

**OPERATION OF THE  
ENTERPRISE FOR THE AMERICAS  
INITIATIVE**

**AND**

**THE TROPICAL FOREST  
CONSERVATION ACT**

**2008 ANNUAL REPORT TO CONGRESS**

**May 2009**



# EAI/TFCA 2008 ANNUAL REPORT TO CONGRESS

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[www.USAID.gov/our work/ environment/ forestry/tfca.html](http://www.USAID.gov/our%20work/environment/forestry/tfca.html)



Darien National Park, Panama (*by Fundacion Natura a TFCA partner*)

## Executive Summary

This report summarizes new and continuing activities during calendar year 2008 under two Congressionally-authorized debt relief programs jointly managed by the Departments of State and Treasury and the U.S. Agency for International Development (USAID): (1) The 1991 Enterprise for the Americas Initiative (EAI) and (2) the Tropical Forest Conservation Act (TFCA) of 1998. Both programs offer countries which meet certain economic and political criteria, opportunities to reduce or redirect their official concessional (PL 480 and USAID) debt to the US Government while generating funds locally to support grants and projects to non-governmental organizations for specified activities.

As of December 2008, 8 EAI and 14 TFCA agreements had been concluded with 16 countries. Together, these programs have generated or will generate over *\$365 million* to support environmental protection, child survival and child development, and tropical forest conservation activities. Both programs support practical civil society by joining government and non-government organizations in management partnerships. These activities complement direct assistance provided by the United States Government through USAID and other agencies.

### ***Enterprise for the Americas Initiative (EAI)***

Between 1991 and 1997, EAI agreements were concluded with eight countries in Latin America and the Caribbean: Argentina, Bolivia, Chile, Colombia, El Salvador, Jamaica, Peru and Uruguay. To date, the local "Americas Funds" created under these agreements have *awarded 4,074 grants totaling \$194 million, including \$11.2 million in 2008*, to support environmental activities and child survival and child development programs in these countries. These programs have together leveraged an additional estimated *\$93.8 million* from cost-share contributions from grantees and co-financing agreements with partners. In addition, *\$123 million* has been generated to date from investment income. The collective balance remaining in these local accounts for ongoing and future activities is about *\$85.8 million*.

### ***Tropical Forest Conservation Act (TFCA)***

As of December 2008, approximately *\$115 million* in congressionally appropriated funds have been used to conclude 14 TFCA debt-for-nature agreements with 12 countries: Bangladesh, Belize, Botswana, Colombia, Costa Rica, El Salvador, Guatemala, Jamaica, Panama (two agreements), Paraguay, Peru (two agreements), and the Philippines. The Nature Conservancy, Conservation International and the World Wildlife Fund have contributed an additional *\$12.1 million* to eight of these agreements, enabling more debt to be treated and in turn generating more funds for conservation. The TFCA programs will generate more than *\$188 million* for grants and projects to help protect and sustainably manage tropical forests in beneficiary countries. To date, the local "TFCA Funds" have awarded *257 grants* and otherwise invested in protected area activities totaling nearly *\$26 million*, including over *\$7.9 million* in 2008 alone. The collective balance accumulated so far in these local accounts is about *\$37 million* in grants accounts and *\$14.6 million* in endowment accounts.

# EAI/TFCA REPORT TO CONGRESS FOR 2008

## 1.0 Introduction

This report summarizes new and continuing activities undertaken in calendar year 2008 under two Congressionally authorized innovative debt relief programs designed to generate significant additional financing for the environment, child survival, and tropical forest conservation: (1) The Enterprise for the Americas Initiative (EAI) of 1991 (PL102-549) and (2) the Tropical Forest Conservation Act (TFCA) of 1998 (PL105-214), which is modeled closely after the EAI. These programs complement direct assistance provided by the United States Government through USAID and other agencies.

Both the EAI and TFCA offer eligible countries opportunities to reduce their official concessional debt owed to the U.S. Government (PL 480 and USAID debt) while generating funds locally for specified activities. Under each program, countries that meet certain economic and political criteria set forth in the legislation may redirect debt payments they would have made to the United States into local funds. Each local fund is administered by a local board or oversight committee comprised of representatives of the U.S. Government, the beneficiary government and local non-government organizations, with the last constituting a majority of its members. Payments into local funds are made by the beneficiary country in local currency based on a schedule of payments agreed by the United States.

***Benefits of the EAI and TFCA.*** The EAI and TFCA programs offer a number of benefits to the United States and beneficiary countries. Beneficiary countries are able to redirect a portion of their debt payments to tropical forest conservation activities instead of making payments to the US Government. These local funds in turn support activities that complement US bilateral programs, as well as host country initiatives. By providing grants and other project funding to local community and conservation groups, EAI and TFCA programs serve to strengthen civil society and build public-private partnerships in developing countries, both of which advance U.S. democracy objectives. For example, The Nature Conservancy, Conservation International and World Wildlife Fund have together contributed over \$12 million to 8 of the 14 TFCA programs now in place. Significant additional leverage can be anticipated during the life of the programs through investment income from Fund deposits, prior to funds being disbursed as grants, and with cost-share contributions from grantees. The EAI and TFCA programs are also designed to provide a steady stream of financing over time, which beneficiary countries can absorb effectively and which provide continuity and certainty for implementing long-term objectives and multi-year projects and programs. In addition, such locally managed foundations provide a degree of stability and buy-in for local communities that enhance long-term success.

***US Agency responsibilities.*** Executive branch implementation of the EAI and TFCA is a model of effective interagency coordination led by a core team comprised of the Departments of State and Treasury and USAID. Consistent with the legislation and Executive Order 13345 (signed July 8, 2004), the Department of the Treasury has the lead responsibility for negotiating all debt treatment agreements concluded under the EAI and TFCA, as well as for negotiating TFCA agreements involving non-governmental organizations (NGOs) or third parties. The Department of State has the lead responsibility for negotiating bilateral TFCA agreements dealing with the establishment and operation of local funds and local boards for the bilateral agreements. USAID leads implementation of the resulting programs except in countries with no USAID presence, in which case State leads implementation.

***Enterprise for the Americas Board.*** The Enterprise for the Americas Board (EAB) established under Section 610 of the Agricultural Trade and Development Act of 1954, as amended, provides advice on EAI and TFCA agreements and programs. A list of current government and private Board members is contained in Annex I.

***EAI-TFCA Secretariat.*** A one-person Secretariat hosted and supported by USAID in Washington, DC facilitates the overall functioning of the EAI and TFCA programs, monitors and evaluates their implementation in beneficiary countries, and coordinates preparation of this annual Congressional report.

## 2.0 Enterprise for the Americas Initiative (EAI)

### 2.1 Program Overview

**Purpose.** The EAI was established in 1991 to provide debt relief opportunities for countries in Latin America and the Caribbean that moved to open investment regimes. Under the EAI, eligible countries may redirect payments on a portion of their PL 480 and USAID debt from the US Government into local "Americas Funds" established to support small grants (usually under \$100,000) to local organizations for activities benefiting the environment and child survival and development.

**Country eligibility.** To be eligible for consideration under the EAI, a country must meet economic and political criteria specified in the legislation. It must be a country which:

- Has concessional debt to the United States Government (USAID or USDA) incurred before January 1, 1992;
- Has a democratically elected government;
- Has suitable economic reform programs in place;
- Cooperates on international narcotics control; and
- Has not repeatedly supported international terrorism and does not consistently and grossly violate human rights.

**Administration.** Each Americas Fund is administered by a local board established under a bilateral Americas Framework Agreement concluded between the US Government and the beneficiary government. The board administers the EAI grants program. Each board includes at least one representative of the US Government (usually from the USAID mission), at least one representative of the beneficiary government, and a number of non-governmental organizations, which constitute a majority of the board.

**Status of EAI programs.** Between 1991 and 1993 (the last year Congress appropriated funds for the EAI program), the United States concluded EAI agreements with seven countries: Argentina, Bolivia, Chile, Colombia, El Salvador, Jamaica and Uruguay. In 1997, the US Government concluded an EAI agreement with Peru based on a debt buy-back arrangement, which does not involve appropriated funds.

Six Americas Funds continued to operate in 2008, actively supporting grants for small projects and monitoring the use of grant funds for ongoing projects. Examples of activities financed include: coastal marine and mangrove projects in Colombia and El Salvador, environmentally-friendly agricultural crop production as alternatives to coca production in the Peruvian Andes, and community-based enterprises based on sustainably harvested timber, Brazil nuts and vicuña wool production in Bolivia.



As of December 2008, two of the eight EAI programs had expired, which means the beneficiary government had completed its schedule of payments into the fund and all available funds had been disbursed to grants. The Chile Americas Fund expired in 2005 after generating \$28.7 million for environmental and child survival activities. The Uruguay program expired in December 2007 after 14 years of operation during which time 123 grants had been awarded for a total of \$5.8 million to support environmental and child survival activities.

Table I below highlights the conditions and status of the eight EAI agreements. The collective balance remaining in these accounts is nearly \$85.8 million.

**Table I. EAI Agreements at a Glance**  
(US dollars)

Country	Debt / Account*	Signature Date	Orig. Debt (million)	Amount Reduced (million)	New EAI Debt (million)	EAI Fund (million)	Expiration of Deposits into Fund	Current Account Balance (million)
Argentina	AID	Jan-93	\$ 38.1	\$ 3.8	\$ 34.4	\$ 3.1	Sep - 07	\$ 1.73
Bolivia	PL 480	Aug-91	\$ 38.4	\$ 30.7	\$ 7.7	\$ ** 21.8	Sep-06	\$ 13.2
Chile	PL 480	Jun-91	\$ 39.0	\$ 15.9	\$ 23.0	\$ 1.4	Dec-95	0
	AID*	Dec-92	\$ 147.0	\$ 14.7	\$ 132.0	\$ 17.3	Dec-02	0
Colombia	AID	Dec-92	\$ 310.0	\$ 31.0	\$ 279.0	\$ 41.6	Sep-02	\$ 37.7
El Salvador	PL 480	Dec-92	\$ 335.0	\$ 268.4	\$ 67.0	\$ 25.6	Sep-13	\$ 11.1
	AID	Dec-92	\$ 279.0	\$ 195.5	\$ 84.0	\$ 15.6	Sep-03	
Jamaica	PL 480	Aug-91	\$ 271.0	\$ 216.7	\$ 54.0	\$ 9.2	Sep-01	\$ 9.0
	AID	Jan-93	\$ 134.4	\$ 94.1	\$ 40.3	\$ 12.3	Sep-12	
Peru	PL 480 & AID	Jun-97	\$ 350.0	\$ 177.0	\$ 0 buyback	\$ 22.8	Endowment	\$ 13.1
Uruguay	PL 480	Dec-92	\$ 1.0	\$ 0.4	\$ 0.6	\$ 0.09	Dec-02	0
	AID	Dec-92	\$ 33.4	\$ 3.3	\$ 30.1	\$ 6.1	Dec-05	0
<b>TOTAL</b>			\$ 1,976.3	\$ 1,051.5	\$ 752.1	\$ 176.9		\$ <b>85.8</b>

\* Only AID accounts include a "child development and survival" component

\*\* Bolivia issued a 10-yr \$20 million bond to be deposited in the EAI account to accompany the \$1.8 million generated from the actual debt restructuring. Not shown here is a related debt agreement forgiving about \$350 million of debt.

To date, the eight Americas Funds have competitively issued grants in excess of \$194 million, including over \$11.2 million in 2008. Table II below summarizes grants made under the EAI programs.

**Table II. EAI Grant Making Summary**  
(US\$ Millions)

Country	Approved (A) or Disbursed (D)	Grants 2008		Grants All Years		Grants Account Balance (\$M)	Endowment Balance (\$M)
		No.	(\$M)	No.	(\$M)		
Argentina	D	11	0.2	37 <sup>1</sup>	.8	1.7	0
Bolivia	A	17	1.6	245	16.5	13.2	0
Chile	D	0	0	620	28	Fund expired	
Colombia	A	83	1.7	783	39.2	11.5	26.2
El Salvador	A	24	.72	802	45.6	11.1	0
Jamaica	A	141	3.9	1,123	33.2	9.0	0
Peru	D	29	3.1	345	24.8	13.1	0
Uruguay	D	0	0	118	5.85	Fund expired	
TOTAL	A or D	305	11.2	4,073	194	59.6	26.2

## 2.2 Earnings and Leveraged Contributions

As of December 2008, the eight EAI Americas Funds had generated additional funds totaling approximately \$217 million from interest income, capital gains on investments, cost-sharing by grant recipients, and co-financing of projects by other donors. This represents a significant enhancement in the funding available to support projects benefiting children and the environment. Table III below shows the distribution of income and leveraged contributions for the eight Funds since their inception.

<sup>1</sup> Grant-making at the Argentina Americas Fund began in 1996. The summary figures reported here are inclusive of years 2001-2008 and exclude 1996-2000. Consequently, the final figures will be somewhat larger.

**Table III. Estimated Contributions Leveraged and Investment Income Earned  
By EAI Americas Funds 1993-2007  
(US\$ million)**

<b>Country</b>	<b>EAI Fund Capitalization When Payment Schedules Completed</b>	<b>Estimated Cost-Share Contributions from Grantees</b>	<b>Estimated Leverage from Co-financing Agreements</b>	<b>Estimated Interest and Capital Gains Income</b>
<b>Argentina</b>	3.1	1.06	n/a	0.89
<b>Bolivia</b>	* 21.8	4.73	8.06	7.92
<b>Chile</b>	18.7	10.5	0.96	4.40
<b>Colombia</b>	41.6	22.4	13.1	25.1
<b>El Salvador</b>	41.2	6.0	n/a	18.17
<b>Jamaica</b>	21.5	.69	.51	52.73
<b>Peru</b>	22.8	14.05	7.55	13.97
<b>Uruguay</b>	6.2	4.2	n/a	0.21
<b>Sub-totals</b>	<i>176.9</i>	<i>63.63</i>	<i>30.18</i>	<i>123.4</i>
	<i>Augmented Total</i>	<i>217.2</i>		

\* Bolivia issued a 10-yr \$20 million bond to be deposited in the EAI account to accompany the \$1.8 million generated from the actual debt restructuring.

## **2.3 Program Evaluations**

Between 2001 and 2006, the EAI/TFCA Secretariat completed evaluations on each of the eight EAI programs as follows: Uruguay (2006), Argentina (2006), El Salvador (2005), Bolivia (2004), Peru (2003), Chile (2002), Colombia (2002) and Jamaica (2001). As noted above, the Chile and Uruguay programs have expended all of their resources. The six remaining programs are active and continue to operate effectively.

## 3.0 Tropical Forest Conservation Act (TFCA)

### 3.1 Program Overview

**Purpose.** The US Government provides direct assistance to developing countries to conserve biological diversity and protect ecologically and economically vital ecosystems. A significant portion of these funds supports the conservation of tropical forests, which contain 70% of the world's terrestrial plant and animal species and provide food, fuel, shelter, clean water, food security and medicines to more than a billion people.

The TFCA of 1998 complements US Government policies and programs aimed at conserving and sustainably managing the world's natural resources. Modeled after the EAI, the TFCA offers eligible developing countries worldwide opportunities to redirect payments on a portion of their PL-480 and USAID debt to the U.S. Government into local "Tropical Forest Conservation Funds" established to support grants and other programs to protect and sustainably manage tropical forests in country.

**Country eligibility.** To be eligible for consideration under the TFCA, a country must have eligible debt outstanding as of January 1, 1998 and meet certain statutory economic and political criteria. The TFCA requires that an eligible country must be low- or middle-income and have "at least one tropical forest that is globally outstanding in terms of its biological diversity or that represents one of the larger intact blocks of remaining tropical forests, on a regional, continental, or global scale."

**Administration.** As with the EAI Americas Funds each local Tropical Forest Conservation Fund is administered by a local board or oversight committee. Each TFCA board or oversight committee includes at least one representative of the US Government (from the USAID mission or the US embassy), at least one representative of the beneficiary government, and some number of representatives of nongovernmental organizations active in the country, which constitute the majority of the board or oversight committee.

**Eligible activities.** Most TFCA programs include a grants program which provides direct funding to local community and environmental organizations. Some TFCA programs also maintain an endowment fund to provide long-term financing for tropical forest conservation. TFCA funds are used to conserve, maintain or restore the tropical forests in a beneficiary country, through one or more of the following activities:

1. Establishment, restoration, protection, and maintenance of parks, protected areas, and reserves.
2. Development and implementation of scientifically sound systems of natural resource management, including land and ecosystem management practices.

3. Training programs to increase the scientific, technical, and managerial capacities of individuals and organizations involved in conservation efforts.
4. Restoration, protection, or sustainable use of diverse animal and plant species.
5. Research and identification of medicinal uses of tropical forest plant life to treat human diseases, illnesses, and health related concerns.
6. Development and support of the livelihoods of individuals living in or near a tropical forest in a manner consistent with protecting such tropical forest.

***Agreements to date:*** As of December 2008, the US Government had concluded 14 TFCA agreements with 12 countries: Bangladesh, Belize, Botswana, Colombia, Costa Rica, El Salvador, Guatemala, Jamaica, Panama, Paraguay, Peru and the Philippines. As shown in Table IV below, together these agreements will generate the local currency equivalent of over *\$188 million* to conserve tropical forests in these countries.

**Table IV. TFCA Agreements at a Glance**  
(US dollars)

<b>Country</b>	<b>Debt / Account</b>	<b>Signature Date</b>	<b>U.S. Budgetary Cost</b> (US million)	<b>Private Leverage</b> (U.S.\$ million)	<b>Tropical Forest Fund</b> (U.S. \$ million)	<b>Year of Final Deposit</b>
<b>Bangladesh</b>	PL 480	9/2000	6.0	0	8.5	2018
<b>Belize</b>	AID	8/2001	5.5	1.3	9.0	2027
<b>El Salvador</b>	PL 480	9/2001	7.7	0	14.0	2027
<b>Peru</b>	PL-480	6/2002	5.5	1.1	10.6	2014
<b>Philippines</b>	AID	9/2002	5.5	0	8.2	2016
<b>Panama I</b>	AID	7/2003	5.6	1.2	10.0	2017
<b>Colombia</b>	AID	4/2004	7.0	1.4	10.0	2016
<b>Panama II</b>	AID	8/2004	6.5	1.3	10.9	2016
<b>Jamaica</b>	AID/PL480	9/2004	6.5	1.3	16.0	2024
<b>Paraguay</b>	AID	6/2006	4.8	0	7.4	2018
<b>Guatemala</b>	AID	9/2006	15.2	2.0	24.4	2021
<b>Botswana</b>	AID	10/2006	7.0	0	8.3	2016
<b>Costa Rica</b>	AID	9/2007	12.6	2.5	26.1	2024
<b>Peru II</b>	PL-480	9/2008	19.6	0	25.1	2015
<b>TOTAL</b>	<b>n/a</b>	<b>n/a</b>	<b>115</b>	<b>12.1</b>	<b>188.5</b>	<b>n/a</b>

To date, the local TFCA boards and oversight committees together have approved 257 grants and otherwise invested in protected area activities totaling nearly \$26 million, including over \$7.9 million in 2008 alone. Five of these programs include endowment funds which had a collective balance of \$14.6 million as of December 2008. Four of the newest TFCA programs (Botswana, Costa Rica, Paraguay and Peru II) are expected to be fully operational in 2009. Table V below provides a summary of grant making under the TFCA.

**Table V. TFCA Grant Making and Endowment Account Summary**  
(US dollars)

Country	Approved (A) or Disbursed (D)	Grants 2008		Grants All Years		Grants Account Balance (\$000)	Endowment Balance (\$000)
		No.	(\$000)	No.	(\$000)		
Bangladesh	A	5	1,287	44	3,110	6,618	0
	D	-	172	-	452		
Belize	D <sup>2</sup>	n/a	306	n/a	2,825	n/a	3,738
Botswana	A/D	0	0	0	0	2,834	0
Colombia	A	2	1,329	6	2,804	2,236	4,473
Costa Rica	A/D	0	0	0	0	2,301	0
El Salvador	A	8	344	44	1,789	6,400	0
Guatemala	A	7	1,608	7	1,608	3,298	1,145
Jamaica	A	5	236	14	1,145	3,377	0
Panama I	A	1	539	19	3,478	151	2,302
	D	-	529	-	1,892		
Panama II	A	1	332	11	1,265	154	2,938
	D	-	228	-	831		
Paraguay	A/D	0	0	0	0	2,934	0
Peru I	A	7	1,236	22	6,091	968	0
	D	-	503	-	3,385		
Peru II	A/D	0	0	0	0	1,298	0
Philippines	A	37	610	90	1,873	4,816	0
<b>TOTAL</b>	A or D <sup>3</sup>	73	7,917	257	25,988	37,385	14,596

### 3.2 Contributions Leveraged from Subsidized Debt Swaps

As noted above, the US Government has concluded two types of TFCA agreements to date: (1) bilateral agreements between the United States and the beneficiary government and (2) subsidized debt swaps involving third-party contributions. Six of the current TFCA programs are based on bilateral agreements: Bangladesh, Botswana, El Salvador, Paraguay, Philippines, and Peru II. The other eight TFCA programs are based on subsidized debt swap agreements that include, in addition to Congressionally appropriated funds, \$12.1 million in contributions from three US-based international conservation organizations: The Nature Conservancy (TNC), Conservation International (CI) and the World Wildlife Fund (WWF). These contributions have increased the amount of debt that

<sup>2</sup> An assumption is made here that the beneficiary NGOs under the TFCA program have expended 100% of their land management accounts plus additional amounts indicated in chapter text (e.g. TIDE land purchase)

<sup>3</sup> The total figure uses the approved amounts, rather than the disbursed amounts, when both were provided.

is being treated and in turn the amount of funding being generated for tropical forest conservation in beneficiary countries.

