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LAC Environment Learning Group  
Private Sector Engagement



CASE STUDY

# Lessons from Engaging the Private Sector in Latin America and the Caribbean: Mexico LandScale

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Photo credit: Gustavo Rojas

## Activity Overview

USAID/Mexico's LandScale activity applies the [LandScale Assessment Framework](#) to evaluate and communicate landscape sustainability in the Sierra de Tapalpa landscape, including the municipalities of Chiquilistlán, Atemajac de Brizuela, Tapalpa, and San Gabriel in the state of Jalisco. The activity aims to promote better management practices in production systems and catalyze multi-stakeholder action to reduce greenhouse gas emissions and improve landscape sustainability. Since confirming Jalisco as the intervention site at the end of March 2021, USAID and its implementing partner, Rainforest Alliance, have identified and established partnerships with local stakeholders and several key agricultural private-sector actors in the region. These partnerships include berry, avocado, potato, and other agricultural producers, along with the Jalisco Agriculture and Agro-Industrial Development Council (CDAAJ), which represents some of these producers. The activity values these partnerships as essential to reach LandScale's long-term objectives and ensure the sustainability of its impact.





Implementing Partner	Years of Implementation
Rainforest Alliance	2019–2023
Activity Objectives	
<p>For long-term greenhouse gas mitigation and sustainability in one landscape:</p> <ol style="list-style-type: none"> <li>1) Establish a local committee and methodology to jointly plan, invest, act, and adaptively manage the landscape</li> <li>2) Create new financial and regulatory incentives and tools that support application and replication</li> <li>3) Engage the finance, public, and private sectors to deepen investment</li> </ol>	
Main private-sector partners and size	Private-sector role and contribution to outcomes
Berry, avocado, and potato producers; livestock and other agricultural groups; CDAAJ (midsize to large agricultural companies and associations)	Collective action to address environmental damage to the landscape



## Answering the Important Questions

### Learning Question I: What impact does private-sector engagement have on environment and development outcomes?

*“We are combining the efforts of different organizations so they can work together...aligning them in a grand strategy.”*

– Implementing Partner–Field Liaison Consultant, Rainforest Alliance

Mexico LandScale focuses on building relationships with key private-sector actors in the Jalisco region and fostering dialogue around how best to protect the landscape among the private sector, government, academia, and nonprofit sector. Thus far, Mexico LandScale has established a local committee to discuss a joint action plan to deepen investment in landscape-scale sustainability and greenhouse gas mitigation. In addition, partnerships have been solidified, and mutual goals and responsibilities have been developed between Rainforest Alliance and private-sector actors through memorandums of understanding.

Although many private-sector actors have existing reforestation programs, working collectively is expected to increase the positive impact on the landscape. Many private-sector partners participating in the committee are in the agricultural industry and are heavily dependent on access to water. While drafting the action plan during the first committee meeting in September 2021, private-sector partners expressed interest in investing in reforestation programs and the restoration and protection of aquifers to ensure the long-term sustainability of their businesses and the landscape.





## Learning Question 2: What methods are being used to involve the private sector in conservation and development activities, and how effective have they been?

*“LandScale is a project that continues to be built every day.”*

—Implementing Partner—Field Liaison Consultant, Rainforest Alliance

Rainforest Alliance carefully strategized its interactions with the private sector and selectively chose which actors to engage. For example, Mexico LandScale is implemented in the southern part of Jalisco because the private-sector landscape of this region met LandScale’s selection criteria<sup>1</sup> and Jalisco’s Environmental Agency expressed strong interest in supporting the activity. Following a stakeholder mapping exercise, private-sector actors—mainly berry, avocado, potato, and other agricultural companies—were prioritized based on their economic power and impact on the landscape. USAID and Rainforest Alliance believe there is great potential in working with committed larger companies in this region, given their ability to have an impact at the landscape level.

From the beginning of the activity, private-sector partners have worked with Rainforest Alliance to establish a dialogue and create a joint action plan to protect the environment. Though it was challenging to prioritize interventions with many actors involved, the private sector sees this co-creation process as effective. Private-sector actors feel heard, and they can work together with partners and competitors to have a greater positive impact on the Jalisco landscape.

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<sup>1</sup> Landscale’s selection criteria include: 1) presence of companies with structured supply chains and producers receiving active support, 2) presence of certified forestry operations, 3) areas identified by the government for priority investments in sustainability objectives, 4) inter-governmental and private-sector coordination mechanisms, and 5) multi-actor platforms of public-private alliances already functioning.

## Learning Question 3: What motivates USAID and the private sector to engage with each other on emerging natural resource markets?

*“It’s cheaper to prevent damage than to repair damage.”*

–Private-Sector Partner–Director of Junta Intermunicipal de Medio Ambiente del Río Ayuquila (JIRA) and LandScale Committee Member

Mexico LandScale was motivated to engage the private sector because some of these actors have an outsized impact on the landscape. Agro-industrial companies can be particularly harmful in terms of deforestation and carbon emissions. USAID and Rainforest Alliance recognized the need for multi-stakeholder action to mitigate or reverse environmental damage. Additionally, they acknowledged that private-sector actors are key stakeholders who significantly impact and depend on natural resources as part of their business model.

