienced technical experts from submitting organizations must be available to participate in the workshop. Organizations invited to participate in the co-creation workshop are eligible to take the lead in developing a concept paper to submit after the workshop. Organizations are also free to join the coalitions of other invitees as partners. Third parties, i.e., those not invited to co-creation, may also be invited to join coalitions as partners.

Please note that costs associated with participating in the co-creation workshop, including labor, will not be paid for by USAID.

b. Concept Paper Submission

Concept papers will be due in May, 2021, **must be submitted in English** (as the resulting award will be in English), and will be reviewed by USAID for final selection. Concept papers may be further refined and/or co-designed with USAID before final selection and award. More information on this stage, including concept paper submission guidelines, will be provided at the end of the co-creation workshop.

c. Concept paper Selection Criteria

The following criteria will be applied to all concept papers. Submissions are not evaluated against other submissions, but solely against the evaluation criteria outlined below:

1. **Technical approach and impact:** Potentially transformative ideas that show credible potential to maximize results in reducing deforestation and increasing restoration while improving rural livelihoods by increasing household incomes. Proposed solutions should seek to strengthen income diversity coming from sustainable products and services. The technical approach should estimate how many smallholders will be targeted. Possible disincentives to deforest will be considered. Ideas should provide impact estimates (e.g. GHG emission reduction estimates; # of hectares under improved management (reduced deforestation/reforestation); change in income; total sales generated by project stakeholders; funds leveraged by private sector; # and % of women co-owned businesses).
2. **Collaboration and inclusion:** Proposed solutions should explicitly collaborate, build upon, and coordinate with other on-going efforts to provide continuity to processes in

development within these landscapes. They should engage a range of different actors (which may include small holders, *ejidos*, community enterprises, government, private enterprises, and the financial sector). Ideas should clearly show how local organizations are included in the research, testing and development of the activity. The concept should explain how, at all stages, local communities will be consulted, included, and engaged as co-owners in developing and implementing proposed solutions. The concept should provide an estimate of the percentage of proposed actions that will focus on the inclusion of women and youth as the drivers and owners of transformative change (in addition to including them throughout all activities).

3. **Sustainability of solutions:** A clearly stated, sustainable and market-based exit strategy that explains how the actions (e.g. structures, businesses, services) to be developed and tested by the proposed activities, if successful would independently remain over time or how they would link into other initiatives within Mexico that would allow them to continue their development into self-reliance.
4. **Leverage⁴ and resource mobilization⁵:** A clearly articulated plan for mobilizing additional investment (either through private sector resources, climate finance, or other available sources of financing) in order to achieve stated objectives. Ideally solutions will bring a contribution of at least two times USAID's investment throughout the life of the Activity.
5. **Research and evidence-based solutions:** Submitted concepts should include a system to gather data and evidence to track the efficacy of the proposed solution.
6. **Experience and partnership value:** Concepts should articulate the strengths of the applying organization as a partner, including its experience managing projects of a similar scope and scale, and its ability to make a unique contribution to the development challenge. The proposed activity should consider how and where to engage local development actors as partners.

C. Stage 3: Peer and Scientific Review Board

A Peer and Scientific Review Board will review concept papers and identify those that are in line with the objectives and criteria laid out in the BAA Addendum. Those concept papers that are successful following the review process will be recommended for a research and development-based award that will further test and develop the concepts defined during the co-design phase. This may involve additional in-person or virtual co-creation with selected parties. Not all interested parties that present a Concept Paper to the Peer and Scientific Review Board will be invited to move to Stage 4.

D. Stage 4: Co-Design and Award Determination

⁴ **Leverage:** Contributions (in kind or cash) that go into the development of the planned actions of the Activity

⁵ **Mobilized resources:** Contributions (in kind or cash) that are product of the actions developed by the Activity

Successful concept papers will step into a co-design phase with USAID to refine the proposed solution. USAID will work with partners identified by the Peer and Scientific Review Board, co-design the activity, and assist the applicant(s) to provide additional information with respect to the proposer's technical approach, capacity, management and organization, past performance, and budget, as well as representations and certifications, as needed.