**Table VI. NGO Contributions to Subsidized Debt *Swaps***  
(US dollars)

Country	Contributions (\$U.S. Millions)				Total Contributions	Total Generated for Conservation
	USG	TNC	CI	WWF		
Belize	5.5	1.3	-	-	6.8	9
Colombia	7.0	0.47	0.47	0.47	8.4	10
Costa Rica	12.6	1.26	1.26	-	15.12	26.1
Guatemala	15.2	1.0	1.0	-	17.2	24.4
Jamaica	6.5	1.3	-	-	7.8	16
Panama I	5.6	1.2	-	-	6.8	10
Panama II	6.5	1.3	-	-	7.8	10.9
Peru I	5.5	0.37	0.37	0.37	6.61	10.6
<i>Total</i>	\$ 64.4	\$ 8.2	\$ 3.1	\$ 0.83	\$ 76.5	\$ 117

### 3.3 Area of Tropical Forest Affected

Under bilateral TFCA agreements, local boards typically may award grants to forest conservation projects taking place anywhere within a country's borders. This makes it difficult to quantify the acreage of forest the TFCA program is protecting. By contrast, subsidized debt swap agreements typically identify the specific tropical forest regions, ecosystems or protected areas that will be the focus of the TFCA programs. On this basis, it is estimated that the eight subsidized debt swaps programs, over the life of the agreements, will contribute to the conservation and improved management of nearly 50 million acres of high value tropical forests in Latin America, including several national parks and protected areas, as shown in Table VII below.



**Table VII. Tropical Forest Areas Targeted in TFCA Subsidized Debt Swaps - (All Years)**

	<b>Country</b>	<b>Status</b>	<b>Areas Identified in TFCA Agreements</b>	<b>Acres Affected (thousands)</b>
1	Belize	operational	Selected priority protected areas	300
2	Peru	operational	Ten priority protected areas	27,500
3	Panama	operational	Chagres Watershed	318
4	Colombia	operational	Selected priority protected areas	11,400
5	Panama II	operational	Darien National Park	1,400
6	Jamaica	operational	Seven priority protected areas	220
7	Guatemala	operational	Three designated regions	5,890
8	Costa Rica	beginning operations	Six designated priority protected areas	4,800
			<b>TOTAL Program Acres for all Years</b>	<b>51,828</b>

### **3.4 TFCA Reauthorizations: 2001 - 2008**

TFCA’s most recent authorization by the House and Senate expired at the end of FY07. As of December 2008, Congress had not yet reauthorized the TFCA for FY2008 and beyond. However, on January 6, 2009 Representative Kirk re-introduced the Forest and Coral Conservation Act to the House Foreign Affairs Committee (HR 52). On January 29, Senators Lugar and Kerry introduced a similar Bill in the Senate (S345). The Bill’s major recommendations included: expanding the scope of TFCA to include coral reefs and associated marine ecosystems, 2) eliminating the role of the Enterprise for the Americas Board, and, 3) allowing the host government to be TFCA grant beneficiaries in “limited circumstances.”

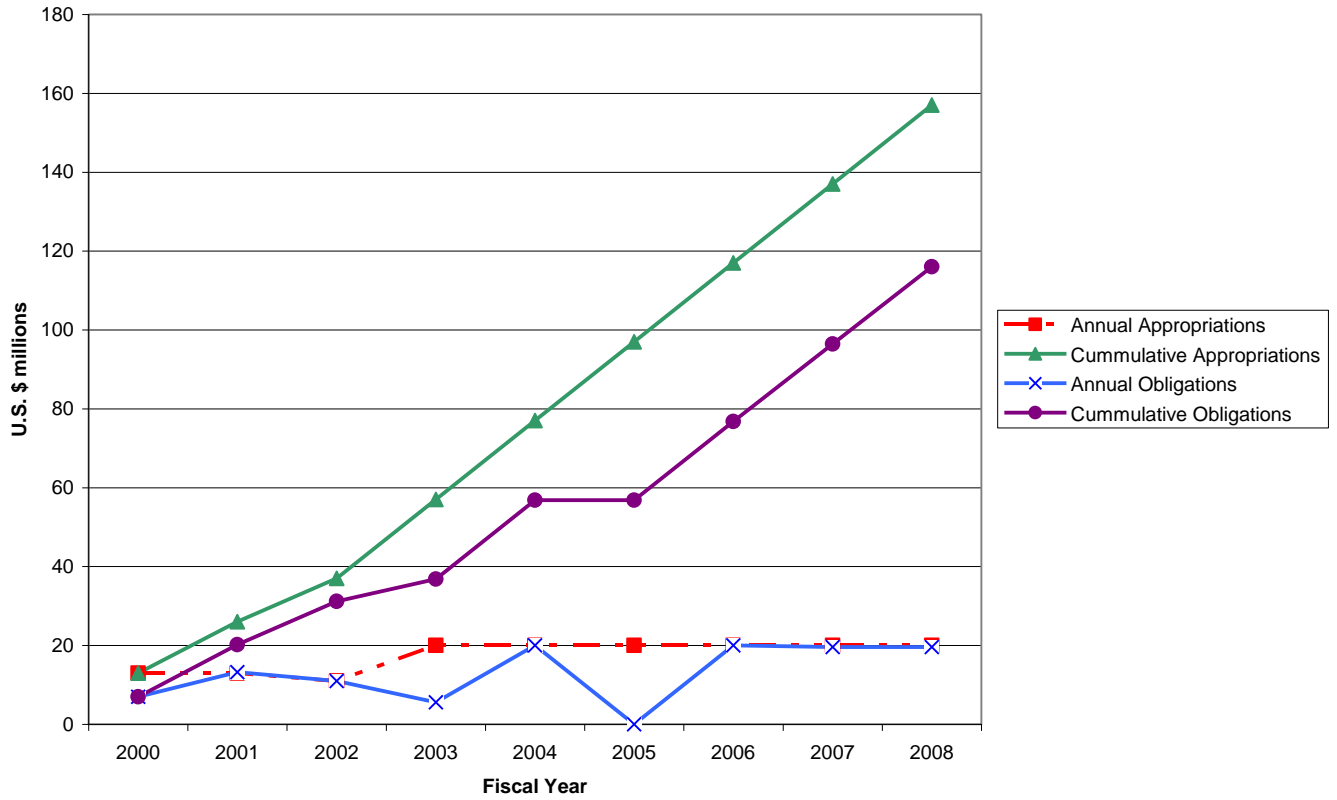
### **3.5 TFCA Appropriations and Disbursements**

Congress has appropriated \$157 million for TFCA since FY 2000. Annual appropriations have ranged from \$11 million to \$20 million each fiscal year as shown in the chart below. As of December 2008, \$116 million had been obligated to the 14 completed TFCA agreements.<sup>4</sup> The graph below illustrates TFCA appropriations and obligations.

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<sup>4</sup> An earlier table in Section 3.1 “TFCA at a Glance” listed the obligated amount as \$95.4 million. The \$96.4 million listed here includes \$1 million from the FY 2000 appropriation used to cover administrative expenses to support the EAI/TFCA Secretariat from 2001-2007.

**TFCA Appropriations and Obligations**



**Table VIII. TFCA Appropriations and Obligations**

Fiscal Year	Annual Appropriations (\$ millions)	Cumulative Appropriations (\$ millions)	No. of Agreements Concluded (by FY)	Annual Obligation (\$ millions)	Cumulative Obligations (\$ millions)	Remaining Appropriation
00	13.0	13.0	1	7.0	7.0	6.0
01	13.0	26.0	2	13.2	20.2	5.8
02	11.0	37.0	2	11.0	31.2	5.8
03	20.0	57.0	1	5.6	36.8	20.2
04	20.0	77.0	3	20.0	56.8	20.2
05	20.0	97.0	0	0	56.8	40.2
06	20.0	117.0	2	20.0	76.8	40.2
07	20.0	137.0	2	19.6	96.4	40.6
08	20.0	157.0	1	19.6	116	41

## 3.6 Program Evaluations

***Annual reporting and evaluations.*** All TFCA agreements require local boards and oversight committees to submit an annual report on grant and other program activities funded during the year. Summaries of these annual reports are included in Annex IV of this report.

Since 2006, in response to the Office of Management and Budget (OMB) Program Assessment Rating Tool (PART) review of the TFCA program in 2004, each board and oversight committee is also required to report annually on steps taken to meet the performance criteria set forth in the TFCA Evaluation Sheet contained in Annex II of this report. By establishing standard criteria, the TFCA Evaluation Sheet provides a consistent basis for reviewing TFCA programs. In 2007, the TFCA program underwent a second OMB PART review, receiving a rating of “moderately effective.”

***Periodic independent reviews.*** The TFCA reauthorization of 2004 provided that up to \$200,000 in appropriated funds could be used each year to carry out comprehensive audits and evaluations of TFCA programs. In 2008, the EAI/TFCA Secretariat contracted with the U.S. Forest Service to conduct independent program audits and evaluations of the programs in Bangladesh and the Philippines. The reviews evaluated the effectiveness and efficiency of management and administration of the local funds, with a focus on asset management and grant-making processes. Results indicate that the two TFCA programs are in compliance with the relevant bilateral and debt swap agreements and are operating effectively. Recommendations for improvements include improving capabilities to monitor the conservation impacts of TFCA grants, clarifying local roles and responsibilities, and enhancing efforts to attract counterpart funding from other sources, including exploring strategic alliances with the private sector.

***Strategic planning.*** Since 2006, TFCA agreements have included a provision requiring that each local board and oversight committee develop a long-term strategic plan for program operations to be approved by the US government and the beneficiary government. The local TFCA boards and oversight committees in Botswana, Costa Rica, Paraguay and Peru (II) are in the process of developing strategic plans for their respective TFCA programs.

## **4.0 TFCA Country Summary Fact Sheets**

### **4.1 BILATERAL AGREEMENTS**

2000  
**BANGLADESH**

2001  
**EL SALVADOR**

2002  
**THE PHILIPPINES**

2006  
**PARAGUAY**

2006  
**BOTSWANA**

2008  
**PERU II**

## TFCA PROGRAM IN BANGLADESH

### A. Essential Facts

1. Date of Agreement: September 12, 2000
2. Type of Agreement: U.S.-Bangladesh Bilateral Agreement
3. Financing Summary:
  - USG funds contributed: \$6.0 million
  - Total funds generated: \$8.5 million over 18 years (through 2018)
  - TFCA Fund Manager: Bangladesh Tropical Forest Conservation Foundation (known locally as the Arannayk Foundation)

### B. Bangladesh's Forests

Bangladesh's tropical forests cover about 3.7 million acres (1.5 million hectares), roughly half of which are located in the southwestern Sunderbans region. This area is home to the world's only genetically viable population of Bengal tigers. As the largest mangrove forest in the world, the Sunderbans has been designated a world wetlands site by the Ramsar Convention on Wetlands of International Importance. Other significant forested regions include the Chittagong Hills Tracts and other protected areas bordering India and Myanmar to the east.

### C. TFCA Program Overview and Administration

The aim of the TFCA program in Bangladesh is to help conserve and sustainably manage ecologically viable areas representative of Bangladesh's remaining tropical forest types, as well as the species that depend on them. To this end, program priorities include protection and conservation of threatened and endangered species, restoration of degraded forests, ecotourism development, coastal biodiversity conservation, homestead agroforestry, capacity building and environmental education. The program also seeks to develop public-private forest co-management arrangements and build a strong conservation constituency in Bangladesh through awareness raising and partnerships.

The TFCA program in Bangladesh is a small grants program (typically under \$100,000) which provides direct funding to local community and environmental organizations. The program is administered by the Board of the Bangladesh Tropical Forest Conservation Foundation, locally known as the Arannayk Foundation. The TFCA Board has seven members, including one representative from the U.S. Government (USAID Mission in Dhaka), one representative from the Government of Bangladesh and five representatives from local non-governmental organizations.

**D. Specific Activities and Accomplishments**

As of December 2008, the TFCA Board had awarded 44 grants totaling about \$3.1 million to local and national organizations. In 2008 alone, 5 grants were awarded for a total of \$1.28 million. These five grants include:

**1. Inani National Park** (habitat for Bengal tiger and Asian elephant)

- Establishment of co-management forest arrangements with local communities and the Ministry of the Environment and Forests.
- Conservation of natural forest areas supporting endemic endangered species.
- Biodiversity research.
- Development of a seed bank
- Development of a conservation awareness campaign.

**2. Sitakunda and Banskhai Upazila of Chittagong Hills**

- Restoration of wildlife habitat and conservation of biodiversity in the denuded hills.
- Development of community livelihoods based on conservation-based enterprises and/or co-management approaches.
- Enrich the forest ecosystem.

**3. Barind Dhamuirhat Sal Forest** (dry deciduous forest)

- Conservation of “sal” (*Shorea robusta*) forests and associated species.
- Development of conservation-based enterprises, such as extraction of non-timber forest products, to enhance livelihood opportunities for local communities.

**4. Response to Super Cyclone, Sidr**

- Restoration of genetic diversity (of trees) in areas ravaged by the cyclone Sidr.
- Development of community livelihoods based on conservation-based enterprises and/or co-management approaches.

**5. Conservation of Two Species of Bamboo**

- Conservation of *Melocanna baccifera* and *Gigantochloa andamanica* in the Chittagong Hills Tract in conjunction with the Bangladesh Forest Research Institute (BFRI) and the Ministry of Environment and Forests (MOEF).

**F. Status of the Bangladesh TFCA Program (as of 12/31/2008)**

Grants Account Deposits	Number of Grants Approved	Value of Grants Approved
\$ 5,969,403	44	\$ 3,110,540

## TFCA PROGRAM IN EL SALVADOR

### A. Essential Facts

1. Date of Agreement: September 14, 2001
2. Type of Agreement: U.S.-El Salvador Bilateral Agreement
3. Financing Summary:
  - USG funds contributed: \$ 7.7 million
  - Total funds generated: \$14.0 million over 26 years (through 2027)
  - TFCA Fund Manager: Enterprise for the Americas Initiative Fund<sup>5</sup>

### B. El Salvador's Forests

Only about 14% of El Salvador's land is still covered by forests and very little undisturbed native forest remains. Decades of deforestation eventually led to the catastrophic mudslides in 1999-2000 when thousands of people lost their lives. The country's remaining forested areas, though small, are diverse and include broadleaf forests scattered throughout the country, riparian forest along streams, and mangrove forest along the coast, as well as deciduous, pine and pine-oak forests in upland areas.

### C. TFCA Program Overview and Administration

The aim of the TFCA program in El Salvador is to protect, improve and restore native forests, particularly within two of the country's largest protected areas, **El Imposible National Park** and **Montecristo National Park**. These parks encompass a number of smaller natural protected areas, including wildlife refuges, inland water ecosystems and coastal ecosystems. The TFCA program focuses on building capacity to improve forest-related governance, develop and implement forest management plans and natural resource inventories, and conduct biodiversity monitoring and research.

The TFCA program in El Salvador is a small grants program (typically under \$100,000) which provides direct funding for projects to local community and environmental organizations. The program was established as part of the existing El Salvador Enterprise for the Americas Initiative (EAI) program, which dates from 1992. TFCA grant-making is administered by the EAI Board, whose membership has been expanded by one to include expertise on tropical forests. The TFCA Fund is a sub-account of the existing EAI Fund.

### D. Specific Activities and Accomplishments

As of December 2008, the EAI/TFCA Board had awarded 44 TFCA grants totaling about \$1,789,454 to community based organizations, community associations and other non-governmental organizations. In 2008 alone, FIAES approved 8 new grants for a total of \$344,325.

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<sup>5</sup> Fondo Iniciativa de las Americas El Salvador (FIAES)

With 2008 TFCA funding, FIAES financed eight strategically focused projects for biodiversity conservation encompassing 32,207 acres of terrestrial and marine ecosystems as part of the Natural Protected Areas System. The TFCA agreement supported best management practices on these eight protected areas through training park rangers, performing biodiversity research, monitoring of biological indicators as well as fostering the use of planning tools for the sustainable management and conservation of natural resources. The eight protected areas benefiting from 2008 TFCA grants include:

1. Santa Rita – Sanjón El Chino in west Ahuachapan
2. Nancuchiname in east Usulután
3. Complejo San Marcelino in west Sonsonate and Santa Ana
4. Complejo Los Cobanos, west Sonsonate
5. El Jabalí, Las Granadillas, Santa María and Las Mercedes in Santa Ana
6. San Diego – La Barra, in west Santa Ana
7. Complejo Taquillo in La Libertad
8. Escuintla in central La Paz.

TFCA grants in 2008 also contributed to the protection of a number of important wetlands, including the Biosphere Reserve Xiragualtique-Jiquilisco and the Jocotal Lagoon, which are designated with “Ramsar status” as priority sites under the Ramsar Convention on Wetlands (a global environmental treaty signed in Ramsar, Iran in 1971). The only other UNESCO biosphere reserve in El Salvador, “Apaneca-Ilamatepec”, has also received TFCA support.

**E. Status of TFCA Sub-Account of El Salvador EAI Fund (as of 12/31/2008)**

TFCA Grants Sub-Account Deposits	Number of Grants Approved	Value of Grants Approved
\$ 7,410,665	44	\$1,789,454



# TFCA PROGRAM IN THE PHILIPPINES

## A. Essential Facts

1. Date of Agreement: September 19, 2002
2. Type of Agreement: U.S.-Philippines Bilateral Agreement
3. Financing Summary:
  - USG funds contributed: \$5.5 million
  - Total funds generated: \$8.2 million over 14 years (through 2016)
  - Fund Manager: Philippines Tropical Forest Conservation Foundation

## B. Forests of the Philippines

After decades of illegal logging, agricultural expansion and upland migration, only 3% of the original forests of the Philippines are left. What remains contains some of the most biologically rich “dipterocarp” (tropical hardwood) forests on earth. The Philippines has been named one of 17 “megadiverse” countries and one of 25 global biodiversity “hotspots.” The country ranks eighth in the world in numbers of endemic species.

## C. TFCA Program Overview and Administration

The aim of the TFCA program in the Philippines is to help conserve, restore and rehabilitate mangrove forests and dipterocarp forests in Palawan and areas of Mindanao, Luzon and Visayas, as well as increase the country’s supply of seedlings and wildlings of indigenous tree species.

The TFCA program in the Philippines is a small grants program (typically under \$100,000) which provides direct funding for projects to local community and environmental organizations. The program is administered by the Board of the Philippines Tropical Forest Conservation Foundation. The TFCA Board has nine members, including two representatives of the U.S. Government (from the U.S. Embassy and USAID Mission in Manila), two representatives of the Government of the Philippines, and five representatives of local non-governmental organizations.

## D. Specific Activities and Accomplishments

As of December 2008, the TFCA board had awarded 37 grants totaling nearly \$610,000 which have supported the following activities:

- Establishment of a large-scale nursery which will generate about 50,000 seedlings of dipterocarps each year through seed propagation, wildling collection, and cloning.
- Implementation of a community-based mangrove rehabilitation project to enhance coastal habitats along the banks of the Danajon River.

- Establishment of formal land tenure arrangements for local communities (in cooperation with the Philippine Department of Environment and Natural Resources and local governments units).
- Development of community livelihoods based on rattan and other non-timber forest products compatible with forest conservation.
- Development of a current inventory and map of the Philippine's forests.
- Publication of a Philippine hardwood resource book for NGO practitioners, academia and beneficiary communities.
- Planning and preparations for a public interest environmental law conference on forest law enforcement and governance in the Philippines.
- Implementation of project to revitalize an Anti-Illegal Logging Task Force to enforce forestry laws in the Sierra Madre mountain range.

**E. Status of the Philippines TFCA Fund (as of 12/31/2008)**

Grants Account Deposits	Number of Grants Awarded	Value of Grants Approved
\$ 5,422,965	90	\$ 1,873,362

## **TFCA PROGRAM IN PARAGUAY**

### **A. Essential Facts**

1. Date of Agreement: June 7, 2006
2. Type of Agreement: U.S.-Paraguay Bilateral Agreement
3. Financing Summary:
  - USG funds contributed: \$4.8 million
  - Total funds generated \$7.4 million over 12 years (through 2018)
  - Fund Manager: TFCA Conservation Fund

### **B. Paraguay's Forests**

Paraguay, together with Brazil and Argentina, contain all that is left of the once great Atlantic Forest. While 90% of the Atlantic Forest is gone, what remains is still one of biologically most diverse rainforest ecosystems in the world. More than 52% of the tree species and 92% of the amphibians are endemic, with many of these found in Paraguay. The high rate of deforestation in Paraguay in recent years is fragmenting the remaining forest and threatening many wildlife species.

### **C. TFCA Program Overview and Administration**

The aim of the TFCA program in Paraguay is to help conserve and restore the southern corridor of the Atlantic Forest of Alto Parana, with a focus on the following protected areas, including the buffer zones and biological corridors linking the areas:

- San Rafael National Park
- Caazapa National Park
- Ybycui National Park
- Ybyturuzu Managed Resources Reserve
- Tapyta Private Nature Reserve
- Ypeti Private Nature Reserve

The TFCA program in Paraguay is a small grants program (typically under \$100,000) to provide direct funding for projects to local community and environmental organizations. The TFCA Conservation Fund was established to administer the program. The TFCA Board of the Fund is comprised of one representative of the USG (from the USAID Mission in Asuncion), two representatives of the Government of Paraguay, and four representatives of local non-governmental organizations.

### **D. Specific Activities and Accomplishments**

In September 2008 the program's first public competitive selection process for grant making activities was launched. All protected areas, buffer zones, and biological corridors were included in the request for applications. Of the 37 project proposals, eight were

selected for approval by the Board and the first grant awards are expected to occur in March 2009.

**E. Status of Paraguay TFCA Fund (as of 12/31/2008)**

Grants Account Deposits	Number of Grants Approved
\$ 2,826,949	8

## TFCA PROGRAM IN BOTSWANA

### A. Essential Facts

1. Date of Agreement: October 5, 2006
2. Type of Agreement: U.S.-Botswana Bilateral Agreement
3. Financing Summary:
  - USG funds contributed: \$7.0 million
  - Total funds generated: \$8.3 million over ten years (through 2016)
  - Fund Manager: Forest Conservation Botswana Limited

### B. Botswana's Forests:

The climatic and geographic conditions in Botswana support a wide range of ecosystems and fauna and flora which play a critical role in the social, economic and ecological well being of the country. The main tropical forest areas of Botswana are in the north and include closed canopy tree cover, riverine forests and dry acacia forests. Many of these areas lie within the famed inland Okavango Delta (shared with Angola and Namibia) and are home to a variety of wildlife species, including the fishing owl, leopard, African elephant and hippopotamus.