Four key factors motivate the private sector to participate in Mexico LandScale: 1) an existing relationship with Rainforest Alliance, 2) USAID’s reputation, 3) economics, and 4) a perceived alignment of the activity with the companies’ social responsibility objectives. A previous solid working relationship with Rainforest Alliance on the part of many private-sector partners and the involvement of USAID increased their confidence that the activity would have a meaningful impact. Beyond trusting USAID and Rainforest Alliance, private-sector actors see the economic value of increased opportunities for revenue and potential long-term cost savings. Many believe the activity’s support to develop more sustainable strategies for their products will allow them to access international markets, such as the European Union and others with strict environmental regulations.

The activity’s information on landscape use and sustainability is also valuable to the private sector. Maps of aquifer zones, knowledge of the LandScale methodology, measurements of the private sector’s impact on the landscape, and training to improve companies’ sustainability practices, allow private-sector partners to better estimate the extent and costs of a changing landscape. The agro-industrial sector recognizes investing in landscape sustainability reduces the long-term risk for their companies. Recovery from the negative impacts of a degraded landscape in the future will cost more than investing upfront in preventing drastic changes.

Private-sector actors are also motivated by consumer and government demand for socially responsible actions. They seek opportunities to expand to new markets and collaborate with government officials. Participating companies perceive Mexico LandScale as aligned with their social responsibility objectives and interests, though each has various reasons for such pursuits. Some recognize their impact on the landscape and genuinely want to help, while others feel pressured by local citizen protests to change practices that damage the landscape. Either way, most private-sector partners recognize they need to solve large-scale landscape problems affecting their businesses, and Mexico LandScale provides that opportunity.

## Learning Question 4: What context-specific factors affect engagement with the private sector?

*“Organized crime and the illegal exploitation of the forest have been unanticipated challenges of this project.”*

–Implementing Partner–Sustainable Landscapes Manager, Rainforest Alliance

The main context-specific factor hindering private-sector engagement in Mexico LandScale is Jalisco’s high level of illegal activities. Mexican transnational criminal organizations have a significant impact on the landscape through illegal land clearing and crop cultivation, with which the activity cannot engage. Rainforest Alliance and private-sector partners worry that the presence of criminal actors will limit Mexico LandScale’s impact because illegal activities could offset the environmental benefits gained through the collaboration of legitimate private-sector actors.

The culture and beauty of Jalisco, on the other hand, are factors seen as enabling conditions for the Mexico LandScale activity to achieve its objectives. People in the region are very sociable, forming relationships easily. This facilitates the creation of strong working relationships with and between private-sector actors in the region. The beauty of the area and the attachment people have to it also encourage the protection of the landscape. Tourism is an integral part of the region’s economy, creating an economic incentive for its protection.

## Learning Question 5: What relationship qualities with private-sector actors influence results?

*“Rainforest Alliance was very considerate in asking us about which projects we wanted to implement. They didn’t come to us with a project already built. Together, we developed a project that would be good for them, good for [USAID], and good for us.”*

–Private-Sector Partner–General Director, APEAJAL

Rainforest Alliance and private-sector partners dedicated significant time to building strong relationships under this activity. Working together is a slow process, requiring frequent contact to ensure the private sector is committed to the activity and to reach consensus on actions to pursue. Despite the time commitment, the private-sector partners agree they are satisfied with their relationship with Rainforest Alliance. Communication about the project objectives and expectations from the private sector has been adequate, transparent, and straightforward. The clear communication and strong relationships are partly due to having a responsive field liaison hired by Rainforest Alliance on the ground in Jalisco. Another key factor contributing to this positive experience is Rainforest Alliance’s interest in meeting the private sector’s needs from the beginning. Private-sector partners were asked what actions would be most relevant for them and how to adapt the LandScale activity to their current work. This approach generated trust between private-sector partners and Rainforest Alliance.





## On the Horizon

Mexico LandScale's solid alliances and partnerships developed thus far position the activity to achieve its objectives. The methods of initial engagement of the private sector through co-creation and continued effective communication have ensured a shared vision and positive experience for all partners. However, because the process of identifying private-sector partners, co-creation, and reaching consensus on actions took significant time, Rainforest Alliance believes the activity may need more time to observe a meaningful impact on the landscape. In addition, private-sector actors provided two key recommendations around partnerships that could further support the activity's outcomes and sustainability. First, the activity could include representatives of Mexico's federal government as part of the committee because of their role in drafting and enforcing federal environmental laws. Second, more direct engagement between the private sector and USAID could generate further confidence in and enthusiasm for the activity.

*Learn more about the USAID's [LAC Private Sector Engagement](#) and [Conservation Enterprises](#) learning groups.*

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