



**USAID**  
FROM THE AMERICAN PEOPLE

LAC Environment Learning Group  
Private Sector Engagement

CASE STUDY

# Lessons from Engaging the Private Sector in Latin America and the Caribbean: Regional Coastal Biodiversity Project

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Photo credit: Byron Linares

## Activity Overview

Through the Regional Coastal Biodiversity Project (RCBP), USAID works with a consortium of implementing partners, led by the International Union for Conservation of Nature (IUCN), in partnership with the international nonprofit GOAL and a local NGO in each of three countries, Guatemala, Honduras, and El Salvador. The project works to improve the livelihoods of Indigenous and local coastal communities while conserving and reducing threats to mangroves, seagrass beds, coral reefs, and associated upland ecosystems. To accomplish this, RCBP promotes climate-smart bio-commerce activities, improved governance, restoration projects, and ecosystem monitoring. The project engages a wide range of local community associations and microenterprises and connects them to distributors. Creating linkages between buyers and sellers is expected to increase sales opportunities and help identify supply chain gaps in services, equipment, financing, and best practices.



Photo credit: Evelyn Vargas

Implementing Partner	Years of Implementation
IUCN, GOAL, MOPAWI, FDN,ARCAS, and UNES	2017–2022
Activity Objectives	
<p>Biodiversity conservation through:</p> <ol style="list-style-type: none"> <li>1) Increased education and scientific capacity</li> <li>2) Improved livelihoods and climate-smart biocommerce</li> <li>3) Strengthened governance and regulatory framework</li> <li>4) Increased sustainable economic and land-use practices</li> </ol>	
Main private-sector partners and size	Private-sector role and contribution to outcomes
<ol style="list-style-type: none"> <li>1) Fishing collectives, honey producers, ecotourism organizations (Indigenous and local bio-commerce microenterprises)</li> <li>2) Frozen fish exporting company, specialty consumer goods stores, tour operators (small and midsize distributors)</li> </ol>	<p>Market linkages: Increase income of isolated Indigenous and local communities by linking them to customers willing to pay a premium for sustainably sourced goods</p>



Photo credit: Brian Rivas

## Answering the Important Questions

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

*“We want to ensure the future of our children through the appropriate use of resources.”*

– Private-Sector Partner–Small Fishing Association

RCBP engages with the private sector to generate increased income for Indigenous and local communities in Honduras, El Salvador, and Guatemala through activities that protect the environment and contribute to increased biodiversity. Support to community enterprises includes capacity building in negotiating, meeting market requirements, and relationship building with potential distributors to access larger markets. Under RCBP, fisheries connect with distributors to sell their products in the international market, and mangrove honey producers connect with artisanal shops in larger cities. So far, 12 local organizations are engaged in sustainable fishing, mangrove honey production, and ecotourism through a bio-commerce approach and have received capacity-building support. Approximately 70 percent of the targeted biologically significant areas are being monitored for improved natural resource management.



Photo credit: Evelyn Vargas

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

*“The offer that community enterprises have for private-sector partners isn’t in line with their requirements...there has to be a clear strategy to link supply and demand.”*

–Implementing Partner–Deputy Chief of Party, IUCN

After designing and determining the objectives and goals of the activity, RCBP sought to establish private-sector partnerships. A situation analysis helped identify priority sites for conservation, and a mapping of key actors and leaders in those communities revealed prospective private-sector partners. Target partners are those best positioned to achieve the activity’s goals and participate in markets that fit the project’s constraints, such as buyers interested in biocommerce and sustainable products who can accept smaller supply quantities.

Through this process, RCBP learned that connecting with private-sector actors across multiple industries at varying scales requires different strategies. While the cost-focused fishing industry operates at scale and is less willing to pay a premium for artisanal products, small-scale tourism operators are willing to pay extra to give their clients a unique experience. Including private-sector actors, especially potential distributors, in the design and planning of the activity could have helped facilitate these differentiated strategies. This early engagement could have had the twofold effect of providing RCBP a better understanding of distributors’ interests and requirements and increasing the commitment of private-sector actors to the sustainable biocommerce activity.

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

*“The project was a door that opened up access for us to these communities.”*

– Private-Sector Partner–General Manager, Midsize Fishing Distributor

USAID and implementing partners engaged the private sector in RCBP because, as a driving force in the target countries’ productivity and income, some industries have an outsized impact on the environment and can influence consumers and decision makers. Many enterprises involved in the activity operate in threatened ecosystems where their practices impact the loss or gain of biodiversity. RCBP works to organize and formalize smaller Indigenous and local community business groups because one of the biggest threats to the environment is the disorganized extraction of resources.