### C. Program Overview and Administration

The aim of the TFCA program in Botswana is to support the conservation and restoration of tropical forests within the country's system of national protected areas, especially the **Okavango Delta** and **Chobe National Park** regions.

The TFCA program in Botswana is a small grants program (typically under \$100,000) to provide direct funding for projects to local community and environmental organizations. In 2007, the Government of Botswana approved the legal registration of Forest Conservation Botswana Limited to administer the TFCA program. The TFCA Board is comprised of two representatives of the U.S. Government (from the U.S. Embassy and USAID Mission), two representatives of the Government of Botswana, and five representatives of local community-based, academic and environmental organizations.

### D. Specific Activities and Accomplishments

The TFCA program in Botswana is not yet fully operational. The TFCA Board hopes to issue its initial grants in first half of 2009.

### E. Status of Botswana TFCA Fund (as of 2/31/2008)

Grants Account Deposits	Number of Grants Approved
\$ 2,833,669	0

## TFCA PROGRAM IN PERU II

### A. Essential Facts

<u>Date of Agreement:</u>	September, 2008
<u>Type of Agreement:</u>	U.S.-Peru Bilateral Agreement
<u>Financing Summary:</u>	USG funds contributed: \$ 19.6 million
	Total funds generated: \$ 25 million over 7 years
TFCA Fund Manager:	Fondo de Las Americas (FONDAM)

### B. Peru's Forests

Peru is one of the most biologically rich countries on earth. It is the second most diverse country for bird and primate species, and the sixth for mammals. Conservation International, World Wildlife Fund and Bird Life International have each included Peru on their respective lists of most important biodiversity countries. While figures vary, it is estimated that Peru's forests cover close to 173 million acres (70 million hectares) or 53.7% of its land area. Primary forests represent nearly 89% of total forest area.

### C. TFCA Program Overview and Administration

While the strategic direction of this second TFCA program in Peru will be consistent with those goals outlined in the TFCA statute, the detailed plan is still being developed by the newly established Board of Directors in a participatory manner with Peruvian civil society.

The TFCA Board has 8 members, including one representative from the U.S. Government (from the USAID Mission), two representatives from the Government of Peru, and five local civil society representatives.

### D. Specific Activities and Accomplishments

Good momentum was sustained through December 2008 in constituting the new Board, codifying its rules and governance procedures and engaging civil society in a participatory process of strategic planning. Grant making is expected to begin in early 2009.

### E. Status of the Peru TFCA Fund (as of 12/31/2008)

Grants Account Deposits	Number of Grants Approved	Value of Grants Approved
\$ 1,297,813	0	0

## **4.2 DEBT SWAP AGREEMENTS**

2001  
**BELIZE**

2002  
**PERU**

2003  
**PANAMA (I)**

2004  
**PANAMA (II) – COLOMBIA - JAMAICA**

2006  
**GUATEMALA**

2007  
**COSTA RICA**

## TFCA PROGRAM IN BELIZE

### A. Essential Facts

1. Date of Agreement: August 2, 2001
2. Type of Agreement: Subsidized Debt Swap
3. NGO Partner: The Nature Conservancy
4. Financing Summary:
  - USG funds contributed: \$5.5 million
  - TNC funds leveraged: \$1.3 million
  - Total funds generated: \$9.0 million over 26 years (through 2027)
  - TFCA Fund Manager: Consortium of 4 local NGOs (see C below)

### B. Belize's Forests

Belize has a small population (about 311,000) and remains largely covered by tropical rain forest and pine savanna forest extending from the Rio Bravo Conservation and Management Area south through the Maya Mountain Marine Corridor to the southern Toledo District. These forests provide habitat to numerous threatened and endangered species, such as the jaguar, ocelot, marguay, Baird's tapir and scarlet macaw. The Corridor encompasses a number of interrelated ecosystems, including mangrove forests, sea grass communities and a coral reef system second only to the Great Barrier Reef of Australia. These ecosystems provide habitat for the West Indian manatee and Morelet's crocodile, as well as many other coastal marine species. The Maya Mountain Marine Corridor covers about 832,000 acres, within which is a network of government and private protected areas.

### C. TFCA Program Overview and Administration

The TFCA program in Belize is principally focused on conserving the **Maya Mountain Marine Corridor**, the **Rio Bravo Conservation and Management Area** (which covers 260,000 acres or about 4% of the country's land area), and three protected areas collectively known as the **Cayo Parks**: St. Herman's Blue Hole National Park, Guanacaste National Park and the Tapir Mountain Nature Reserve. Other smaller protected areas grants external to these areas are also supported.

The TFCA program has three components: (1) land acquisition, (2) a grants program and (3) an endowment fund to provide long-term conservation financing. The TFCA Oversight Committee has seven members, including one representative of the U.S. Government, one representative of the Government of Belize, one local representative of The Nature Conservancy, and one representative each of the following four local organizations:

- Toledo Institute for Development and the Environment (TIDE)
- Program for Belize
- Belize Audubon Society
- Protected Areas Conservation Trust (PACT) Foundation



Under the terms of the TFCA agreements, these four conservation organizations are the beneficiaries of the TFCA program in Belize.

#### **D. Specific Activities and Accomplishments**

**1. TIDE.** The TFCA program for TIDE has focused on management of 29,000 acres of forest land in the **Maya Mountain Marine Corridor**, which directly affects 16 miles of Caribbean coast. Of the 29,000 acres, nearly half were purchased using TFCA funds. The other half were a counterpart contribution by the Government of Belize which is being held in trust, conserved and managed by TIDE. These forests are vulnerable to aggressive logging, hurricane windfall and conversion to citrus farming. TIDE has used its TFCA grants to:

- Identify illegal logging operations
- Reforest degraded areas
- Conduct environmental education programs
- Monitor biodiversity
- Convene community meetings to involve local residents in management

**2. Program for Belize.** TFCA grants to the Program for Belize have supported the following activities to help conserve and manage the **Rio Bravo Conservation and Management Area:**

- Training a ranger force to monitor property and maintain boundary lines and access points.
- Establishment of additional patrols for the New River Lagoon waterway.
- Collection of research data on Yellow Headed Parrots.
- Monitoring of oil exploration activities.

**3. Belize Audubon Society.** TFCA grants to the Belize Audubon Society have supported the following activities to help conserve and manage the **Cayo Parks.**

- Law enforcement training workshops for park wardens to crack down on illegal activities in the parks, including illegal logging and hunting and trespassing.
- Improvements in park monitoring, including aerial overflights to observe boundaries and identify entry points for incursions into the parks.
- Purchasing of equipment for park patrols and park maintenance.
- Road maintenance for emergency access.
- Installation of safety signs along roads and safety barriers along trails and caves.
- Green laws and plant identification training workshops.
- Environmental education activities for 6,642 students, teachers and parents.
- Upgrading park infrastructure, such as trails, sheds and park guard facilities.
- Research on species and illegal harvesting.

**4. PACT Foundation.** TFCA grants to the PACT Foundation have supported the following activities:

**Aguacaliente Wildlife Sanctuary**

- Upgrading infrastructure such as trails and sanitary facilities to provide a safe, accessible eco-tourism destination.
- Assistance to rangers to address illegal activities such as hunting.

**Community Baboon Sanctuary for Environmental Management** (supports a population of Howler Monkeys):

- Initial steps to upgrade the visitor environmental education center and museum.
- Training sanctuary staff and tour guides.

**Caye Caulker Forest Reserve** (littoral and mangrove forest)

- Baseline inventories and assessments of habitat health.
- Improvements in monitoring experimental forests.
- Distribution of environmental education materials to local communities.

**Elijo Panti National Park**

- Park protection and monitoring for ecosystem health.
- Improvements and upgrades to park infrastructure to permit more park visitors and expand visitor activities.

**E. Status of Belize TFCA Fund as of 12/31/2008**

Grants Account Deposits	Endowment Account	Land Purchase (TIDE only)
\$ 1,852,941	\$ 3,909,009	\$801,000

## TFCA PROGRAM I IN PERU

### A. Essential Facts

1. Date of Agreement: June 26, 2002
2. Type of Agreement: Subsidized debt swap
3. NGO Partners: Conservation International, The Nature Conservancy,  
World Wildlife Fund
4. Financing Summary:
  - USG funds contributed: \$ 5.5 million
  - NGO funds leveraged: \$ 1.1 million
  - Total funds generated: \$10.6 million over 12 years
  - TFCA Fund Manager: Peru Trust Fund for National Parks and Protected Areas (Profonanpe)

### B. Peru's Forests

Peru is one of the most biologically rich countries on earth. It is the second most diverse country for bird and primate species, and the sixth for mammals. Conservation International, World Wildlife Fund and Bird Life International have each included Peru on their respective lists of most important biodiversity countries. While figures vary, it is estimated that Peru's forests cover close to 173 million acres (70 million hectares) or 53.7% of its land area. Primary forests represent nearly 89% of total forest area and include the special flooded forests of the **Pacaya Samiria region**.

### C. TFCA Program Overview and Administration

The aim of the TFCA program in Peru is to help conserve 10 protected forest areas within Peru's National System of Protected Areas (SINANPE). The 10 areas represent both wet and dry tropical forest ecosystems and cover 50 million acres (19 million hectares), or about 55% of SINANPE.

The TFCA program in Peru is a grants program which provides direct funding to local community and environmental organizations. The program also provides for a long-term grant of \$3.3 million to the Peruvian Foundation for Nature Conservation (Pro Naturaleza) to carry out conservation activities in the **Pacaya Samiria National Reserve**.

The TFCA Oversight Committee has five members, including one representative from the U.S. Government (from the USAID Mission in Lima), one representative from the Government of Peru, and one local representative each from Conservation International, The Nature Conservancy and World Wildlife Fund. The Fund Administrator, Profonanpe, was established in 1992 through an endowment from the Global Environment Facility (GEF) and currently administers several donor accounts.

#### **D. Specific Activities and Accomplishments**

As of December 2008, the TFCA Oversight Committee had awarded 22 grants totaling nearly \$3.4 million to local community and environmental organizations. These grants have supported:

1. Development and initial implementation of a management plan for **Pacaya Samiria National Reserve**. Communities are involved in monitoring plan implementation.
2. Strengthening and consolidation of the protection, control, oversight and operations of the **Alto Purus National Park**, with particular focus on control of illegal logging.
3. Introduction of practices for sustainable use of natural resources to reduce pressure from communities to expand agricultural and pastoral activities into the **Bosque de Pomac Historical Sanctuary**.
4. Strengthening environmental management and ecological remediation in the **Apu Pachatusan Municipal Conservation Area** and the **Macchu Picchu Historical Sanctuary**.
5. Participatory management of the **Ashaninka Community Reserve** and the **Otishi National Park** and buffer zone.
6. Improving management of livestock herding to mitigate forest degradation at the **Tumbes National Reserve**.
7. Training for personnel and stakeholders involved in park co-management in conjunction with the Natural Protected Areas System of Peru (SINANPE).

#### **E. Status of the Peru TFCA Fund (as of 12/31/2008)**

Grants Account Deposits	Number of Grants Approved	Value of Grants Disbursed
\$ 4,628,195	22	\$ 3,384,840

## TFCA PROGRAM IN PANAMA (I)

### A. Essential Facts

1. Date of Agreement: July 10, 2003
2. Type of Agreement: Subsidized debt swap
3. NGO Partners: The Nature Conservancy
4. Financing Summary:
  - USG funds contributed: \$ 5.6 million
  - TNC funds leveraged: \$ 1.2 million
  - Total funds generated: \$10 million over 14 years (through 2017)
  - TFCA Fund Manager: Nature Foundation (Fundacion Natura)

### B. Panama's Forests

Panama is the historic land bridge between North and South America. As a result, the country has enormous terrestrial and marine biodiversity. Panama's forests are still extensive and represent a wide range of ecosystems. These include lowland rain forest along the Caribbean coast, deciduous forest and mangrove forests along the Pacific coast, swamp forest in the Darien lowlands on the border with Colombia, and montane forest in uplands areas.

### C. TFCA Program Overview and Administration

This is the first of two TFCA programs in Panama. The aim of this program is to improve the management of, and reduce threats to, the **Upper Chagres River Basin**. The Upper Chagras watershed provides 50% of the water needed for Panama Canal operations and 80% of the water for human consumption in Panama City. The watershed encompasses Chagres National Park and important forests outside the Park.

The TFCA program in Panama's Upper Chagres River Basin has two components: (1) a grants program which provides funding for the Chagres National Park and surrounding areas and (2) an endowment fund to provide long-term financing for watershed conservation. The TFCA Oversight Committee has five members, including one representative of the U.S. Government (from the USAID Mission in Panama City), one representative of the Government of Panama, one local representative of The Nature Conservancy, and two representatives of local non-governmental organizations. The Fund Administrator, Fundacion Natura, was founded in 1991 through a joint endowment of USAID and the Government of Panama.

### D. Specific Activities and Accomplishments

As of December 2008, the TFCA Oversight Committee had awarded 19 grants or otherwise invested in protected areas totaling more than \$1.89 million in support of local community and national environmental organizations for activities in the Upper Chagras River Basin. These grants have supported:

- Construction of new park personnel station facilities for Chagras National Park
- Maintenance and improvement of park trails, including installation of signs.
- Installation of satellite telephone lines and internet access at the park's administrative headquarters.
- Creation of a database to systematize and record general inspections and infractions occurring in the park.
- Development of a patrolling and surveillance program which conducts over flight, terrestrial and aquatic patrols, as well as site inspections by park guards.
- Resolution of land use conflicts in buffer areas through a Land Use Planning Program.
- Outreach to communities and schools through an Environmental Education, Communication and Promotion Program.
- Provision of scientific research opportunities through an Environmental Monitoring Program implemented in conjunction with the University of Panama.
- Development and implementation of environmental monitoring and evaluation systems using species indicators.
- Efforts of local communities to establish tree nurseries, orchards and agroforestry plots outside the park (thereby taking pressures off the park's forest resources), demarcate park borders, and develop and manage ecotourism activities, such as guided river canoe trips.

**E. Status of Panama (I) TFCA Fund (as of 12/31/2008)**

Grants Account Deposits	Endowment Account Deposits	Number of Grants Approved	Value of Grants Approved
\$ 2,301,840	\$ 2,301,840	19	\$1,892,078

## TFCA PROGRAM IN PANAMA (II)

### A. Essential Facts

1. Date of Agreement: August 19, 2004
2. Type of Agreement: Subsidized debt swap
3. NGO Partners: The Nature Conservancy
4. Financing Summary:
  - USG funds contributed: \$ 6.5 million
  - TNC funds leveraged: \$ 1.3 million
  - Total funds generated: \$10.9 million over 12 years
  - TFCA Fund Manager: Nature Foundation (Fundacion Natura)

### B. Panama's Forests

Panama is the historic land bridge between North and South America. As a result, the country has enormous terrestrial and marine biodiversity. Panama's forests are still extensive and represent a wide range of forest ecosystems. These include lowland rain forest along the Caribbean coast, deciduous forest and mangrove forests along the Pacific coast, swamp forest in the Darien lowlands on the border with Colombia, and montane forest in uplands areas.

### C. TFCA Program Overview and Administration

The aim of the second TFCA program in Panama is to preserve, protect and manage the natural and cultural resources of **Darien National Park** and surrounding areas, which border Colombia's Los Katios National Park. The Darien National Park comprises 1.43 million acres (579,000 hectares) of highly diverse forests and represents the southern zone of the Mesoamerican Biologic Corridor. The park also supports diverse local populations, including Afro-Darienites, peasants who have migrated from Panama's central provinces, and three indigenous tribes (Kunas, Embera and Wounann) which have settled along river banks. The park was designated a World Heritage Site by UNESCO (United Nations Educational, Scientific and Cultural Organization) in 1980. In 1983, it was recognized as a Biosphere Reserve by UNESCO'S Man and the Biosphere Program.

Like the TFCA program for the Upper Chagras River Basin, the program for the Darien has two components: (1) a grants program which provides funding to conservation activities, and (2) an endowment fund to provide long-term financing for park conservation. The TFCA Oversight Committee established for the Upper Chagras TFCA program also provides oversight for the Darien program. It has five members, including one representative of the U.S. Government (from the USAID Mission in Panama City), one representative of the Government of Panama, one local representative of The Nature Conservancy, and two representatives of local non-governmental organizations. The Fund Administrator, Fundacion Natura, was founded in 1991 through a joint endowment of USAID and the Government of Panama.

**D. Specific Activities and Accomplishments**

As of December 2008, the TFCA Oversight Committee had awarded 11 grants totaling about \$830,906 to local community and national environmental organizations for activities in the Darien National Park. These grants have supported:

- Identification by park guards of critically threatened areas within the park.
- Training park guards in field monitoring of wildlife and in collecting baseline data to establish a database of park fauna and flora
- Training and technical assistance to six community-based organizations located in the park and surrounding areas to develop projects contributing to park management.
- Development of an awareness raising campaign by the “Solid Waste Management in Tucuit Community” project to promote a system to collect solid waste from communities living in and around the park.
- Development of an environmental impact assessment for, and initial construction of, a sanitary landfill outside the park to reduce refuse dumping within the park.
- Rehabilitation of several communication control centers.

**F. Status of Panama (II) TFCA Fund (as of 12/31/2008)**

Grants Account Deposits	Endowment Account	Number of Grants Approved	Value of Grants Approved
\$ 1,193,735	\$2,938,422	11	\$ 830,906



## TFCA PROGRAM IN COLOMBIA

### A. Essential Facts

1. Date of Agreement: March 30, 2004
2. Type of Agreement: Subsidized debt swap
3. NGO Partners: Conservation International, The Nature Conservancy, World Wildlife Fund
4. Financing Summary
  - USG funds contributed: \$ 7.0 million
  - NGO funds leveraged: \$ 1.4 million (about \$466,000 each)
  - Total funds generated: \$10.0 million over 12 years
  - TFCA Fund Manager: Fund for Environmental Action (Fondo Para la Acción Ambiental y la Niñez)

### B. Colombia's Forests

Colombia's diverse geology, climate and altitude have produced highly diverse and biologically rich forests. Geographic isolation in the Andes, especially in valleys and mountainous areas, has produced very high rates of endemism. The Colombian Andes represents the southern most range of oak forest. The country's Caribbean coastal forests are home to many hundreds of species of mammals, amphibians, reptiles and birds and include the highest coastal mountain on the planet in the Sierra Nevada de Santa Marta. The Orinoco river basin, shared with Venezuela, is home to numerous plant and animal species and contains the best preserved tropical dry forest in the country. The Orinoco is the world's third largest river.

### C. TFCA Program Overview and Administration

The aim of the TFCA program in Colombia is to enhance the ecological integrity and contribute to the long-term conservation of nine protected areas, including buffer zones and biological corridors, within Colombia's national system of protected areas. These areas are located in the tropical Andes, the Caribbean region, and the Llanos region:

**1. Tropical Andes:** This includes the Yariguies National Park, Tinigua National Park, Sumapaz National Park, Guanenta Sanctuary and three conservation corridors (Sumapaz-Tinigua, Oak Forest, Yariguies-Quinches). The region contains 21 distinct ecosystems, which are home to 120 species of mammals (including the spectacled bear and tapir), 46 species of amphibians and reptiles and 628 species of birds (including the condor.)

**2. Caribbean Region:** This includes three national parks (Isla de Salamanca Via Park, Sierra Nevada de Santa Marta National Park and Tayrona National Park) and two wildlife sanctuaries (Ciénaga Grande de Santa Marta and Los Flamencos). The region is home to the brown caiman, American crocodile and green iguana, and provides breeding habitat for threatened flamingoes, as well as an important stopover for migratory waterfowl.

**3. Llanos Region (Orinoco):** This area encompasses Tuparro National Park and buffer areas, which lie at the heart of the Orinoco River Basin and are home to the threatened giant river otter, Orinoco crocodile, capybara, two species of cebus monkeys and many other species.

The TFCA program in Colombia has two components: (1) a large grants program which provides direct funding to local conservation organizations and (2) an endowment fund to provide long-term financing for forest conservation. The Fund for Environmental Action (Fondo para Accion Ambiental y la Niñez) was established in 2000 to administer the existing Enterprise for the America's Initiative (EAI) program in Colombia. The TFCA Oversight Committee has five members, including one representative of the U.S. Government (from the USAID mission in Bogota), one representative of the Government of Colombia, and one local representative each of Conservation International, The Nature Conservancy and World Wildlife Fund.

#### **D. Specific Activities and Accomplishments**

As of October 2008, the local TFCA Oversight Committee had awarded six grants totaling \$2.8 million. Implementing grantees committed \$1.9 million in counterpart funding, for a total investment of \$4.7 million, as follows.

**1. Yariguies National Park (Tropical Andes): Sustainable Coffee Production.** A TFCA grant of \$315,809 has supported the introduction of sustainable coffee production to 200 families living around the park, providing alternative livelihood and taking pressure off the park's forest resources. Activities include:

- Provision of economic incentives to 65 small coffee growers to stimulate eco-friendly coffee production and processing technologies.
- Development and initial implementation of management plans for 90 family coffee farms.
- Design of payment for environmental services schemes incorporating land tax exemptions.

**2. Yariguies National Park: Sustainable Management.** A TFCA grant of \$580,002 has supported improved conservation and sustainable production initiatives building networks and collaborative partnerships among communities and private land owners in the park buffer zones. Activities include:

- Establishment of 2,520 acres of new private forest reserves.
- Set aside of 311 acres of community and other private land for natural forest regeneration.
- Training 130 community members in conservation planning, sustainable production and marketing of coffee, fruit and vegetables.
- Establishment of 50 conservation easement agreements with private owners.
- Promotion of sustainable agroforestry in private reserves in park buffer zones.