The USAID Contracting/Agreement Officer will engage in final review, negotiation, responsibility, cost reasonableness, etc., and will co-develop/craft an award instrument with the Apparently Successful Applicant(s). If the Apparently Successful Applicant(s) and USAID cannot arrive at a mutually agreeable arrangement, USAID may cancel the activity at no cost to the U.S. Government.

Finally, award(s) under this BAA will be made to the Apparently Successful Applicant(s) on the basis of their ability to achieve solutions to the issues laid out above. The standard clauses or provisions for awards are generally prescribed by law and regulation and vary by award type. The information regarding clauses and provisions will be provided to the Apparently Successful Applicant(s) when the award type is identified.

Issuance of this addendum does not in any way obligate USAID/Mexico to issue an award or commit it to pay for costs incurred preparing and submitting an EOI, concept paper, and attendance of events. Interested parties incur such costs at their own risk.

The reputation of an organization (or consortium), its past performance, the managerial and technical ability of the proposed team are always significant considerations in assessing the potential and risks associated with each award. USAID reserves the right to check the past performance, references, and other pertinent offeror information in making award decisions. Additionally, the organization selected for funding will need to confirm eligibility based on USAID rules and regulations, including the submission and acceptance of a Non-U.S. Organization Pre-Award Survey (NUPAS). Should the selected proposal not qualify for award, USAID may consider other technically feasible proposals.

VII. Specific Rights Reserved for the Government under this Addendum

The Government reserves specific rights, in addition to rights described elsewhere in this document or by law or regulation, including:

1. The right to award multiple awards, a single award, or no awards.
2. The right to make award(s) without discussions, or to conduct discussions and/or negotiations, whichever is determined to be in the Government's interest.
3. The right to accept EOIs/Concept Papers in their entirety or to select only portions of EOIs/Concept Papers for award or co-investment.
4. The right to select for award an instrument type that is appropriate to the specific development context, partner relationship, and Concept Paper selected for award. Instrument types include, but are not limited to, contracts, grants, cooperative agreements, Inter-Agency Agreements, Donor to Donor Agreements, and Memorandums

of Understanding. In addition, the Government may craft a new instrument type to meet the needs of a specific relationship.

5. The right to co-create projects with one or more organizations under the BAA, when it is in the best interest of the Government.
6. The right to request any additional, necessary documentation upon initial review. Such additional information may include, but is not limited to, a further detailed Concept Paper, budget, and representations and certifications.
7. The right to fund or co-invest in Concept Papers in phases, with options for continued work at the end of one or more of the phases.
8. The right to award instruments under this BAA that do not commit or exchange monetary resources.
9. The right to remove organizations from the BAA process if USAID determines that it is no longer in the best interests of the Government to proceed with the organization.

VIII. Protection of Information

USAID's goal is to facilitate research and development that will lead to innovative, and potentially commercially viable solutions. Understanding the sensitive nature of submitters' information, USAID will work with organizations to protect intellectual property. Expressions of Interest should be free of any intellectual property that applicants wish to protect, as EOIs may be shared with USAID partners as part of the selection process. However, once applicants have been invited to engage in further co-creation discussions, USAID will work with each to identify proprietary information that requires protection.

By submitting an EOI to this request, applicants agree to grant to USAID a royalty-free, non-exclusive, and irrevocable right to use, disclose, reproduce, and prepare derivative works, and to have or permit others to do so to any information contained in the EOI. If USAID engages with an organization regarding its submission, the parties can negotiate further intellectual property protection.

Organizations are responsible for ensuring that any submission under this solicitation is free of any third party proprietary data rights that would impact the license granted to USAID herein.

[END OF ADDENDUM]