The market’s demand for higher quality and more sustainably sourced products creates incentives for suppliers to adopt better practices. Connecting with distributors can help them access international buyers, increasing their income and business sustainability. Economic benefits, access to information and expertise, and the opportunity to connect with other private-sector actors, are the primary motivations for private-sector partner engagement in RCBP. However, specific reasons vary according to the industry and size of the private-sector actor.

Economic considerations are particularly motivating for the microenterprises participating in the project’s small grants program. The grants are an investment in their business and an opportunity to grow their income with the support of USAID and IUCN’s implementing consortium. One medium-sized business in the fishing industry also saw its participation in RCBP as potentially profitable. They expressed interest in gaining expertise in corporate social responsibility and engaging with Indigenous and local communities who want to reach non-local buyers at the national, regional, or international level.

Access to information is another motivating factor in the case of the fishing industry. Through the activity’s monitoring of six species of commercially important marine life, private-sector actors can obtain information about fish populations, landscape management, and territorial planning that is difficult to find elsewhere. Understanding how much time there is before specific natural resources run out and strategies for preserving fish populations are important for the sustainability of such businesses.

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

*“The implementing team has to understand and respect the social and cultural context of the community. A Harvard graduate won’t be effective [at engaging with the community] if they don’t have the ability to understand the community.”*

–Implementing Partner - Deputy Chief of Party, IUCN

Several context-specific factors challenge the ease and effectiveness of engaging the private sector in RCBP. However, the project has strategies to overcome these obstacles, such as finding synergies with other agencies or similar projects. The regional project works at three different sites with communities possessing different cultures, worldviews, negotiating methods, and a significant distrust of outsiders. Finding private-sector partners committed to building strong connections with communities can be challenging, but RCBP has successfully fostered these relationships thus far. Actively involving community members in decision-making, showing understanding of the different cultural norms, and demonstrating respect, have been critical.

The informality of microenterprises and the geographic isolation of some Indigenous communities create a gap between the quantity and quality of available products and services and the needs of larger distributors. In addition, Indigenous communities and the region’s small and medium-sized businesses lack government support. As a result, they cannot access bank loans or other sources of financing, limiting the risks they can take and hindering their growth. The activity is working to address this by building the capacity of microenterprises to formalize so they can trade with larger companies while providing small grants to grow their businesses and enable more risk-taking.

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

*“Both the implementing partners and us as beneficiaries have our responsibilities.”*

–Private-Sector Partner–Small Fishing Association

Establishing trust between Indigenous communities and private-sector partners is a delicate process essential for delivering many of the activity’s objectives. The project has encountered challenges around the priorities of private-sector partners and differing world views among these actors and implementing partners. To overcome these obstacles, RCBP establishes trust by taking a participatory approach and communicating shared interests. Regular communication and both sides meeting their commitments help build trust. IUCN also noted working with partners they had previous relationships with as helpful in generating trust. Still, they must ensure all partners align with the private-sector strategy designed for this activity.

IUCN and the implementing consortium team believe it is important to collaborate with private-sector partners and support them in implementing their ideas and decisions, be attuned to their needs, and keep them informed on how the activity benefits their interests. In one instance, RCBP worked with an association of small-scale fishermen in Honduras who proposed a “no-take zone” to protect a specific fish species. RCPB helped the fishermen deliver their proposal to the government, resulting in a new law. This approach generates a relationship of mutual responsibility between the activity and private-sector partners.



Photo credit: Karla Evangelista

## On the Horizon

The COVID-19 pandemic hindered progress on RCBP efforts for two years, significantly affecting the communities and the commercialization of bio-commerce products, especially those focused on tourism. However, RCPB trained tour organizations to provide sustainable ecotourism services and believes they will be ready to operate and start generating income once tourism in these areas reopens. Despite the setback from the pandemic, RCBP learned that a longer time frame of six to ten years for capacity building is likely needed to reach the quality standards required for microenterprises to access larger markets and unlock increased income. Additionally, a strong private-sector outreach strategy is important from the outset of an activity to connect bio-commerce enterprises with buyers. As one of the first of its type in the region, respondents agree the activity is providing valuable lessons that will inform current and future efforts.

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

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