- Control of encroachment of cattle ranching through the conversion to sustainable ranching in 70 production units through promotion of silvopastoral systems.

3. **Isla de Salamanca Via Park (Caribbean):** A TFCA grant of \$54,311 has supported improved park planning (including forest management and land use planning) for the park and its buffer zone.

4. **Biosphere Reserve of El Tuparro, Llanos Region:** A TFCA grant of \$523,295 has supported improved management and consolidation of private conservation areas in the Reserve. Activities include:

- Development of sustainable fishing, ecotourism, and crafts projects as alternative livelihoods for local communities.
- Creation of two new private reserves encompassing 7,285 acres.
- Expansion of the adjacent Bojonawi Private Reserve from 1,300 to 2,600 acres.
- Planting 5,000 native species.
- Development and initiated implementation of a management plan for threatened species, including river dolphins, manatees, turtles, jaguars, migratory birds and giant otters.
- Development of a wetlands management plan within the El Tuparro National Park
- Introduction of environmental education programs in local schools.
- Development of a strategic ecotourism promotion plan to include sports fishing and bird watching components.

5. **Oak Forest Conservation:** A TFCA grant of \$703,790 has supported protection of the last remnants of Andean oak forests; improved connectivity of rural landscapes; converted cattle ranches to sustainable practices; and promoted conservation on private lands.

**E. Status of Colombia TFCA Fund (as of 12/31/2008)**

Grants + Reserve Acct. Deposits	Endowment Account Deposits	Number of Grants Approved	Value of Grants Approved
\$3,473,481	\$4,086,908	6	\$2,804,000

## TFCA PROGRAM IN JAMAICA

### A. Essential Facts

1. Date of Agreement: September 21, 2004
2. Type of Agreement: Subsidized debt swap
3. NGO Partners: The Nature Conservancy
4. Financing Summary:
  - US funds contributed: \$ 6.5 million
  - TNC funds leveraged: \$ 1.3 million
  - Total funds generated: \$16.0 million over 20 years
  - TFCA Fund Manager: Jamaica Protected Area Trust (JPAT)

### B. Jamaica's Forests

Jamaica's forest support many unique flora and fauna. Twenty-eight percent of its flowering plants, including a number of orchids, and 25 percent of its breeding birds, are endemic to the island. Many of these species are rare or threatened with extinction.

### C. TFCA Program Overview and Administration

The TFCA program in Jamaica is focused on protecting the country's remaining tropical forests. These include **The Blue and John Crow Mountain Forest Reserve**, which contains Jamaica's highest peak and is home to the endangered Giant Swallowtail Butterfly and a number of endemic orchids, as well as the **Portland Bight Protected Area**, a 724-square-mile land and marine reserve and the only place on the island where the Jamaican Iguana, once thought to be extinct, is found in the wild.

The TFCA program in Jamaica is currently a grants program which provides direct funding to local community and environmental organizations. Establishment of a separate endowment account to finance long-term conservation is planned. The TFCA Oversight Committee has seven members, including one representative from the U.S. Government (from the USAID Mission in Kingston), two representatives of the Government of Jamaica, one local representative of The Nature Conservancy, and three representatives of local conservation organizations. The Jamaica Protected Areas Trust was established to administer the TFCA program.

### E. Specific Activities and Accomplishments

As of December 2008, the TFCA Oversight Committee had awarded five grants totaling about \$326,267 to local community and environmental organizations. These 2008 grants, many of which are being undertaken in cooperation with government officials, have supported the following activities:

- Port Royal Marine Laboratory received a grant to offset the cost of mangrove seedling propagation and the subsequent reintroduction of these seedlings into the denuded coastal areas of Port Royal and Palisades.
- The Accompong Maroon Council received a grant to develop an eco-tourism attraction in the Cockpit Country, in the form of interpretive trails and overnight rest facilities. The aim is to reduce the dependence of the local people on the forest resources by providing an alternate source of income.
- The Natural Products Institute identified the need for preventing overexploitation of Bitterwood, a native forest species which is valued in Jamaica for its chemical properties and insect resistance. The Institute will research propagation of the highest yielding Bitterwood varieties in order to achieve sustainable management.
- The Biotechnology Centre was the recipient of a grant to identify, propagate and disseminate native forest species contained within Jamaica's biodiversity 'hotspots'. The project will address the threats to forest cover arising from local use, and provide seedlings of revenue generating native species for reforestation in the buffer zone communities
- A grant to **The Forest Conservancy** was provided to improve and promote forest management on private lands.

**E. Status of Jamaica TFCA Fund (as of 12/31/2008)**

Grants Account Deposits	Endowment Account	Number of Grants Approved	Value of Grants Approved
\$ 4,164,973	Pending approval	5	\$ 326,267

## **TFCA PROGRAM IN GUATEMALA**

### **A. Essential Facts**

1. Date of Agreement: September 8, 2006
2. Type of Agreement: Subsidized debt swap
3. NGO Partners: Conservation International, The Nature Conservancy
4. Financing Summary:
  - USG funds contributed: \$15 million
  - NGO funds leveraged: \$ 2 million (\$1million each)
  - Total funds generated: \$24 million over 15 years (through 2023)
  - TFCA Fund Manager: Foundation for the Conservation of the Natural Resources and Environment of Guatemala (FCG)

### **B. Guatemala's Forests**

Guatemala is particularly rich in biodiversity due to the country's geographical position and geology. Its topography includes a range of altitudes from sea level to over 4,000 meters above sea level. This has resulted in numerous microclimates, soil conditions and fauna and flora endemic to Guatemala. The largest forest areas are concentrated in the lowlands, western highlands and eastern Guatemala.

### **C. TFCA Program Overview and Administration**

The aim of the TFCA program in Guatemala is to conserve the following four ecologically and socio-economically important forest areas within the Guatemalan Protected Areas System (SIGAP):

1. **Maya Biosphere Reserve.** Includes Lacandon National Park; Laguna del Tigre National Park, the designated Multiple Use Zone and related biological corridors and community forestry concession areas.
2. **Volcanic Chain of the Guatemalan Occidental Highlands.** Includes the volcanic region extending from Pacaya Volcano National Park and Alux Forest Reserve to the Tacana Volcano, as well as the altitudinal ranges in the designated Multiple Use Watershed of the Lake Atitlan Reserve.
3. **Motagua-Polochic System and the Caribbean Coast.** Includes Bocas del Polochic Wildlife Refuge, the dry Motagua ecosystem and the Golf of Honduras watershed, which drains into the Caribbean.
4. **Cuchumatanes Region.** Includes the areas of Todos Santos Cuchumatan, Cruz Maltin, Magdalena Pepajau and other habitats for threatened or endangered species

(particularly amphibians) as determined by the World Conservation Union (IUCN) Red List of Threatened Species.

The TFCA program has two components: (1) a grants program which provides direct funding to local community and environmental organizations and (2) an endowment fund to provide long-term financing for forest conservation. The TFCA Oversight Committee has five members, including one representative of the U.S. Government (from the USAID Mission in Guatemala City), one representative from the Government of Guatemala, one local representative each of Conservation International and The Nature Conservancy, and one representative of a local non-governmental organization. The Fund Administrator, FCG, is a private foundation that was established in 1991 through assistance of the World Wildlife Fund.

**D. Specific Activities and Accomplishments**

As of November, 2008, the local TFCA Fund awarded seven (7) grants totaling \$1,608,446 to Guatemalan NGOs for support of the following activities:

- Strengthening institutional capacities for conservation and sustainable community development in the **Sierra del Lacandon National Park** in the **Mayan Biosphere** (Petén).
- Strengthening the Solola regional parks system and support sustainable development initiatives in the Guatemalan volcanic chain region.
- Developing a conservation strategy within **the Motagua Valley of the Motagua-Polochic** watersheds.
- Designing proposals for alternative strategies of conservation for northern **Huehuetenango in the Cuchumatanes Region**.
- Strengthening community organization for local management of communal forests in **Quetzaltenango and Totonicapán**.
- Strengthening of community management for the conservation of **Cero Cucho** and **Cero Saquibut in San Marcos**.
- Resolution of 3 management and territorial governance conflicts in protected areas of the Caribbean (**Motagua-Polochic** watersheds).

**F. Status of Guatemala TFCA Fund (as of 12/31/2008)**

Grants Account Deposits	Endowment Account	Number of Grants Awarded	Value of Grants Approved
\$ 3,913,555	\$ 1,145,454	7	\$1,608,446

## TFCA PROGRAM IN COSTA RICA

### A. Essential Facts

1. Date of Agreement: September 13, 2007
2. Type of Agreement: Subsidized debt swap
3. NGO Partners: Conservation International, The Nature Conservancy
4. Financing Summary:
  - USG funds contributed: \$12.6 million
  - NGO funds leveraged: \$ 2.5 million
  - Total funds generated: \$26 million over 16 years (through 2023)
  - TFCA Fund Manager: Costa Rica-USA (CRUSA) Foundation

### B. Costa Rica's Forests

Costa Rica's forests cover about half the country and include biologically rich rainforests, dry forests, coastal forests and mangroves. Many of these forest ecosystems are also essential to preserving the country's water resources. Costa Rica has been an innovator in establishing user pay and other programs to generate payments for forest ecosystem services, including water and carbon, as well as for developing successful ecotourism programs, which account for about 5% of the country's gross domestic product.

### C. TFCA Program Overview and Administration

The aim of the TFCA program in Costa Rica is to help conserve high value forests in the following regions of the country:

1. **Osa Peninsula** - Home to the scarlet macaw and many other bird species, as well as the squirrel monkey and jaguar
2. **La Amistad** - Most extensive tract of protected forest in the country and the source of much of Costa Rica's fresh water.
3. **Maquenque Wildlife Refuge** - Home to the great green macaw and many other species
4. **Tortuguero** – Dry forest with high biodiversity
5. **Nicoya Peninsula** – Dry forest and mangroves important to preserving the water resources in the region.

The TFCA program for Costa Rica is a grants program which provides direct funding to local community and environmental organizations. An endowment fund is also being considered to provide long-term financing for conservation in the five focus regions. The TFCA Oversight Committee has five members, including one representative of the USG (from the U.S. Embassy in San Jose), one representative of the Government of Costa Rica, one local representative each of Conservation International and The Nature Conservancy, and one representative of a local civil society organization. The CRUSA Foundation was established through a U.S. endowment in 1996 when USAID departed from Costa Rica.



**D. Specific Activities and Accomplishments**

Progress was made on a number of fronts toward making the TFCA program in Costa Rica fully operational in 2009:

- A Term member representing civil society was selected and approved as the fifth and final member of the Oversight Committee.
- Since the 2007 signing of the TFCA agreements, through 2008, the OC held 12 regular meetings.
- A sub-committee of the Oversight Committee completed a “gaps analysis” to further refine Fund priorities and, while no strategic plan has been finalized, a planning workshop was conducted in November.
- CRUSA drafted all necessary policies and procedures to begin implementation of grant making (e.g. operations manual, grant-making manuals).

As of December 2008, the Government of Costa Rica had deposited about \$2.3 million into the TFCA fund. Grant-making is expected to be implemented by mid-2009.

**E. Status of Costa Rica TFCA Fund (as of 12/31/2008)**

Grants Account Deposits	Endowment Account	Number of Grants Approved
\$ 2,300,818	Under consideration	0

# Annexes

# Annex I

## Enterprise for the Americas Board

### EAB USG members

<u>Member</u>	<u>Designee</u>
1. Hon.. Hillary Rodham Clinton Secretary of State [Chair]	Ambassador Reno L. Harnish Acting Assistant Secretary for OES
2. Hon.. Timothy F. Geithner Secretary of the Treasury	vacant
3. Hon. Lisa Jackson Administrator of the Environmental Protection Agency	Ms. Kathy Petruccelli Deputy Assistant Administrator for International Affairs
4. Hon. Tom Vilsack Secretary of Agriculture	vacant
5. Vacant Administrator of USAID [Vice-Chair]	Mr. James Hester Agency Environmental Coordinator
6. Ms. Nancy Sutley Chair of the Council on Environmental Quality	vacant
7. Hon. Ken Salazar Secretary of the Department of Interior	Kathryn Washburn Director of International Affairs (DOI)
8. Dr. Valdis Mezainis Director of International Programs, USDA Forest Service	Dr. Valdis Mezainis

### EAB Private Sector Members

### Appointment - Vacancy Date

9. Mr. Peter Seligmann, Chairman & CEO, Conservation International	1999 - active
10. Mr. Jan Hartke, Executive Director, EarthVoice	1999 - active
11. Dr. Linda Randolph, The Developing Families Center	1995 - active
12. Dr. Douglas X. Patiño, Vice Chancellor, California State University	1995 - active
13. Vacant [Ms. Diane Wood, World Wildlife Fund resigned]	1995 - 2002
14. Vacant [Mr. Jorge Bolaños, NOVA Home Health Corp., inactive]	1995 - 2000
15. Vacant [Mr. John Sawhill, The Nature Conservancy, deceased]	1995 - 2000

## Annex II

### TFCA Fund Evaluation Scorecard

	Category	Function	Criteria	Rating
			<b>definition:</b> "OC/B and its implementor" = The Oversight Committee/ Board and its Fund Administrator or Office of Executive Director.	Excellent (4); Acceptable (3); Needs Improvement (2); Unacceptable (1); NA
<b>A.</b>	<b>Implementation of Agreements</b>		A.1.1 The OC/B and its implementor become operational within one year from the signing of the agreements.	
			A.1.2 The Fund, or other implementor of the TFCA agreement, is in compliance with all articles of the agreements, including the legal registry of the appropriate implementing bodies.	
			A.1.3 The Fund, or other implementor of the TFCA agreement, completes, and makes accessible, annual audits, plans and reports as may be required in the agreements.	
<b>B.</b>	<b>Governance</b>	<b>Planning</b>	B.1.1 Within one year of January 1, 2005 or within one year of becoming operational, the OC/B has established a written strategic plan that includes (a) specific, key objectives, (b) a list, in order of importance, of conservation and funding priorities in order to meet those objectives, and (c) target dates for completion of objectives.	
			B.1.2 The established goals & objectives complement plans/programs of others (eg. national environmental plans, donors, swap partners).	
			B.1.3 The OC/B, or its implementors, have established all internal operational policies and procedures in accordance with normal business standards.	
		<b>Implementation</b>	B.2.1 The OC/B meets in accordance with the bilateral agreement with achieves a quorum at these meetings.	
		<b>Monitoring</b>	B.3.1 The OC/B evaluates, on an annual basis, progress toward the key objectives specified in the strategic plan, and implements any changes judged necessary to remedy deficiencies in meeting the key objectives.	
			B.3.2 Within one year of January 1, 2005 or within one year of becoming operational, the OC/B has established and implemented a monitoring and evaluation plan for determining the conservation impact of funded projects. OC/B monitors assessment of impact of projects.	
			B.3.3 The OC/B conducts an annual performance review of institutional management (itself, the implementors, and, if applicable, the Trustee or Investment Manager).	

	<b>Category</b>	<b>Function</b>	<b>Criteria</b>	<b>Rating</b>
<b>C.</b>	<b>Grant Management</b>	<b>Planning</b>	C.1.1 The percentage of total funds paid into the Foundation or Fund (or other vehicle established to receive payments resulting from the Forest Conservation Agreement) disbursed as grants annually, is at a reasonable level.	
		<b>Implementation</b>	C.2.1 Request for Applications (RFAs), or other grant solicitation mechanisms used, are undertaken on a schedule consistent with an OC/B approved expenditure plan, if applicable, and widely publicized (if competitive). (Please specify publication method, frequency, and number of grant applications received).	
			C.2.2 Grant processing, including fund disbursement periods, is maintained within reasonable targeted timeframes.	
		<b>Monitoring</b>	C.3.1 Grant agreements require reporting on the conservation impact of project.	
			C.3.2 The OC/B has a policy on the need for, and the frequency of, financial audits of grant recipients.	
			C.3.3 Implementor ensures that all necessary grant recipient financial audits and/or impact reports are submitted as required by agreements.	
			C.3.4 The OC/B, through its implementors, ensures periodic on-site reviews of grant projects.	
<b>D.</b>	<b>Financial Management</b>	<b>Planning</b>	D.1.1 The OC/B has established a financial plan (complete with budgets, forecasts of income and expenditures).	
			D.1.2 As appropriate, the OC/B has established a written investment policy (guidance for the implementor or fund manager).	
		<b>Implementation</b>	D.2.1 The administrative costs were kept within the limits established by the bilateral agreement or its amendments during the last fiscal year.	
			D.2.2 The OC/B has established, as appropriate, in-house or outsourced investment monitoring capabilities (separate from the Investment Manager).	
			D.2.3 Assuming fund sustainability beyond the life of the TFCA agreement is an objective, the fund has diversified its sources of revenue (fund raising).	

## **Annex III**

### **EAI COUNTRY REPORTS**

## Argentina

The Enterprise for the Americas Initiative Fund (EAI) was created in January 1993 through a bilateral debt reduction agreement with the United States. This agreement applied the interest on an outstanding \$34 million debt owed by Argentina to USAID to provide \$3.1 million to the EAI over a 14-year period. EAI Fund operations began in September 1995.

### **Mission Statement**

To promote activities designed to preserve, protect, or manage the natural and biological resources of Argentina in an environmentally sound and sustainable manner, while encouraging the improvement of child survival and development in Argentina.

### **Background**

The Americas Fund for Argentina has had a bumpy recent history. Grant making began in 1996 with approximately 24 grant provided through 2001. Due to Argentina's financial crisis in 2001-2002, the GOA missed five quarterly interest payments to the Fund. In September 2002, the GOA also missed a payment of principal to the U.S. Government totaling USD 2,691,075. As a result, Argentina was declared "in violation of the Brooke Amendment" in October 2003. The operation of the Argentine Americas Fund was not affected by that designation, and GOA interest payments to the Fund are currently back on schedule.

2003 was also the year the GOA finally formalized the Fund's legal standing. Since then, the Fund has had the support of the Secretary of Environment and Sustainable Development, which provides office space free-of-charge. The Fund held its first board meeting as an established legal entity in September 2003. Grant-making activities were renewed in 2004 after a two-year recess, which was occasioned by the Fund's lack of legal standing.

### **Grant-Making**

The Americas Fund for Argentina makes a distinction between the "Call Year" (the year in which the Call for Proposals was released), the "Approval Year" (the year in which the grant agreement is signed), and the "Finance Year" (the 1-2 years of disbursements). While the Approval year and Finance Year are generally the same, the Call Year often predates the others in reporting cycles.

The "VIII Convocatoria" (Eighth Call) was issued in August 2007. Thirty (30) grant proposals were received for this Call by the deadline of November 30. In April, 2008, the Fund approved eleven (11) projects of the 30 submitted (37%). These 11 grants, totaling US\$518,000, are highlighted in the Table below. Only one projects, however, the Marzano Foundation, has so far completed the necessary paper work to start operations.

The remaining projects await the nomination of a GOA representative to the Fund by the new Environment Secretary.

The "IX Convocatoria" (Ninth Call) was issued in October 2008. Project proposals were requested for the following categories: soil conservation and management; biodiversity; water resources; land; air quality; alternative energy; health and the environment; and environment and childhood. The Fund set a deadline of January 31, 2009 for submission of project proposals. Since its inception, the Fund has approved \$1.9 million in grants.

### Project Administration and Oversight

The table below contains information relating to all Fund projects approved in 2008.

Institution	Projects	Months	Grant (US \$) rounded	Project Objectives
	<b>CENTER REGION</b>			<b>Province of Cordoba, Buenos Aires and City of Buenos Aires</b>
Marzano Foundation	sustainable development	24	\$58,000	Train and provide information to local communities for the conservation and sustainable development.
Conservation and Development Foundation CONYDES	urban natural reserve	18	\$45,000	Environmental education. Promote conservation, sustainable development and protection of biological diversity by improving management of protected areas
	<b>CUYO REGION</b>			<b>Provinces of Mendoza, San Juan, San Luis</b>
Public Policy Institute	Sustainability in protected areas with mining operations	12	\$45,000	Establish a sustainable model for the conservation of biodiversity and water resources as well as minimum standards to ensure human health in protected areas and surrounding buffer areas in the regions with mining activity.
	<b>NORTHEAST REGION</b>			<b>Provinces of Chaco, Formosa, Misiones, Corrientes and Entre Rios</b>
Wetlands Internacional Argentina	conservation of fish and biodiversity in rice paddies	24	\$55,000	Conservation of fish and biodiversity in rice paddies and wetlands by monitoring water quality and promotion of best practices for rice cultivation. Includes the identification of bio-indicators as well as training local producers in these techniques.
Artesanias Argentinas	sustainable management of forest resources	24	\$25,000	Train local communities in sustainable forest management techniques for the conservation of natural resources and biodiversity thus improving working and living conditions of the local indigenous population
Association of Professionals for the Development of Misiones	childhood and biodiversity in a Guarani indigenous community	24	\$55,000	Protect the Guarani community's habitat and natural resources by promoting the sustainable use of forest products, water conservation techniques and the recovery of degraded areas



Mocona Association	access to safe water	24	\$55,000	Training on sustainable use of water resources, promotion of sustainable management practices to low income indigenous communities
<b>NORTH WEST REGION</b>				<b>Provinces of Catamarca, Jujuy, Salta, La Rioja, Santiago del Estero and Tucuman</b>
Asociación Civil Bosque Modelo Jujuy	sustainable management of native forestry resources	24	\$50,000	Contribute to the creation of a seed bank of Trees Native to the North West region to improve their seed production and at the same time training of local staff in the technique and the importance in the sustainability of natural resources.
Centro de Desarrollo Rural y Urbano Sustentable CeDRUS	environmental education	24	\$25,000	Design and implement an environmental education program that can be replicated in other schools in the region. The purpose is to include issues that pertain to the school's environmental concerns as well as broader aspects related to the region and is sustainable development.
<b>PATAGONIA NORTH REGION</b>				<b>Provinces of La Pampa, Neuquen, Rio Negro</b>
Foundation for the Development of Forestry Environment and Ecotourism in Patagonia	prevention of forestry fires	20	\$55,000	Protection against forestry fires through training, prevention and planning in the area known as Bolson.
Gente Nueva Foundation	child survival and environment	24	\$50,000	Generate environmental awareness in children

## Fund Management

The 1993 U.S.-Argentina bilateral agreement that created the Americas Fund established that the then-called Secretariat for Natural Resources and Human Environment would serve as the Executive Secretariat for the “Americas Fund Commission,” consisting of nine members. Because the Fund’s legal status approval was delayed six years (as explained above), the Board functioned independently of the GOA from 1995-2002. A new nine-person Board was confirmed in August 2003. The U.S. Embassy representatives to the Americas Fund board are the Deputy Chief of Mission (currently Thomas Kelly) and the Counselor for Environment, Science, Technology and Health as alternate (currently James Perez).

The Fund has renewed its contract with the part-time accountant hired in 2004. In accordance with the Fund Agreement, the accounting firm Price Waterhouse & Co. was contracted to carry out the external auditing for the periods of September 1, 2005 to August 31, 2007.

According to the payment structure agreed upon by the Government of Argentina and the Government of the United States, the Fund was to have received a final interest payment of USD 6,986 by the end of the quarter ending on September 30 2007. However, as mentioned earlier in this report, the Government of Argentina declared default on its debt

on December 2001 and stopped payments of principal that had been established by the Fund Agreement. Both Governments have agreed that the Fund will continue as an active entity as long as it has resources to fund projects that fulfill its mandate.

### Sustainability

As the Fund's schedule of deposits has expired, administrative and other operating expenses are covered with a deduction of 8% from the amount assigned to projects. Other expenses contemplated include follow-up and monitoring of each approved project.

Fund Data	2001-2004	2005	2006	2007	2008	Total 2001-2008
No. of proposals submitted	170	62	77	30	-	339
No. of proposals approved	10	5	11	11	-	37
EAI funding disbursed for projects	\$ 247,700	\$ 136,665	\$ 134,173	\$ 72,781	\$ 221,522	\$ 812,841
Total counterpart match	\$ 341,939	-	\$ 317,934	\$ 400,884	-	\$ 1,060,757
Counterpart as a % of project budget	58%	-	70%	85%	-	57%
Amount spent on Administration	\$ 61,624	\$ 11,166	\$ 16,895	\$ 21,280	\$ 22,525	\$ 133,490
Administrative costs as % of grant disbursements	24.9%	8.2%	12.6%	29.2%	10.2%	16.4%
Interest gained on the Fund	\$ 225,666	\$ 164,018	\$ 164,803	\$ 165,633	\$ 173,216	\$ 893,336
Fund balance at the end of the year	\$1,680,195	\$ ,671,928	\$1,718,990	\$1,782,205	\$1,732,765	n/a

	2004 US\$	2005 US\$	2006 US\$	2007 US\$	2008 US\$
Interest by agreement	114,411	89,008	61,590	34,564	7,359
Compensate interest	47,391	75,01	103,213	131,069	165,857
Total payment	161,802	164,018	164,803	165,633	173,216

Website: [www.medioambiente.gov.ar/fam](http://www.medioambiente.gov.ar/fam)

# Bolivia



## I. Background

### *Creation of the PUMA Foundation*

The Enterprise for the Americas Initiative Fund (EAI) in Bolivia was created through a bilateral debt reduction agreement with the United States Government (USG) in August 1991. This agreement reduced approximately U.S. \$31 million of P.L. 480 debt. Interest on the remaining debt of U.S. \$7 million, together with a voluntary U.S. \$20-million bond issued by the Government of Bolivia (GOB) as part of a separate deal that discharged U.S. \$341 million of USAID loan debt, is projected to provide the EAI Fund with U.S. \$21.8 million over a 15-year period. The Fund's operation began in September 1992 and was managed for seven years by the Bolivian Government's National Fund for the Environment (FONAMA).

In June 2000, the USG and the GOB signed a Protocol amending the original EAI Framework Agreement with the purpose of transferring the management of the EAI account to a private foundation. In May 2001, the Foundation for the Protection and Sustainable Use of the Environment (Fundación PUMA) was created. In November 2002, the transfer of U.S.\$17.6 million in EAI funds from FONAMA to PUMA was accomplished and by May 2003, the necessary Executive Orders and administrative covenants were signed, enabling PUMA to initiate its operations.

Also in 2003, a capable Board of Directors and the General Manager held strategic planning meetings establishing Annual Operating Plans (AOPs), a Financial Administrative System and a Project Preparation, Monitoring and Evaluation System, composed of internal controls, technical procedures, regulations and manuals. Once equipped with these essential tools, the Foundation launched its innovative and distinctive new business model for sustainable natural resource-based project financing.

### *PUMA's Mission and Approach*

As its mission statement claims, *PUMA exists to change the relationship between human beings and nature, to sustain both for mutual benefit.* This mission has guided the Foundation's actions, as evidenced by:

- The participation of 490 indigenous, rural and settler communities and 14 ASLs (Local Social Associations) in the preparation and execution of projects.
- The development of capacities for the management and administration of renewable natural resources in 13,686 members of these communities.
- The generation of 2,500 direct jobs and 8,945 indirect jobs through grants.
- The registration of 1.9 million hectares of forests under sustainable management incorporated to the Forestry System.

- The selection of 140 species of plants (96 timber products and 44 non timber products) and 31 species of animals (mammals, arthropods and reptiles) for sustainable management.

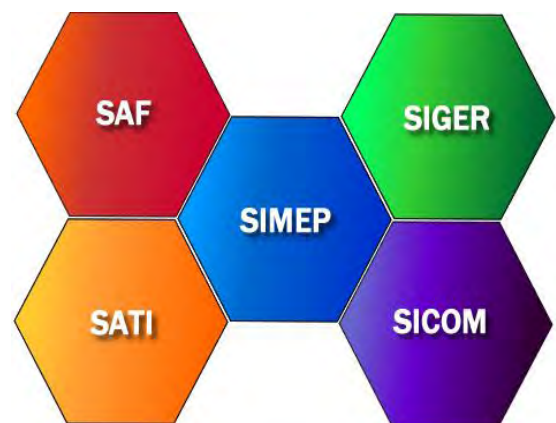
Since the beginning of PUMA’s operations, its grant management model presented a new paradigm in Bolivia. PUMA identified its grant-making niche as contributing to both environmental conservation and human development (i.e., economic productivity) and all project proposals must demonstrate both. In addition, PUMA provides grants only for the sustainable use of *renewable* natural resources in one of three program areas: forests and forested lands (forest timber and non timber resources); biodiversity (wildlife and genetic resources); and, water resources (micro-watersheds related to the use of hydro-biological natural resources).

All grant applications must address "management and sustainable use" of these resources (i.e., economically productive conservation) for which business plans are developed. Every proposal must contribute to improved livelihoods. A proposal may include training and/or research, as long as these elements prove to contribute to the management and sustainable use of the resource.

### ***PUMA’s Management Systems***

To help implement this vision and to strengthen the beneficiary institutions and communities seeking for funding for their productive initiatives, PUMA implements decentralized Project Schools as scenarios for designing, evaluating and selecting project proposals. These Schools train prospective grantees in the development of grant management skills, especially in project design. The Schools are administered by PUMA’s Pre-Investment Office (DPI<sup>6</sup>), *addressing issues prior to actual grant approval*. The two other PUMA offices are the Project Monitoring and Evaluation Office (DIMEP) and the Finance and Administration Office (DAF).

PUMA’s organizational structure is supported by a sophisticated information technologies (IT) system. The IT design allows for systematization and integration of information across five management areas, each identified by its Spanish acronym: SIMEP (*Project Preparation, Monitoring and Evaluation System*); SAF (*Financial Administration System*); SIGER (in charge of donor databases, portfolio monitoring, and document management); SICOM (in charge of the webpage, internet, virtual forum and photo gallery); and SATI (in charge of managing information security policies). A Geographical Information System (GIS) is incorporated into the SIMEP for improved program management and integration.



<sup>6</sup> Spanish acronyms are used throughout this chapter.

## **II. Overview and Achievements in 2008**

### ***Budget***

At the beginning of 2008, the total approved budget from multiple sources reached to US\$ 4,543,784. This budget was increased in June of the same year to US\$ 4,784,350 as a result of the approval of two new programs that started in the second semester of 2008. Budget composition and modifications can be seen in the following table.

**2008 Approved and Modified Budget (US\$)**

<b>Funding Source</b>	<b>Approved Budget</b>	<b>Modified Budget</b>	<b>Executed Budget</b>	<b>Balance</b>	<b>Execution %</b>
EIA Account	2,842,125	3,082,691	2,325,636	757,055	75.44%
Conservation International	36,662	36,662	27,297	9,365	74.46%
Critical Ecosystem Partnership Fund (CEPF)	480,455	480,455	56,158	424,297	11.69%
The McKnight Foundation	378,924	378,924	378,924	0	100.00%
Amazon Basin Conservation Initiative (ABCI) - ICAA	228,522	228,522	41,622	186,900	18.21%
Fondo de Medio Ambiente (Environmental Fund)	416,145	416,145	222,586	193,559	53.49%
CIDOB-GTI	160,951	160,951	17,829	143,122	11.08%
<b>TOTAL</b>	<b>4,543,784.00</b>	<b>4,784,350.00</b>	<b>3,094,068.00</b>	<b>1,714,298.00</b>	<b>49.20%</b>

### ***Project Development and Grant Approvals***

PUMA works to continually improve its methods for skills development and technical assistance based on evaluative feedback and lessons learned. The result has been use of three principal technical assistance mechanisms: 1) Project Orientation Schools, 2) Basic Organizational Development (DOB), and 3) Training Schools.

#### **Project Orientation School**

During the 2008 term, four (4) Project Orientation Schools were developed with the participation of 135 representatives from rural communities and base organizations, who were provided training in Foundation rules, regulations and procedures for presentation of project concepts. These events were held in rural areas and in coordination with partner organizations such as the Confederation of Indigenous Peoples of Bolivia - CIDOB and the Organization of Leco Indigenous Peoples from Larecaja - PILCOL.

The Tenth Project School was referred to as the “First Indigenous School”, and was a result of an Inter-institutional Agreement of Strategic Alliances signed with CIDOB. CIBOD was a full participant, providing administrative and technical representatives for the two project school cycles and members for the Academic Council. The Indigenous

School was held in the city of Santa Cruz. Eighteen project ideas participated with 36 project representatives (2 participants per project idea). After two cycles of the project school, 17 final project profiles were developed and subsequently approved by the Academic Council for a total of US\$ 1,539,772. Most projects were for the sustainable management and use of biodiversity and forest resources (timber and non timber products) on Original Community Lands (TCO). The project execution will be by lowland indigenous peoples.

**Summary of Project Schools and Call for Proposals Since Inception**

<b>Project School</b>	<b>Project ideas presented</b>	<b>Approved Grants</b>	<b>Grant Amounts (U.S.\$)</b>	<b>Counterpart Amounts (U.S.\$)</b>	<b>Total Project Budget (U.S.\$)</b>
<b>First - 2003</b>	177	3	253,540.00	249,615.00	503,155.00
<b>Second - 2004</b>	67	7	518,715.00	165,528.00	684,243.00
<b>Third - 2004</b>	47	5	260,750.00	65,259.00	326,009.00
<b>Fourth - 2004</b>	58	12	803,275.00	296,865.00	1,100,140.00
<b>Fifth - 2005</b>	70	12	792,982.00	384,571.00	1,177,553.00
<b>Sixth - 2005</b>	57	20	1,611,466.00	558,644.00	2,170,110.00
<b>Seventh - 2006</b>	88	11	830,492.00	253,501.00	1,083,993.00
<b>Eighth - 2006</b>	69	15	1,799,436.00	1,628,112.00	3,427,548.00
<b>CEPF School - 2007</b>	4	4	237,359.00	76,884.00	314,243.00
<b>Ninth - 2007</b>	65	14	1,284,754.00	390,224.00	1,674,978.00
<b>Tenth - 2008</b>	64	17	1,539,772.00	664,447.00	2,204,219.00
<b>Totals</b>	<b>766</b>	<b>120</b>	<b>9,932,541.00</b>	<b>4,733,650.00</b>	<b>14,666,191.00</b>

#### Basic Organizational Development (DOB)

In 2008, PUMA began a new initiative for the delivery of technical assistance to grantees entitled Basic Organizational Development (DOB – Spanish acronym). Through this mechanism, 10 grantees benefited from technical assistance from four independent consultants. Legal assistance („Legal DOB’) also benefited seven projects to be funded under the Agreement with the CIDOB/GTI.

Twelve grantees in the Departments of La Paz and Beni also benefited from technical assistance from two partner NGOs. In the Department of Pando, a contract was signed with the Commonwealth of the Municipalities from the Northern Region of the Bolivian Amazon (MAMUNAB) for the execution of the DOB Program there.

#### Training School

Three Training Schools were developed to support both program and administrative capabilities of grantees. One training was held in each of the cities of Cobija (Pando) and Rurrenabaque (Beni), and one in the city of Tarija. The Beni training was funded in cooperation with the Conservation International’s Critical Ecosystem Partnership Fund Program (CEPF). The trainings should expedite improved quarterly disbursement reports and the bi-annual Single Progress Reports (RUE).

### Approved Grants from the Tenth Project School (July 2008)

Nº	Project Title	Beneficiaries	Executor	Amount Donation (\$us)	Amount Counterpart (\$us)	Project's Budget (\$us)
		Communities or concessions				
1	Consolidation of the self-administration of the sustainable production of jatata mats of the APAIRO at RBTCO Pilón Lajas	Families of the communities of San Luis Chico, Corte Gredal, Bisal, San Bernardo San Luis Grande, Bolsón	TROPICO – Bolivian Association of Conservation	51.408	17.596	68.998
2	Handling and sustainable usage of rubber within the community of Santa Rosa de Challana	Families of the community of Santa Rosa of Challana	Native Community of Santa Rosa of Challana	97.145	25.978	123.123
3	Ecological Tourism Chushuara	Families of the community of Chushara	Chuswara Community	99.002	33.099	132.102
4	Handling and sustainable usage of pacu in the community of Uyapi, municipality of Teoponte, Department of La Paz	Families of the community of Uyapi	Indigenous Community of Leco "Uyapi"	74.623	20.517	95.140
5	Elaboration and commercialization of the syrup of asahí ( <i>Euterpe precatoria</i> ) in communities of TCO Itonama.	Families of the communities of Nueva Calama, Canavasneca and Aserradero	Sub-central zone of the Indigenous Town of Itonama	89.098	23.003	112.101
6	Gathering and commercialization of Brazil nuts in TCO Moré	Families of the communities of Monte Azul, Vuelta Grande	Moré Council	99.999	33.956	133.956
7	Integral usage of motacú palm in the communities of TCO TIMI	Families of the communities of Fátima, Vermeo, Argentina, El Beni, Nueva Bisa, Litoral, Chontal, Pueblo Viejo, Santa Rita, San Miguel del Matire	Sub-central indigenous Territory of Moxeño Ignaciano	65.302	16.758	82.060
8	Sustainable usage of the jatata leaf at TCO TIM of San Ignacio de Moxos	Families of the communities of Mercedes del Apere, Monte Grande, Jorori, Mercedes del Cavitu	Women's Organization TIMI	99.097	24.886	123.984
9	Usage of the willow, bandol, resinilla, algarrobo, timboy and bejuco blanco to be used in rustic products (furniture) including reforestation and management plans in TCO KAAMI	Families of the communities of Pepi-ltiyuro, Yobatitinde, Itananbicua	TCO KAAMI	71.126	16.145	87.271
10	Sustainable Forestall Usage	Families of the community of Nueva Galilea	Indigenous Council of Yuracare	98.023	31.358	129.381
11	Gathering, transformation and commercialization of wild chocolate	Families of the community of TCO Yuracare	Indigenous Council of Yuracare - Coniyura	99.983	27.408	127.391
12	Communal carpentry at TCO Lomerio.	Families of the communities of Palmira, San Antonio, San Lorenzo, Puquío, Fátima, Sunsubi, Monterito	Indigenous Center of the Communities of Lomerio	99.894	68.757	168.652

13	Strengthening of the gathering and commercialization of Brazil nuts of TCO Chacobo – Pacahuara	Families of the communities of Siete Almendro, Firmeza, Fortaleza, Castañalito Las Petas, Palmera	Tapaya	99.803	49.855	149.657
14	Integrated management of beekeeping and breeding of stingless bees (Meliponiculture) in the communities of TCO Machareti	Families of the communities of Carandaitico, Totoral, El Vinal, Nancaroinza, Isipotindi, Timboicito, Macahareti Central, San José, Machareti Estación, Tatí, Tiguipa Pueblo, Tentamí, Tairenda, Tihuipa Estación, Yukikaipipendi	Community Association of the Machareti zone	98.985	31.190	130.176
15	Usage and commercialization of rubber in TCO Cavineña	Families of the communities of Baqueti, Las Mercedes, Campo Bolivar, Centrito, Lago Buena Vista	Amazonian Cavineño Indigenous Organization	99.864	26.216	126.080
16	Elaboration of cosmetics and personal hygiene products made with palm oil from Cusi by for the Guarayos indigenous communities	Families of the communities of Ascención, Puente Urubichá, Yaguarú	Women's Association of Guaraya Natives, Artisans of Cusi	96.637	168.736	265.372
17	Transformation and processing of wood in TCO Mosestén	Families of the communities of San Pedro, Villa Concepción, San José, Covendo, Sinai, Santa Ana Muchanes Inicua	Organization of the Indigenous Town of Mosesten	99.789	48.988	148.777
				1.539.772	664.447	2.204.220

### ***Project Monitoring and Evaluation***

During 2008 term, 15 new projects moved to the disbursement phase. All together, by December 31 of 2008, 67 projects were being executed, receiving disbursements and were periodically monitored in accordance with the monitoring plans established by the SIMEP. The programmed disbursements for these 67 projects are US\$ 2,850,104. As of December 31, US\$ 1,720,232 had been disbursed, with a remaining balance of US\$ 1,129,871 to be disbursed.

#### **2008 Projects in Execution**

<b>Total Projects</b>	<b>Programmed Disbursements US\$</b>	<b>Disbursed amount US\$</b>	<b>Balance to be Disbursed US\$</b>
67	2,850,104	1,720,232	1,129,871

In 2008, a new grant monitoring process was implemented which permitted greater interaction with the grant beneficiaries and the executors. This new process is intended to strengthen the assistance and monitoring to each project by the appointed technical personnel, or *monitoring managers*. Each manager is provided greater authority and autonomy to make immediate decisions based on the emerging needs and requirements of the projects. Monitoring assignments are increasingly based upon geographical relatedness and technical knowledge of the SIMEP team. The result has been a greater communication flow and a better the handling and sharing of information with the project grantees. The



monitoring managers are also serving as instructors Training Schools, hence facilitating the transfer of knowledge and technology to the beneficiaries and administrators of the projects.

The SIMEP monitoring software has also been improved. Lessons are systematized and data entry simplified allowing informed and timely decision making. Information is currently being migrated to the new software tool historical archives being digitized.

### ***Research Fellowships Program***

A Co-Financing Agreement exists between Conservation International (CI) and PUMA Foundation. Since 2003 it has offered research funding on endangered species under a program entitled the “Werner Hanagarth” Fellowships Program. Currently, research proposals are being received for a Sixth National Call for Proposals launched in 2008. The studies are national in scope and have achieved impressive outcomes and, as a consequence, both the available funding and the scope of research topics have increased.

### ***Creation of PUMA Foundation Branches***

In order to expand the institutional coverage and strengthen PUMA’s administration, two regional offices have been opened. “Amazonian PUMA” has been opened in the Department of Pando and “Southern PUMA” has been opened in the Department of Tarija. Both offices have mostly technical personnel who represent the institution at the regional scale. They serve as a liaison to consolidate regional partnerships and to execute institutional agreements. New branches are anticipated in 2009, one in the Eastern area of the country in the Department of Santa Cruz, and one in the Northern Department of La Paz.

### ***Communication and Institutional Public Outreach***

The PUMA communications strategy is designed to highlight the achievements of its distinctive revenue generating approach to conservation. Its communications staff help to conceptualize, draft and disseminate useful informational and promotional materials, including research findings. One mechanism for doing so is an institutional bulletin called *Huellas* (“Tracks” in English) with a total of 738 subscriptions and over 1,350 digital subscribers. The institutional web page [www.fundacionpuma.org](http://www.fundacionpuma.org) has reported an average of 1,784 visitors per month.

The project beneficiaries are even trained to prepare presentations for large trade shows. For example, a dozen PUMA sponsored projects were represented at each of the following events: The Fair of the Bolivian Rainforest; International Fair of Bio-Commerce, Ecological-Bolivian Fair, Social Business Roundtables on timber and wood products, Expo-Sur, Bio-Bolivia, and Bolivia Municipal. In addition, a campaign entitled, *Connectivity*, fosters an exchange of project experiences and opportunities. *Connectivity* has helped achieve 14 successful agreements among projects funded by the Foundation.

### ***Intelligent Markets for Conservation (MIC)***

PUMA is engaged in an innovative initiative entitled Intelligent Markets for Conservation (MIC). MIC supports small business enterprises through product characterization, business planning and market research. MICA assisted PUMA grantees through connectivity workshops, trade show representation, business roundtables, and product differentiation. MIC also maintains an informational database on target markets.

Finally, MIC has negotiated agreements for access to three national marketing channels: AOPEB-Super Ecological (La Paz and Cochabamba), W&R Nature (Santa Cruz), and for export with the National Association of Quinoa Producers (ANAPQUI). A total of 13 PUMA projects have benefited from the MIC program, four, of which have received awards for their efforts: APABIO, APyPA, Itika Guasú and Caimans.

### ***Fundraising and Sustainability***

PUMA has a *bold and audacious* goal of generating \$50 million in the next 10 years and to channel \$25 million in sustainable entrepreneurial initiatives for management of natural resources. The foundation has diversified investment portfolio for its EIA Account, which began with an initial balance of \$ 17,651,593. From November 2003 through December 2008, the account earned interest of \$ 1,752,003.

The Portfolio has been designed to generate, at a mid and a long-term basis, a 7% average annual performance. The current investment guidelines have largely complied with the objective of the Foundation. Not surprisingly, the world economic downturn in 2008 has constrained Foundation programming. While maintaining a conservative portfolio, the Foundation returns failed to attain expected levels. The performance during the period between January and December 2008 represent a performance of 3.93% from the Portfolio's total.

The core funds have leveraged and additional \$ 4,282,888 through community-based counterpart contributions (a.k.a. cost sharing). An additional leverage of \$4,925,616 has been realized from six co-financing agreements with strategic national and international partner organizations (*see table*).

**2008 Leveraged Resources (Co-Finance or Cost-Share)**

<b>Source</b>	<b>Amount US\$</b>	<b>Destination</b>	<b>Agreement signature date</b>
<b>CEPF - Conservation International - I - II</b>	750,000	Its objective is to create a counterpart fund destined to co finance projects on natural resources sustainable use in the Bolivian part of the Villacabamba – Amoro Conservation Corridor.	Jan/06 Execution period: 2006 - 2007
<b>Conservation International – Endangered Species Program Grants</b>	123,000	Its objective is to support research projects on the conservation of endangered species executed by researchers, independent researchers and/or members of indigenous communities.	Nov/2003 Execution period: 2003 - 2008
<b>The McKnight Foundation (*)</b>	1,770,770	Its objective is to establish the PUMA Foundation as the regional administrator of the McKnight Foundation’s Collaborative Crop Research Program (CCRP Program) in the Andean region, as financial facilitator and information mediator between the seven CCRP projects and McKnight.	May/05 Execution period: 2005 - 2008
<b>Amazon Basin Conservation Initiative (ABCI – U.S. Government)</b>	1,443,000	Its objective is to support peoples’ initiatives whose project goals are related to conservation and sustainable use of natural renewable resources through training locals in production, commercialization and finances.	Sep/06 Execution period: 2007 - 20116
<b>Prefecture of Tarija (***)</b>	538,846	Its objective is to support funding of sustainable environmental undertakings and initiatives in the Department of Tarija.	Dec/06 Execution period: 2007 - 2012
<b>CIDOB – GTI</b>	300,000	To create a Indigenous Co-financing Fund, intended to finance entrepreneurial initiatives for the management and productive usage of renewable natural resources on Original Community Lands (TCO) established within the GTI component and other TCOs which may be outside the terms of said component, and that may be a part of the main organizations affiliated with CIDOB	Abril/08 Execution period 2008 - 2013
<b>Total</b>	<b>4,925,616</b>		

**Historical PUMA Portfolio Performance**

<b>Term</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Performance \$us.</b>	987.389	728.362	1.244.324	1.174.984
<b>Yield %</b>	4.4%	4.26%	6.6%	6.66%
<b>Investment Expenses</b>	1.754.841	1.280.468	1.551.808	3.109.751
<b>Administrative Expenses</b>	349.729	229.401	325.894	98.491
<b>Results</b>	<b>- 1.117.181</b>	<b>- 781.507</b>	<b>246.470</b>	<b>- 2.033.258</b>
<b>Portfolio Balance *</b>	<b>15.438.813</b>	<b>14.657.305</b>	<b>14.903.775</b>	<b>8.825.5951</b>

### 2008 Summary Table

Data	FONAMA	PUMA			Total PUMA only (2003-2008)	Total All Years
	1992-2002	2003-06	2007	2008		
Number of proposals submitted	1,620	633	69	64	766	2,386
Number of proposals approved	123	87	18	17	122	245
Grant approval totals from EAI account	6,154,808	7,448,226	1,284,754	1,632,914	10,365,895	16,520,702
Totals grant counterpart match	Unknown	3,602,095	467,108	664,447	4,733,650	4,733,650
Other counterpart leverage (e.g. co-financing)	Unknown	1,815,848	1,317,265	4,925,616	8,058,729	8,058,729
Total counterpart funds as % of grant approvals	Unknown	72.7%	138.9%	342.3%	123.4%	77.4%
Administrative expenses	1,644,833	1,698,536	563,512	533,226	2,795,274	4,440,107
Administrative expenses as % of PUMA grants	26.7%	22.8%	43.8%	32.6%	26.9%	27%
Interest earned and capital gains on the Account	3,712,524	2,541,581	1,244,324	423,748	4,209,653	7,922,177
End of the year Fund Balance	17,511,523	15,539,603	14,903,775	13,228,551	n/a	n/a

Website: [www.fundacionpuma.org](http://www.fundacionpuma.org)

## Colombia

### Background

The EAI Account was created through a bilateral debt reduction agreement with the United States, signed in December 1992, which reduced Colombia's debt obligations to the United States by approximately \$31 million. The interest on the remaining \$279 million USAID debt obligation was projected to provide the Fund with \$41.6 million over a ten-year period. The final payment was made to the Fund by the Government of Colombia on October 4, 2002. Fund operations began in April 1995. In 2000, Fund management was removed from the Colombian umbrella environmental NGO, *Ecofondo*, and a new fund was established, the Fund for Environmental Action and Childhood (*Fondo para la Acción Ambiental y la Niñez-FPAA*).

On March 30, 2004, the governments of Colombia and the United States of America signed an agreement under the Tropical Forest Conservation Act (TFCA). By August, FPAA was also appointed Fund Administrator for this account under the Forest Conservation Agreement (FCA). Coverage of this account is provided under the TFCA section of this Report.

### Mission Statement

FPAA strives to generate significant and sustainable changes in Colombian society, both by building a better relationship between the community and the environment, and by supporting the protection and development of childhood. In order to do this, FPAA channels grants to initiatives of NGOs and Community-based Organizations (CBOs).

### Major Achievements in 2008

#### *Grant making*

Table 1 summarizes grant making during 2008. A total of 83 new grants were approved by the Fund's Board. This aggregate allocation of \$1.7 million from the EAI Account was matched by \$1.9 million in cash, for a total investment of \$3.6 million.

**Conservation and Sustainable Development.** \$610k (49%) in grants were allocated to 13 projects, leveraging \$1.1 million in cash from partners and implementing agencies, for a total investment of \$1.7 million. 69% of these funds came from the EAI Sinking fund and 31% from the EAI Endowment fund.

The grant from the endowment is the first contribution made by FPAA to co-finance the implementation of the management plan for the Malpelo Protected Area. This grant was

given to Fundación Malpelo, a Colombian environmental NGO, and was matched by \$413k from both public and private sources.

The remaining 12 grants were made from the EAI Sinking fund to water catchment management and reforestation, and sustainable agriculture by small farmer organizations in the Caribbean and Andean regions.

**Table 1**

Fondo para la Acción Ambiental y la Niñez - FPAA Colombia Enterprise for the Americas Initiative Account Grantmaking 2008						
COMPONENT / EAI Fund	FPAA	Match	Total	%	Grants	%
<b>CONSERVATION &amp; SUSTAINABLE DEVELOPMENT</b>						
<b>EAI Sinking fund</b>						
Conservation	\$ 73.656	\$ 0	\$ 73.656		1	
Green Markets	\$ 346.366	\$ 733.142	\$ 1.079.508		11	
<b>EAI Endowment fund</b>						
Conservation - Malpelo Protected Area	\$ 190.472	\$ 413.085	\$ 603.557		1	
<b>Total Conservation &amp; Sustainable Development</b>	<b>\$ 610.494</b>	<b>\$ 1.146.227</b>	<b>\$ 1.756.721</b>	<b>49%</b>	<b>13</b>	<b>16%</b>
<b>CHILDHOOD DEVELOPMENT &amp; PROTECTION</b>						
<b>EAI Sinking fund</b>						
Small Grants and Scholarships	\$ 44.195	\$ 27.315	\$ 71.510		51	
Development	\$ 809.155	\$ 450.472	\$ 1.259.627		14	
Protection	\$ 203.736	\$ 321.289	\$ 525.026		5	
<b>Total Childhood Development &amp; Protection</b>	<b>\$ 1.057.086</b>	<b>\$ 799.076</b>	<b>\$ 1.856.162</b>	<b>51%</b>	<b>70</b>	<b>84%</b>
<b>Total EAI (Sinking &amp; Endowment)</b>	<b>\$ 1.667.581</b>	<b>\$ 1.945.303</b>	<b>\$ 3.612.884</b>	<b>100%</b>	<b>83</b>	<b>100%</b>

**Childhood Development and Protection.** \$1.1 million (51%) were provided to 70 grants and raised a match of \$799k in cash from partners and implementing agencies for a total investment of \$1.8 million. These grants were allocated under the following programs:

- **Educational Quality Enhancement.** The Small Grants Program set up by FPAA and Plan International Foundation finances the implementation of enhancement plans for basic education in poor, disadvantaged communities. Seventeen (17) small grants were given to Afro Colombian community organizations in the departments of Chocó and Nariño in the Pacific coast.
- **Scholarships for Early Childcare and Development (ECCD).** The Glen Nimnicht Scholarship Fund, created under the partnership with the Colombian foundation CINDE, provided 34 scholarships to individuals working in grass-roots organizations. The grants allow them to take specialized courses, finalize Master's programs and conduct applied research projects.

- **Prevention of violence and abuse against children.** The strategic partnership with Save The Children provided eight (8) grants to NGOs and local private institutions involved in prevention programs that tackle the serious issue of violence and abuse.
- **Integral attention to victims of personal land mines.** The armed conflict in Colombia has severely affected children and their families. Land mines maim human beings and create adverse conditions for their performance in schools and jobs. The partnership with *Fundación Mi Sangre*, a Colombian non profit foundation created by Grammy-award winning performer Juanes, has attracted other donors and parties including the Spanish cooperation agency, German foundations, the Colombian foundation Tejido Humano and the Colombian Campaign against Personal Landmines, among others. The partners are implementing a program called *Plan Hermano*, which provides specialized attention to young victims and their families. The EAI's contribution under this partnership has been multiplied 12 times by the participating institutions.
- **Second Phase Projects.** During 2008, the Fund selected 10 second phase proposals presented by organizations that had received grants in the RFP held in 2004-2005. These grantees were able to show that the initial interventions had generated positive and significant results; moreover, they were capable of preparing innovative proposals that scaled up and built on the successful first phases.

### ***ISO 9001-2000 Certification***

FPAA was “ISO 9001 certified” in 2008 by the independent accreditation and certification firm Bureau Veritas. The ISO 9000 family of standards for quality management systems is maintained by the International Organization for Standardization. The main requirements under the ISO 9001 certification included:

- a set of procedures that cover all key processes performed by FPAA, namely “administration, control, monitoring and evaluation of investment projects and programs in conservation and sustainable development and childhood development and protection”.
- monitoring to ensure key processes are effective;
- keeping adequate records;
- checking output for defects, with appropriate and corrective action where necessary;
- regularly reviewing individual processes and the quality system itself for effectiveness;
- facilitating continual improvement.
- It should be noted that certification to an ISO 9000 standard does not guarantee the quality of end products and services; rather, it certifies that formalized high quality processes are being applied by the organization.

## ***New Partnerships***

**Conservation and Sustainable Development Component.** During 2008, FPAA's Board agreed to commit up to \$500k from the EAI Sinking Fund and authorized the Fund's Executive Secretariat to participate in a Request for Proposals (RFP) opened by The Nature Conservancy to select a partner/operator for the Incentive for the Creation of Local Public Protected Areas. This program aims at creating new protected areas in order to fill the gaps that are not covered by the National Parks System.

The proposal was selected by TNC, who will provide an equivalent match. The *Incentive* will be operated by FPAA in 2009. Conservation NGOs and local Universities in partnership with local authorities and regional environmental agencies will compete for grants and technical assistance that will enable them to identify, characterize and create new protected areas at the local level.

Deliverables will also include management and business plans for the new areas. TNC and FPAA will strive to attract funds from private companies in order to guarantee the financial sustainability of the new areas.

## ***Increased private investment in conservation and sustainable development***

Last year, FPAA teamed with the *Centro Nacional de Producción Más Limpia y Tecnologías Ambientales (CNPMLTA)*, a private foundation that implements programs and projects in clean production and environmental technologies. The objective of this partnership is to stimulate private investments in clean technologies that reduce Greenhouse Gas Emissions (GHGE) and contribute to the mitigation of climate change and biodiversity loss.

An important incentive for these private investments is the possibility of receiving carbon credits for reduced GHGE, both in voluntary and compliance markets. A special fund was created by the partners to provide technical assistance grants to small and medium sized companies in different sectors and areas of the country. The fund has provided grants to cover the transaction costs of formulating and registering projects that will eventually produce carbon credits. Upon the sale of these credits the companies will be able to pay off a portion of their investments in clean, efficient technologies.

By the end of 2008, three organizations had taken loans from commercial banks and/or invested their own funds with the purpose of implementing new energy efficient technologies. New investments in energy efficiency and alternative sources by these companies will add up to \$2.4 million. This will generate an aggregate reduction of their emissions by 23.700 tons of CO<sub>2</sub>e per year over the next decade.



**Table 2**

Project	GHGE reduction	Duration (years)	Total private investments	Funding source
	(Tons Co <sub>2</sub> e/year)			
Energy efficiency	7.200	10	\$ 585.284	Banks and own funds
Energy efficiency	11.000	10	\$ 992.893	Own funds
Alternative energy	5.500	10	\$ 882.107	Banks and own funds
<b>Subtotal</b>	<b>23.700</b>		<b>\$ 2.460.284</b>	
Energy efficiency	8.000	Pend	Pend	Pend
<b>Total</b>	<b>31.700</b>		<b>\$ 2.460.284</b>	

### Aggregate Grant-Making

The total value of approved grants funded by the EAI Account under FPAA's administration (2001 – 2008) currently totals \$37.5 million. Between 2001 and December 2008, FPAA has financed 733 grants to projects in the areas of environmental protection, conservation and sustainable use of biodiversity, and childhood development and protection.

During 2008 FPAA disbursed \$3.2 million to projects under implementation.

### Fund Management

**Governance.** The EAI Administrative Council is the same as the FPAA Board of Directors. The Council/Board has one USG (USAID), two GOC (Ministry of the Environment and National Planning Ministry), and four civil society representatives. Its Executive Secretariat is managed by 21 full-time staff members. Seven meetings were held by the Board throughout the year.

## Leveraging and Sustainability

FPAA has successfully increased in cash counterpart contributions through formal alliances with strategic partners; matching funds, generally in-kind, have also been secured in the budgets of individual projects.

Co-financing for 2001-2008 has resulted in cost-share proportions of 51% from the EAI Account's Sinking Fund (\$37.5 million), 18% from partners (\$13.1 million), and 31% from implementing organizations and others (\$ 22.4 million).

By the end of 2008 the EAI Account reached \$ 37.7 million, distributed into a sinking fund (\$11.5 million) and an endowment fund (\$26.2 million).

**Summary Table**  
**FPAA Management Years (2001-2008)**  
(In USD millions)

EAI ACCOUNT DATA	Eco Fondo years	2001-3	2004	2005	2006	2007	2008	Total 2001-8
Nr. of proposals approved	50	298	82	126	49	95	83	733
EAI approved funding	\$ 1,8	\$ 19,1	\$ 3,3	\$ 9,4	\$ 1,8	\$ 2,1	\$ 1,7	\$ 37,5
Beneficiary counterpart match	\$ 1,1	\$ 10,5	\$ 2,0	\$ 7,8	\$ 1,5	\$ 0,6		\$ 22,4
Partner match	\$ -	\$ 2,1	\$ 2,2	\$ 2,6	\$ 2,7	\$ 1,5	\$ 1,9	\$ 13,1
<b>Total match (Beneficiaries &amp; Partners)</b>	<b>\$ 1,1</b>	<b>\$ 12,6</b>	<b>\$ 4,2</b>	<b>\$ 10,5</b>	<b>\$ 4,2</b>	<b>\$ 2,1</b>	<b>\$ 1,9</b>	<b>\$ 35,5</b>
Total value of projects	\$ 2,9	\$ 31,7	\$ 7,6	\$ 19,9	\$ 6,0	\$ 4,2	\$ 3,6	\$ 73,0
Total counterpart as % of approved grants	59%	66%	126%	111%	235%	100%	112%	95%
FPAA disbursements	na	\$ 16,0	\$ 3,7	\$ 4,8	\$ 7,2	\$ 5,7	\$ 3,2	\$ 40,6
Amount spent on administration	na	\$ 0,5	\$ 0,4	\$ 0,5	\$ 0,6	\$ 0,7	\$ 0,7	\$ 3,4
Fund balance at end of year	\$ 45,0		\$ 44,5	\$ 43,2	\$ 37,8	\$ 38,5	\$ 37,7	-
<i>Sinking account (expressed in USD)</i>			\$ 44,5	\$ 43,2	\$ 18,1	\$ 14,9	\$ 11,5	-
<i>Endowment account (held in USD)</i>					\$ 19,8	\$ 23,6	\$ 26,2	-

\* Note that the final column includes only figures under FPAA's administration (2001 – 2008). It excludes figures from column no. 2 "EcoFondo years".

Fund's Website: [www.accionambiental.org](http://www.accionambiental.org)

## El Salvador

The Salvadoran Legislative Assembly ratified the Enterprise for the Americas Initiative (EAI) on June 30, 1993, simultaneously creating the Fund's Board of Directors as the administrative body of EAI Fund (a.k.a. FIAES). Operations began in August 1994. Specifically, FIAES began by the administration of two EAI accounts: (1) the USAID account, (2) the PL-480 account. The former was created in January 1993 with \$15,574,658 to be made available in transfers through September 2003. The latter, the PL-480 account was created in February 1993 with \$25,599,925 to be made available in transfers through July 2013. The combined payments will equal \$41.17 million.

In 2001, a third account was established within FIAES to accommodate the Tropical Forest Conservation Act (TFCA) agreements. The TFCA account was created in September 2001 with \$14,367,169 to be made available in transfers through September 2026 for the financing of protected areas support projects. A separate chapter of this Congressional Report has been dedicated to this TFCA account within FIAES. This chapter addresses only the first two EAI accounts.

### **Mission Statement**

To manage and administer financial resources and support citizen participation activities which contribute to the protection and recovery of the environment and child survival for present and future generations of El Salvador.

### **Achievements 2008**

FIAES financed 24 projects in 2008 for a total of \$719,936 funded through USAID and PL-480 accounts. These resources leveraged US\$164,289 in counterpart contributions from beneficiary communities (Table 1). These projects have contributed to the improvement of environmental conditions and child survival and development in key geographical areas and have strengthened the capacities of local implementing organizations such as non-governmental organizations (NGOs), research centers and rural developments organizations (ADESCOs).

FIAES has prioritized 5 areas for strategic investment in El Salvador (Table 1). Of these, the strategic area "*protected natural resources, marine and coastal ecosystems and buffer zones*" continues to be the principal area of program investment. In 2008, FIAES financed 14 projects in this area, investing a total of \$416,115 in order to increase the forest cover through the establishment of new forested areas and reforestation through agroforestry. These projects significantly contributed to the protection and conservation of the biodiversity-rich forested areas of the National System of Protected Natural Areas (NSPNA) and helped to strengthen the technical, administrative and financing capacities of this system.

**TABLE 1. Project Portfolio Summary per Strategic Area, 2008**

N°	Strategic area	Type of institution		Total of projects	Total financed US\$		
		NGO	ADESCO		FIAES	MATCH	TOTAL
1	Protected natural resources, marine coastal ecosystems, and buffer zones	11	3	14	416,115	102,071	518,186
2	Decontamination of water, soil and air	3	0	3	92,216	18,445	110,661
3	Applied research	2	0	2	51,300	13,700	65,000
4	Watershed and continental aquatic ecosystems management	1	2	3	96,666	15,975	112,641
5	Child survival and progress	2	0	2	63,639	14,098	77,737
<b>TOTAL</b>		19	5	24	719,936	164,289	884,225

FIAES has contributed to the *decontamination of water, soil and air*, benefiting 7,210 families, with a total population of 36,052 (Table 2). These improvements have significantly reduced the incidence of severe gastrointestinal and respiratory illnesses in 16,935 children (53.4% female and 46.6% male). An adult population of 19,093 has also benefited from a reduction in these illnesses with a more pronounced impact among females (54.2% of the total population) whose poor household conditions increase their exposure and vulnerability to problems associated with water and air pollution.

In the strategic area of *applied research*, FIAES has co-financed equipment for the Environmental Quality Laboratory of Central American University José Simeón Cañas to support research in aquaculture and environmental contamination. The laboratory has been equipped to analyze water, soil, sediment and animal tissues for the study of environmental conditions for shrimp production, including research on the function of mangrove ecosystems in environmental remediation in the protected area and biosphere reserve Xiragualtique-Jiquilisco, in the Department of Usulután. These efforts are generating critical information for the development of the shrimp industry by contributing to a better understanding of the ecology of mangrove ecosystems.

In the fourth priority area of *watershed and aquatic ecosystem management*, several grants have contributed to soil and water conservation practices. These projects have quantifiably improved water infiltration in targeted watersheds, mitigated erosion-caused deterioration and increased soil fertility in surrounding farmland.

Finally, FIAES is working to *improve child survival and development* in target communities by funding local organizations to provide health, nutrition, social and educational services that are critical for the development of children between the ages of 2 and 5. Project activities include the improvement of daily diet, provision of micronutrients and medicines, school readiness programs and early stimulation to develop children's ability to learn, relate socially and interact with their environment.

**TABLE 2. Project portfolio beneficiary population, 2008**

N°	Strategic area	Trust	N° of projects	Population				Total population
				Men	Women	Boys	Girls	
1	Protected natural resources, marine coastal ecosystems, and buffer zones	PL-480	14	7,420	8,786	6,502	7,559	30,267
2	Decontamination of water, soil and air	PL-480	3	455	495	363	440	1,753
3	Applied research	PL-480	2	272	311	242	271	1,096
4	Watershed and continental aquatic ecosystems management	PL-480	3	433	532	532	571	2,068
<b>Sub total PL-480</b>			22	8,580	10,124	7,639	8,841	35,184
5	Child survival and progress	USAID	2	162	227	243	212	844
<b>Total General</b>			24	8,742	10,351	7,882	9,053	36,028

In 2008, FIAES consolidated a strategic agenda to strengthen its institutional capacity and maximize the impact of its programmatic investments. The principle products of the agenda include (a) Study of the Impact of the Projects Financed by FIAES 1993-2006 and (b) the FIAES Institutional Strengthening Plan 2008-2012.

These studies both recommend focusing future grants on select natural protected areas with significant biodiversity and cultural resources as defined by the National Land Use Plan. This shift in strategic direction motivated the Board to approve a one-year extension and additional financing to 12 projects in natural protected areas. These projects, selected for their geographic location, biological resources and role as biological corridors, were given continued assistance to maintain protection and monitoring activities, and park management training to park rangers and community members. Additional support provided surpassed \$300,000 and leveraged \$85,348 in counterpart contribution (Table 3).

**TABLE 3. Natural Protected Area Projects Extended for One Year in Priority Conservation Areas in 2008**

N°	Protected natural resources, marine coastal ecosystems, and buffer zones	Type of institution		Total of projects	Total financed US\$		
		NGO	ADESCO		FIAES	MATCH	TOTAL
1	ASOCIACIÓN AGAPE	X		1	25,000	11,980	36,980
2	ADEL OAT	X		1	20,000	7,000	27,000
3	SALVANATURA	X		1	30,000	6,000	36,000
4	ASAPROSAR	X		1	25,000	8,392	33,392
5	AMBAS		X	1	30,000	4,500	34,500
6	PRODETUR		X	1	20,000	4,000	24,000
7	CENCITA	X		1	25,000	7,198	32,198

8	ADESCOCA		X	1	25,000	3,500	28,500
9	ASOCIACIÓN GAIA EL SALVADOR	X		1	20,000	9,853	29,853
10	ARDM		X	1	25,000	5,000	30,000
11	AAVSS	X		1	25,000	11,925	36,925
12	CATIE	X		1	30,000	6,000	36,000
	<b>TOTAL</b>	8	4	12	300,000	85,348	385,348

### Principal Activities

Table 4 presents a summary of employment generated by FIAES activities during 2008 (principally in the strategic area of natural resource protection) including 98 permanent jobs of 250 days/person and 15,373 temporary positions. Table 5 shows the strategic management indicators and relevant activities implemented in the 24 projects financed with the USAID and PL-480 account for 2008 and the accumulated totals for 1995-2008. Collectively these activities contributed to the protection of 43,749 acres in 2008.

**TABLE 4. Employment Generated , 2008**

N°	Strategic area	Trust	N° of projects	Temporary jobs	Permanent jobs		
				Wage-earning work days	Men	Women	Total
1	Protected natural resources, marine coastal ecosystems, and buffer zones	PL-480	14	7,098	49	25	74
2	Decontamination of water, soil and air	PL-480	3	2,607	3	2	5
3	Applied research	PL-480	2	1,191	5	2	7
4	Watershed and continental aquatic ecosystems management	PL-480	3	3,494	7	1	8
	Sub total PL-480		22	14,390	64	30	94
5	Child survival and progress	USAID	2	983	3	1	4
	<b>Total</b>		24	15,373	67	31	98

Indicator	2008 Figures	Accumulated Total 1995-2008
N° of approved Projects	24	808
N° of finalized Projects	24	802
Agroforestry (acres)	180	7,436
Pure reforestation (acres)	17	12,359
Partial reforestation (acres)	4	1,569

Protected natural areas (acres)	43,208	301,356
Water /soil conservation (acres)	340	16,522
Total of acres	43,749	339,242
Child survival projects	2	73
Benefited population	36,028	486,726
Permanent Jobs	98	1,878
Wage-earning work days	15,375	1,095,751

In addition to the aforementioned outcomes and project benefits, further illustrative accomplishments in 2008 include:

- A total of 7,371 patrols over 90 patrol routes of the natural protected areas realized by park rangers, with women comprising 32% of park ranger staff.
- Construction of infrastructure for protected areas, including an observation tower, signs, shops and trails (9,000 m.), fencing (31,995 m.) and firebreaks (52,200 m.).
- Production and planting of 10,154 plants on 201 acres of land.
- The establishment of a community nursery for iguana production to generate income for rural communities residing in the natural protected area buffer zones.
- Establishment of four community solid waste collection systems, including composting, the commercialization of organic fertilizer and recyclable materials
- Construction of 91 family dry compost latrines, 190 firewood conserving stoves, and improvement of six wells for increased access to family drinking water.
- Improved health and nutrition for 282 children and early development stimulation for 234 children.

### **Strategies and Activities for Institutional Strengthening of NGOs and ADESCOs**

FIAES considers the strengthening of institutional capacities and investment in human resource development to be imperative for sustainability. Each financed project is required to include five cross-cutting objectives: a) gender equity, b) prevention and mitigation of social/environmental risks, c) solid waste management d) environmental education and e) community organization and participation. Funds received by implementing organizations include budget allowances to train technical personal, boards of directors and beneficiary populations to incorporate the cross-cutting objectives in all phases of the projects.

FIAES also evaluated beneficiary willingness to participate in projects that include basic sanitation interventions using clean technologies, such as wood-conserving stoves, grey water filters, manual pumps for water extraction, dry compost latrines and household or community waste management.

As in previous years, FIAES continued to support training programs to strengthen the technical, administrative and financial capacity of NGOs, research centers, and community development association members. The Natural Protected Areas Division of the Ministry of Environment and Natural Resources is a principal partner in this training program. Table 6 presents a summary of capacity building activities, including the number of professionals who participated in assessment/approval of grant proposals.

## A Small Protected Area Generates Big Benefits

The small natural protected area *Plan de Amayo* consists of only 184 hectares of natural forest located in the department of Sonsonate. It is best known for the amazing rock formations and majestic cliffs above the waters of the Pacific Ocean. Although it is a small area, its forest resources are well protected and its overall biodiversity is comparable to much larger areas. Its rich variety of flora and fauna include primary vegetation with trees of over 30m in height.

This jewel of El Salvador's natural heritage is managed by a humanitarian organization, the Association AGAPE, in coordination with the Ministry of Environment and Natural Resources. The Association AGAPE, has worked in Plan de Amayo since 1996, with the development of a health care project. However, when project technicians discovered that many community health problems had environmental origins, AGAPE decided to join forces with the local Rural Development Association to develop an environmental conservation project.

In 1999 these organizations began their first conservation effort with technical and financial support from FIAES. This project was followed by many others that have contributed to the protection of the biodiversity of this natural refuge. *"AGAPE has a strong presence in the area, and we have done a lot of work with the community so there is mutual trust and respect, so much so that the community invited us to assist in the protection of the natural area"*, comments Nidia Lara, coordinator of the AGAPE- FIAES project. Lara added, *"FIAES presence over the years has empowered local organizations to take more control over the direct implementation of the projects, and has created new opportunities for women to participate in environmental activities."*

The FIAES grants have contributed to sustainable use of natural resources through the establishment of fuelwood plantations to alleviate pressure on forest, the construction of visitor infrastructure to attract more tourists and to increase associated incomes in the community, and environmental education programming. The conserved forest now provides valuable environmental services – particularly the regulation of water quality and quantity – and has also contributed to increasing food security (in part through augmentation of diets with sustainably harvested fruits of the forest).



*Educational Field Trip in the Natural Protected Area  
Plan de Amayo, Sonsonate, El Salvador.  
Photograph: Project FIAES-AGAPE*

### Awards

AGAPE was recently recognized as the winner of the 2008 National Environmental Award in the non-governmental project category for their commendable environmental work. AGAPE has worked with a variety of funding sources in addition to FIAES, including the United Nations Development Program Small Grants Project and the Equilibrium Fund. *"At the institutional level, this recognition is quite an achievement; AGAPE's work in other areas such as child and elderly consideration, income generation and skill development are better known than our environmental efforts, so this prize is very satisfying."* Lara concludes proudly.



**TABLE 6. Training activities by FIAES, Enterprise Initiative for the Americas Fund, 2008**

Courses for NGO and ADESCOS representatives	Number of participants 2008	Number of participants 2001-2008
Evaluation and project preparation	74	1,139
Project Management (Administrative / Financial)	50	471
Project Management of project (Technical)	50	471
Fund Management	50	319

### **Fund Management**

FIAES is directed by an administrative board that includes a representative of the Government of the United States of America, two representatives of the Government of El Salvador and five representatives of NGOs, research centers and community development associations. FIAES employs fifteen permanent personnel.

The administrative board has created norms and policies that guarantee the transparent and efficient management of the trust funds. Additionally; during 2008, FIAES re-contracted a fiduciary agent through a public bid. The previous agent, Banco Agricola, won this contract with renegotiated terms which included a reduction in management fees and additional funding of \$30,000 to support institutional publicity. The interest earned in the PL-480 and USAID trust fund accounts with this fiduciary agent was US\$591,557 during the period of January 1 to December 30, 2008.

### **Funding Support**

Currently FIAES requests a 20% counterpart contribution from ADESCOs and 25% from NGOs and research organizations. The total amount of counterpart contribution generated in 2008 was US\$164,289. Table 1 presents a detailed summary of counterpart contributions for each strategic area.

FIAES also collaborates with various organizations working in the environmental field throughout the target areas to identify synergy in funding and implementing efforts. These organizations include the Spanish Agency for International Development (AECI), the UNDP Small Grant Program and the World Bank, and the United States Agency for International Development (USAID), among others.

### **Sustainability**

During 2008, FIAES made significant advances in building internal capacity and creating mechanisms for program sustainability. The elaboration of an Impact Evaluation of FIAES Financed Projects 1993-2006 and the Institutional Strategic Plan 2008-2012 provided FIAES staff with opportunities to unify criteria for organizational objectives and methodologies and to improve individual skills in planning and the use of impact indicators.

FIAES continues to play an active role in the Network of Caribbean and Latin American Environmental Funds (RedLAC) to explore new mechanisms for sustainability and improve program quality and impact. During this reporting period, RedLAC held a meeting in Belize City, Belize to discuss opportunities to generate funding for biodiversity from the private sector. FIAES was represented by two members of the administrative board, the General Manager and two project officials.

In the interest of increasing the sustainability of financed projects, FIAES maintains a strong environmental education program, which is continuously evolving to increase the participation of different stakeholders. Environmental education in schools has become more dynamic, with innovative themes and activities such as participatory contests, ecological fairs and educational field trips. In addition, FIAES promotes the integration and capacity building of local organizations, and especially encourages the development of strategic alliances between implementers and other organizations, including local government, to gain ongoing support and funding for community projects.

**Table7. Summary Table (\$US)**

Fund Data					Total
	1994-2005	2006	2007	2008	
No. of proposals submitted	1320	86	72	32	1510
No. of proposals approved	653	71	54	24	802
Total approved funding for grants	\$39,721,353	\$3,069,820	\$2,162,738	\$719,936	\$45,673,847
Total of counterpart match (grantee cost-share)	4,874,749	\$442,049	\$521,762	\$164,289	\$6,002,849
Total matching funds as % of approved	12%	14%	24%	23%	13%
Amount spent on administrative costs	\$3,700,000	\$347,818	\$370,741	\$359,454	\$4,778,013
Administrative costs as % of grants	9%	11%	14%	34%	10%
Interest and capital gained on investments	\$16.16 M	\$860,737	\$562,336	\$591,557	\$18.17 M
Fund balance at the end of the year	n/a	\$12.2 M	\$10.8 M	\$11.1 M	n/a

FIAES Website: [www.fiaes.org.sv](http://www.fiaes.org.sv)



## Jamaica

The Environmental Foundation of Jamaica (EFJ) was created through two bilateral debt reduction agreements with the United States signed in August 1991 and January 1993. The two funds created reduced USAID and PL480 debt by \$311 million. The interest on the remaining \$95 million is projected to provide the Fund with a total of \$21.5 million over a 19 year period to 2012. Operations of the EFJ began in May 1993.

### **Mission Statement:**

The mission of the EFJ is to serve the public good by promoting and implementing activities designed to conserve and manage the natural resources and environment of Jamaica in the interest of sustainable development and to improve child survival and child development.

### **Major Achievements in 2008**

This report covers the achievements within the fiscal year August 1, 2007 – July 31, 2008. The EFJ continues to be guided by its Strategic Plan (2004-2009) and has accomplished the goals set out in its 2008 Annual Work Plan. Significant accomplishments completed this year include:

- *Capacity Building*

The Foundation focused special attention on grantee capacity building. It trained over 150 members of NGOs and Civic and Community Groups in proposal writing. In addition, an Institutional Self Assessment (ISA) was also introduced and promoted as an internal tool for NGOs to assess, monitor and improve their own capacities with a view to sustainability. A Grantee-Grantee Mentorship Program was also introduced with significant results, to date, in the reforestation and ecotourism projects.

- *Social Interventions*

Nineteen (19) grants totaling over US\$530,000 were provided in the aftermath of Hurricane Dean for both for infrastructural repairs and to assess and give support to affected families. In addition, 17 grants totaling over \$46,000 were provided in support of income generation and self-sustainability projects in affected communities.

- *Investment Grants*

Over US\$110,000 in grants were awarded to established grantees for long-term investment in their endowment funds towards their self-sustainability.

- *Public Sensitization on Climate Change*

The EFJ, in partnership with the Commonwealth Foundation and Jamaica’s National Environmental Education Committee (NEEC) hosted a forum to ensure community-level understanding of Climate Change and the effect it will have throughout Jamaica. In addition, EFJ’s annual lecture series presented a talk by Dr. M. Witter entitled “*Climate Change and Jamaica: Sustainable Development as Strategic Adaptation.*”

- *Project Mapping, Website and Documentation Center*

Work began this year to catalogue the abundance of information available in the EFJ Documentation Center. This includes information on project management, philanthropy, as well as EFJ grant reports and successes. The information will be available on the EFJ’s new improved website which also includes information on grant-making processes and grants (current and archived).

- *Secretariat Management*

EFJ rationalized its staffing to achieve a more efficient and effective secretariat while upholding its commitment to fiscal prudence with strong program oversight. For the financial year 2007/08 administrative expenses were \$754,949 and represented 23.18% of grant disbursements.

### Grant making activities

Technological advances, made with the GIFTS ® grant-management software and operational procedures, have ensured that the reduction in staff size has not adversely affected EFJ’s productivity or grant-making levels. However, in order to rationalize work load distribution and to increase grant monitoring and evaluation activities, EFJ moved from two annual Call for Proposals to one. The transition year was 2008, so there was a Call in October 2007 and again in March 2008. The next Call will be March 2009.

The Grant Management Committee (GMC) met six (6) times for the year. It reviewed 503 proposals from both calls and recommended 91 proposals valued at approximately \$3.9 million to the EFJ Board.

### Comparative Grants Approved by Themes and Year of Award 06/07 – 07/08

Themes	No. of grants approved	Value of grants approved (US\$)	No. of grants approved (US\$)	Value of grants approved (US\$)
	2006/2007		2007/2008	
Environment	31	\$1,354,089	53	\$2,105,588
Child Survival and Development	32	\$1,241,661	88	\$1,836,933
<b>Total</b>	63	\$2,595,750	141	\$3,942,521

## The 2008 Grant Themes

### Environment:

- **Waste and Water Management**
  - Waste Water Recycling and Reuse
  - Solid Waste Recycling
  - Hazardous Waste Management
  - Community systems for efficient/effective use of water
- **Watershed and Coastal Zone Management**
  - Upper Watershed reforestation
  - Beach Management
  - Coastal Habitat Protection
- **Biological Diversity** with a focus on
  - Habitat Conservation and Management
  - Endemic/Endangered Species Conservation and Management
- **Alternative Energy Systems** with emphasis
  - Hybrid Systems (wind, solar, biogas)
- **Community Green Spaces**

### Child Survival and Development:

- **Early Childhood Interventions**
  - Training of Professionals
  - Enrichment Programmes
  - Early stimulation & training of parents
- **Children in Challenging Circumstances** with a focus on:
  - Abandoned and Institutionalised Children
  - Abuse and Violence Prevention
  - Adolescents –at –Risk
- **Children With Special Needs and Disabilities** with a focus on:
  - Development Programmes/Therapies
  - Accommodations and Facilities
  - Equipment

The Foundation's Discretionary Grants Program allows for quick response, low maintenance grant requests that yield high returns. In 2008, the Foundation was able to provide about \$112,465 to 48 such requests, including eight for Hurricane Dean Recovery/Relief.

### Comparative Grant Approval and Disbursement Rates

Year	Received	Approved	Amount Approved (US\$M)	Amount Disbursed (US\$M)
1993/1994	108	30	0.53	0.31
1994/1995	228	95	2.26	0.80
1995/1996	218	94	1.62	1.38
1996/1997	134	81	1.26	1.04
1997/1998	90	39	0.50	1.11
1998/1999	48	30	0.64	0.63
1999/2000	87	52	1.86	1.07
2000/2001	106	40	2.03	1.30
2001/2002	76	45	1.44	2.01
2002/2003	80	52	1.91	1.71
2003/2004	442	148	8.58	4.26
2004/2005	394	148	5.39	6.29
2005/2006	305	77	3.73	4.18
2006/2007	275	63	2.60	3.39
2007/2008	503	141	3.94	3.16
<b>TOTAL</b>	<b>3094</b>	<b>1135</b>	<b>38.29</b>	<b>32.64</b>

**Grant Awards during the year in detail:**

**PL480 GRANTS – Environmental Conservation and Management**

**Theme: Alternative Energy Systems**

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
Association of Development Agencies	Development of National Energy Project	\$2,500,000
<b>Total</b>		<b>J\$2,500,000 (~US\$ 34,886)</b>

**Theme: Watershed and Coastal Zone Management**

**Large Coastal Habitat Protection**

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
Discovery Bay Marine Laboratory, Centre for Marine Sciences, UWI	Best Strategies for Determining Coastal Habitat Health Status and Priorities for Impact Mitigation/Ecosystem Restoration	\$2,077,000
Portland Environment Protection Association	Developing Youths Stewardship Toward the Preservation of Coastal Habitats	\$1,500,000
St. Thomas Environmental Protection Association	St. Thomas Coastal Zone, Beach and Community Awareness Development Project	\$2,328,700
UWI, Department of Life Sciences	Port Royal Laboratory Biodiversity Centre	\$6,686,900
UWI, Department of Life Sciences (Centre for Marine Sciences)	Monitoring of the Coral Communities and Water Quality of the Port Royal Cays for Long Term Changes	\$1,675,000
UWI, Department of Life Sciences (Centre for Marine Sciences)	Monitoring the Cut Face of Rackham's Cay for Coral Recruit Recovery	\$1,000,000
<b>Total</b>		<b>J\$15,267,600 (~US\$ 213,054)</b>

**Upper Watershed Reforestation**

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
Ewarton Watershed & Farmers Cooperative Society Limited	Watershed Management Pilot Project to Reforest Mt. Diablo	4,780,000
Mafoota Agricultural Cooperative Society Limited	Mafoota Greenhouse Project	1,315,000
Mocho Development Committee	Reforestation by Farmer Training in Mocho	5,430,000
Northern Caribbean University	Watershed Reforestation of Swift River Portland	5,150,000
One Love Farmers Group and Faithful Farmers Group	Introduction of Greenhouse and Beekeeping to Farmers in the Upper Rio Cobre Watershed to Provide Alternative Livelihoods and Reduce	2,800,000

Rio Pedro Valley Watershed Management Council	Watershed Restoration and Soil Conservation	3,500,000
Sweet Water Agricultural Cooperative Society Ltd	Sweet Water Greenhouse Project	1,010,000
Jamaica Institute of Environmental Professionals	4th Biennial Conference on the Environment under the theme "Climate Change - Caribbean Response" May 12-14, 2009	2,000,000
National Environmental Education Committee	Voices For Climate Change Education	2,500,000
<b>Total</b>		<b>J\$28,485,000 (~US\$ 397,499)</b>

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**Theme: Biological Diversity**

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### Endemic and Endangered Species Conservation and Management

Organization	Project Title	Amount Approved (J\$)
Negril Area Environmental Protection Trust	Conservation and Management of Endemic and Endangered Species of the Negril Royal Palm Reserve through Habitat Improvement and Interpretation	\$1,620,576
Northern Jamaica Conservation Association	Jamaican Boa Education Programme	\$1,875,000
<b>Total</b>		<b>J\$3,495,576 (~US\$ 48,779)</b>

### Habitat Conservation and Management

Organization	Project Title	Amount Approved (J\$)
Charles Town Maroon Council	Sambo Hill Trekking Tour	1,180,000
Cockpit Country Local Forest Management Committees	Capacity Building for Three Local Forest Management Committees in the Cockpit Country Protected Area	6,100,000
Jamaica Baptist Union Funded Initiatives	Critical Project Management Support to EFJ	1,000,000
Jamaica Conservation and Development Trust	BJCMNP-Monitoring, Evaluation and New Management Plan	6,000,000
Munro College	Munro College Forestry Department	1,007,600
Port Morant Development Area Committee	The Spring Bank Conservation and Eco-Tourism Project	650,000
Shortwood Teachers' College	Shortwood Teachers' College as a "Green" Learning Community	2,071,500
UWI, Department of Geography & Geology (Environmental Management Unit)	Environmental Management and Resources Conservation: A Decade of National, Regional and International Development	1,500,000
<b>Total</b>		<b>J\$19,509,100 (~US\$ 272,243)</b>

**Theme: Waste and Water Management**

**Hazardous Waste Management**

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
Jamaica 4H Clubs	Denbigh 4H Bio Diesel Production Project	1,793,000
<b>Total</b>		<b>J\$1,793,000 (~US\$ 25,021)</b>

**Solid Waste Recycling**

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
Fairy Hill Citizens Association and Neighbourhood Watch	Waste Management and Recycling at Boston Primary Infant and its Environs	921,589
Protect the Environment Trust	Plastic Collection and Recycling	7,040,400
UWI, Department of Geography & Geology (Environmental Management Unit)	Recovery of PET and High Density Polyethylene Plastic Containers on the UWI Mona Campus	4,565,487
<b>Total</b>		<b>J\$12,527,476 (~US\$ 174,817)</b>

**Waste Water Recycling and Reuse**

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
Beeston Spring Community Development Committee	Natural Spring Conservation, Reorganization and Beautification	2,142,000
Brown's Town Community College	Organic Waste Recycling	1,600,000
Hampton School	Hampton's Sesquicentennial Go Green Initiative Practical Environmental Awareness	1,500,000
Hills United Development Organisation	Development of Bogue Reserve Nature Trail to Provide Alternative Livelihoods for Member Communities and Facilitate Protection of the Watershed Reforestation	6,303,000
Hills United Development Organisation	Provision of an Appropriate Wastewater Treatment System for the Operations Centre of the Bouge Estate Nature Trail	3,200,000
Local Initiative Facility for Urban Environment	Strengthening of Communities to Address Environmental, Alternative Livelihoods and Child Survival Issues- Phase II	5,317,660
St. Catherine 4H Parish Advisory Council and the Rose Hall 4H Community Club	Demonstrating Water conservation and Crop Irrigation through a Grey Water and Pond System	2,004,700
St. Richard's Primary School Parent Teachers Association	St. Richard's Primary School Rainwater Harvesting and Grey water Recycling Project	4,680,000
Williams Field Citizens Association	Williams Field Water Project	4,300,000
<b>Total</b>		<b>J\$31,047,360 (~US\$ 433,256)</b>



## Theme: Community Green Spaces

### Upgrade/Establishment of Community Parks and Green Spaces

Organization	Project Title	Amount Approved (J\$)
Association of Clubs	Upgrading Association of Clubs Summer Campers Park	2,212,626
Claremont Heights Citizens Association	Project Green Space # 1	1,400,000
Falmouth Restoration Company & Falmouth Heritage Renewal	Revitalization & Restoration of Victoria Park, (Uriah Rowe Park) Falmouth	1,700,000
Leiba Gardens Citizens' Association	Leiba's Beautification Project	650,000
Longville Park Citizens Association	Upgrading of Green Spaces in Longville Park into Community Park	535,000
Parottee Citizens Association Benevolent Society	Parottee Beach Park	2,169,000
<b>Total</b>		<b>J\$8,666,626 (~US\$ 120,940)</b>

### Scholarships

Organization	Project Title	Amount Approved (J\$)
Ava Gail Gardiner	International Project Design, Carbon Sequestration for the Forestry and Bio-Energy Sectors	360,000
Canute Tyndale	M.Sc Environmental Hazards & Geographical Information Systems	1,535,834
Ava Lawrence	Master of Arts in Education: Natural Science	1,197,000
<b>Total</b>		<b>J\$3,092,834 (~US\$ 43,160)</b>

### Capacity Building

Organization	Project Title	Amount Approved (J\$)
Association of Development Agencies	Building Institutional Capacity in ADA	5,512,941
Council of Voluntary Social Services	Development of a National Project for the Child Sector	2,500,000
Jamaica Environment Trust	Contribution to Jamaica Environment Trust (JET) Endowment for Operational Costs	3,000,000
Mona GeoInformatics Institute	Website Improvement and Webmapping	7,000,000
United Way Of Jamaica	Technical Assistance Support Fund for Development and Implementation	6,500,000
<b>Total</b>		<b>J\$24,512,941 (~US\$ 342,070)</b>

## AID DEBT GRANTS – Child Survival & Development

### Theme: Children in Challenging Circumstances

#### Abandoned and Institutionalized Children

Organization	Project Title	Amount Approved (J\$)
Best Care Foundation	Stimulation and Intervention Programme for Best Care Foundation	1,221,103
St. Andrew Parish Church Home for Girls	Establishment of Holistic Developmental Programme for Girls and Young Women at Risk Resident at St. Andrew Parish Church Home for Girls	1,500,000
<b>Total</b>		<b>J\$2,721,103 (~US\$ 37,972)</b>

#### Abuse and Violence Prevention

Organization	Project Title	Amount Approved (J\$)
Council of Voluntary Social Services	National Volunteer Centre and EFJ Public Lecture	4,260,000
Family and Parenting Centre	Conducting Positive Parenting Skills Workshop for 360 Family Court and Women's Centre, Parents and Caregivers using the Positive Discipline Tool Kit	4,081,710
Family Counselling Centre of Jamaica	C-SALT Mentoring Program	2,971,000
<b>Total</b>		<b>J\$11,312,710 (~US\$ 157,865)</b>

#### Adolescents-at-Risk

Organization	Project Title	Amount Approved (J\$)
Golden Grove Cluster	Golden Grove Cluster Home Work Project	2,867,000
Irish Town, Redlight and Middleton Citizens Association	Establishment of the Irish Town Learning Centre	2,671,180
Oracabessa Foundation	All Star Sport Parents	726,400
The Boy's Brigade Jamaica (BBJ)	A Military Marching Band and a Sports Training Programme for Boys at Risk	1,580,000
<b>Total</b>		<b>J\$7,844,580 (~US\$ 109,469)</b>

**Theme: Children with Special Needs and Disabilities**

**Development Programmes/Therapies**

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
Jamaica Society for the Blind	Early Intervention for Blind and Visually Impaired Children	2,390,000
Joint Community Based Rehabilitation Agency, RSCD, CGPD, 3D Projects	Establishment of New Community Based Rehabilitation Agency	1,160,000
The S.T.E.P. Centre	Psychological Support Occupational and Physiotherapy for Children with Profound Multiple Disability	5,000,000
<b>Total</b>		<b>J\$8,550,000 (~US\$ 119,313)</b>

**Theme: Early Childhood Interventions (for Children 0-8 years)**

**Early Stimulation Activities & Training Parents and Caregivers**

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
UWI, Child Development Research Group, TMRI	Caregiver Training and Early Childhood Stimulation in Places of Safety - Phase 2	4,498,600
Dudley Grant Memorial Trust	St. Thomas Early Childhood Resource Centre Outreach Parenting Programmes for Children Birth to Six Years	2,140,000
Environmental Health Foundation	Parent - Child Support Initiative	5,350,536
Negril Education Environment Trust	Library Education Action Partnership	3,500,000
Rural Family Support Organization	The Roving Caregivers Programme - Early Childhood Stimulation and Parenting Programme	5,965,500
<b>Total</b>		<b>J\$21,454,636 (~US\$ 299,393)</b>

***Enrichment Programmes to Benefit Children***

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
Association of Clubs	Tools & Strategies to Parent Jamaican Children at the Early Childhood Development Stage	5,557,257
Bernadette Preparatory School	Reading for Life	754,000
BREDS - The Treasure Beach Foundation	Installation of playground, Fence & Water Harvesting/ Beautification System at Sandy Bank Basic School	500,000
*Dudley Grant Memorial Trust	Project Management Services For Basic School Upgrading	7,000,000
*Dudley Grant Memorial Trust	Project Management Services For Basic School Upgrading Phase II	6,950,000
*Dudley Grant Memorial Trust	Project Management Services For Basic School	4,650,000

Higgins Land Basic School	Educational Enhancements at the Higgins Land Basic School	500,000
Jamaica Baptist Union	JBU Early Childhood Enhancement Initiative	7,170,000
Jamaica Conservation and Development Trust	Environmental Experiential Learning for Children at Holywell	7,162,120
Mustard Seed Communities	Child Survival and Child Development Projects	3,848,500
Spring Village Development Foundation	Arts and Music for Perspective Education and Development	627,000

\* Dudley Grant Memorial Trust is administering sub-grants to 50 Basic School Projects approved by EFJ.

**Total** **J\$44,718,877 (~US\$ 624,038)**

### ***Provisions for Long Term Programmes for Early Detection of Special Learning Needs and Disabilities***

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
Combined Disabilities Association Ltd.	Prevention of Disability Through Sensitization, Early Detection and Intervention	5,175,000
Foundation for International Self-Help Medical Centre (FISH)	Vision Screening of Primary Schools	6,129,874
Lawrence Tavern Primary School	Training of Teachers for Early Detection, Diagnosis and Treatment of Children with Special Learning Needs	1,157,400
Lions Club of Kingston	Sight Conservation of School Children in the Kingston Metropolitan Area - 2	3,500,000
Point Hill Diagnostic Reading Centre	Point Hill Reading Intervention	2,813,000
<b>Total</b>		<b>J\$18,775,274 (~US\$262,003)</b>

### **Training of Professionals in the field**

<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved (J\$)</b>
Dudley Grant Memorial Trust	Piloting of the New Early Childhood Curriculum and Child Friendly Early Childhood Institution Initiatives	4,780,000
International University of the Caribbean	Training for Early Childhood Teachers	3,280,000
United Way Of Jamaica	Technical Assistance Support Fund for Project Development Implementation.	7,000,000
<b>Total</b>		<b>J\$15,060,000 (~US\$ 210,158)</b>

<b>Scholarship</b>		
<b>Organization</b>	<b>Project Title</b>	<b>Amount Approved</b>
Dorothy Rickard-Reid	Graduate Teacher Education - Exceptional Student Education	599,200
Marcia Lewis-Brown	Graduate Teacher Education Program - Exceptional Student Education	599,200
<b>Total</b>		<b>J\$1,198,400 (~US\$ 16,723)</b>
 <b>Summary</b>		
<b>Environmental Conservation &amp; Management</b>	<b>(53)</b>	J\$150,897,513 (~US\$2.105M)
<b>Child Survival &amp; Development</b>	<b>(88**)</b>	J\$131,635,580 (~US\$ 1.836M)
<i>** Includes 50 Basic School sub-grants being administered by Dudley Grant Memorial Trust</i>		
<b>Total</b>	<b>141 Projects</b>	<b>J\$282,533,093 (~US\$ 3,942M)</b>

## **Project Impacts**

Over the last year, in addition to initiating 141 new projects, the Foundation continued monitoring its ongoing grants across Jamaica. The following highlights our project activities of significant impact:

### **Environmental Conservation and Management**

#### *Alternative Energy*

The EFJ Alternative Energy projects moved from demonstration mode into active energy production for energy independence, income generation and cost savings. For example, the Dallas Castle and Mango Valley Farmers groups were assisted to implement solar and biogas energy systems to provide light and power from their agro-processing industries. Through parallel funding opportunities with the Inter-American Foundation (IAF), these fruit processing facilities are now both 100% independent in their generation of electricity (average savings of US\$200 per month). Additional independent energy production from biodigesters will allow for product certification and improved earnings.

Another example is the EFJ supported solar power generation at Irwin High School for its computer and science labs, as well as night lighting on the campus. According to Jamaica's Education Minister, schools across the island pay an average of US\$2,100 per month for power. Since Irwin began operating its solar electricity system, its monthly bill has been reduced by a third. Not only did the installation of a solar system save money, but it served as an excellent hands-on teaching tool for the students. This is the largest single system funded by the EFJ and serves as a demonstration of the potential of such investments.

#### Reforestation and Improved Watersheds

There are 9 critically degraded watersheds identified in Jamaica. The Foundation has worked in six (6) of these with reforestation and soil conservation initiatives. Active projects are ongoing in the Rio Cobre, Rio Minho, Yallahs, and Dunn's River/Wag Water watersheds. Over 150 farmers in community and farmers' groups in the watersheds have adopted improved farming practices to mitigate negative impact on the watersheds. Partners in these initiatives include organizations such as the Forestry Department, Rural Agriculture and Development Authority, the Social Development Commission, the College of Agriculture, UNDP/Global Environment Facility (GEF) Small Grants Program (SGP) and even TFCA's Forest Conservation Fund.

#### Seven Oaks Sanctuary Wildlife Facility



The EFJ, in reinforcing its commitment to wildlife and biodiversity conservation, has provided a US\$83,700 grant to the Seven Oaks Sanctuary (SOS) for Wildlife to cover operational costs of the facility and to generate income for its sustainability fund. The SOS Facility serves as one of only two authorized rescue centers for wild animals inclusive of Jamaican endemic species. SOS Wildlife has gained both local and international acclaim as an educational entity for children and adults, as well as a safe sanctuary for Jamaican endemic fauna.

*Blackbilled parrot* - endangered species  
endemic to Jamaica

## **CHILD SURVIVAL AND DEVELOPMENT**

### Early Childhood Interventions (0-8 YEARS)

The EFJ has continued to support the Early Childhood Commission's National plan for "a comprehensive delivery of early childhood programs and services" in a more strategic way through partnership with the Dudley Grant Memorial Trust (DGMT). Through a project management support grant for DGMT, the Foundation was able to supply infrastructural items such as fencing, learning materials, playground equipment, and requisite furniture through 14 grants island-wide. In total 27 Early Childhood Institutions with 1,191 children from over 27 communities have benefited from more equipped classrooms and improved school surroundings.

Three (3) additional projects to Bernadette Prep School, Higgins Land Basic School, and Jamaica Baptist Union are successfully supporting Early Childhood Education. They enhance and enrich over 90 Early Childhood Institutions and significantly more children benefit from an improved school environment.

#### *Children With Special Needs And Disabilities*

The EFJ continues to be the leading donor to projects and programs targeted to children with disabilities. The Foundation's goal in this regard is to address issues arising from inadequate facilities and insufficient knowledge as well as the general integration of children living with disabilities. As such, support has focused on early detection and establishing or enhancing development programs and therapies for the children. The Foundation has provided funding to schools and NGOs working with children with disabilities to adapt facilities, equipment and programs for integration.

The Foundation continues efforts to assist, treat and empower children living with developmental disabilities island-wide and to educate and support their parents and caregivers. Through projects, the EFJ has provided support to:

- Acquire a building to house an early childhood development program for children with disabilities and „at-risk’ children in St. Catherine (southern Jamaica).
- Provide ongoing center-based and home-based support to 234 children living with disabilities from rural and urban areas in the parishes of St. Elizabeth, Hanover, St. James, Westmoreland, Trelawny through the Community Rehabilitation Program.
- Train and recruit 8 Community-Based Rehabilitation Workers (CRWS) who are currently providing home therapy treatment to children living with developmental disabilities in rural communities. CRWS conducted an average of 177 visits per quarter over 2 years.
- Provide assessment and therapy and intervention equipment to two centers in St. James and St. Elizabeth which both serve children with disabilities from the surrounding parishes.
- Support the Jamaica Association for the Deaf (JAD) in implementation of a Hearing Awareness and Assessment project to improve the quality of life of hearing impaired children (0-8 years) in the parishes of St. Catherine, St. Thomas, Clarendon and Kingston and St. Andrew. JAD has screened more than 3,878 children, provided with referrals and follow up, and established a medical records database. Additional essential testing equipment was also acquired allowing JAD to provide improved child services.

## Partnerships and Leveraging EAI Funds:

The Foundation has been forging strategic partnerships with other donors in co-funding *environmental* projects. Of note in the last year EFJ partnered with the Inter-American Foundation on an institutional strengthening initiative entitled the Local Initiative For the Environment (LIFE). In addition, four (4) grants were parallel funded with the UNDP Global Environment Fund's Small Grants Program whereby the EFJ leveraged its grant funds by 240%.

Within the child survival and development sector, EFJ partnered with the Bernard Van Leer Foundation (Netherlands) on an Inner City Early Childhood Project, and with the ELMA Philanthropies (New York) on assistance to children, their families and caregivers in Jamaica following the impact of Hurricane Dean. Another exemplary EFJ partnership was forged with Jamaican churches and the Dudley Grant Memorial Trust to provide critical infrastructural items such as fencing, learning materials, equipment, and furniture to over 90 Early Childhood Institutions (over 2,500 children) to meet the new Jamaican Early Childhood Standards.

## Financial Report:

<i>Account Balances</i>	US \$M
<b>PL-480 (Environment)</b>	6,789
<b>US-AID (Child)</b>	2,283
<b>total</b>	9,072

### Summary Data (US\$)<sup>7</sup>

Fund Data	2006	2007	2008	Total 1993-2008
No. of proposals submitted	305	275	503	4,138
No. of proposals approved	77	63	141	1,123
Total approved funding for grants	\$3,731,782	\$2,595,717	\$3,942,506	\$33,240,000
Total of counterpart match (grantee cost-share)	<i>nr</i>	<i>nr</i>	\$693,373	\$693,373
Other leveraged matches (e.g. co-financing)	<i>nr</i>	<i>nr</i>	\$511,177	\$511,177
Total matching funds as % of approved	<i>nr</i>	<i>nr</i>	31%	n/a
Amount spent on administrative costs	\$ 838,420	\$ 788,170	\$ 754,949	\$13,243,119
Administrative costs as % of approved grants	22.5%	30.4%	19.2%	n/a
Interest and capital gained on investments	\$ 1,800,000	\$1,470,000	\$1,460,000	\$16,430,000
Fund balance at the end of the year	\$ 16,300,000	\$ 12,890,000	\$ 9,070,000	n/a

*nr = not reported*

<sup>7</sup> All figures in the above table are stated in U.S. Dollars (US\$), converted from the Jamaican equivalent using the following average rates of exchange: J\$62.06: US\$1.00 (2005); J\$65.73: US\$1.00 (2006); J\$68.64: US\$1.00 (2007); J\$71.66: US\$1.00 (2008)



## Peru

The Americas Fund of Peru – (FONDAM) was founded through a debt buyback agreement with the United States signed in June 1997 under the Enterprise for the Americas Initiative. The Framework Agreement was subsequently signed in December 1997. Through this agreement, Peru bought back \$177 million of its USAID and P.L. 480 debt at a cost of \$57 million. As part of the transaction, Peru also agreed to endow a Fund with \$22,844,235 in local currency. FONDAM operations began in March 1999.

### *Mission Statement*

FONDAM promotes activities that will contribute to the preservation and protection of Peru's natural and biological resources in a sustainable and environmentally friendly way, as well as improving child survival and development.

### *Grant-Making*

FONDAM satisfactorily fulfilled the goals and objectives established for 2008. It continued to use the different financing, while developing new ways of optimizing the effectiveness of its interventions and its use of resources. FONDAM currently uses *four grant-making mechanisms*: 1) Request for [grant] Applications (RFA or „Call’), 2) Co-financing Grants, 3) Axis of Development Grants (promoting innovation), and, 4) Special Projects (less than \$10K). FONDAM continued the tradition of challenging itself to improve resource utilization and leveraging.

The breadth of FONDAM grant activities is best represented in its Annual Management Report. The scope of grants includes topics such as: environment, water and sanitation, pollution prevention, sustainable forest management, eco-business, nutrition and food safety, prevention of child abuse and violence, maternal care, preventative health care, and environmental sanitation. FONDAM plays a critical role in Peruvian civil society toward meeting these objectives

Grant *disbursements* made during 2008 totalled US\$ 2,278,380. This includes 16 projects from the Tenth Call (2008), six (6) co-financing projects, and one (1) Key Development project and 10 Special Projects.

#### *Request for Applications (RFAs)*

During 2008, a Tenth Call for proposals was held through which 104 proposals were submitted. Of these, sixteen (16) were approved by FONDAM's Board of Directors at their 59th Board meeting, representing a total commitment of US\$1,556,000 from FONDAM and matched funding of US\$ 993,301.

Also in 2008, FONDAM initiated the Twelfth Project Tender, based on USAID's “*Amazon Basin Conservation Initiative*” (ABCI), which has since been renamed the “Initiative for Conservation in the Andean Amazon,” (ICAA). ICAA is administered by a consortium of

the Wildlife Conservation Society (WCS), the Amazon Conservation Association (ACA), the Peruvian Environmental Law Society (SPDA), the Foundation for the Protection and Sustainable Use of the Environment (PUMA) and FONDAM. This special Tender is designed to strengthen the Peruvian side of the Manu-Madidi Conservation Complex and to mitigate the impacts of the Southern Inter-oceanic Highway, by means of the following projects:

1. "Improving the harvest and post-harvest system for Brazil nut (*Bertholletia excelsa*)", which is specifically for the Brazil nut concessions in Madre de Dios Region, and,
2. "Forestry Management through Reforestation, Agroforestry and/or Enriching the Forests with Native Species" through which priority is given to the areas with the highest percentage of degraded lands.

#### *Co-financed Projects*

- Co-financing for an amount of US\$ 523,261 dollars. Six proposals were approved but only two yet have an operational plan:
  1. Co-financing with INMED Partnerships a project to "Improve the Nutrition and Hygiene Practices of Children under the age of one in five districts of Coronel Portillo – Ucayali" in the Ucayali Region, for US\$ 59,890 with a US\$ 25,000 contribution from FONDAM.
  2. Co-financing with the Mining Company Corianta a "Project for conserving biodiversity with sustainable coffee growing in the Valle de Alto Río Imaza, Yambrasbamba, the Amazonas region and Cajamarca for a total amount of US\$ 501,905. FONDAM's commitment is US\$ 100,000, the Corianta Mining Company's is US\$ 231,435 with matched funding from the beneficiaries of US\$ 146,300 and the NGO ECOSELVA of US\$24,170

The four Co-financed projects still in the Planning Process include:

1. "Recovery of the aquatic ecosystems in the Pichis and Pachitea rivers through the rehabilitation of riparian zones and the promotion of fish farms with native species" with the Instituto del Bien Comun (IBC) for \$100,000.
2. "Production of flowers with export aims in Cajamarca" with FONCREAGRO for \$100,000.
3. "Piñon blanco production of biofuels in Loreto region" with Caritas Iquitos: for \$100,000.
4. "Strengthening of the productive capacity and commercialization of the guinea pigs breeders in the Catca district, Quispicanchi province - Cusco" with IPDA for \$98,261.

### *Axis of Development Projects*

In July 2008, FONDAM approved the Axis of Development Project: “Strengthening of Munichis Ecologic Park as a Model of Sustainable Tourism, through the implementation of Best Practices and Certification”, for total of US\$ 99,960. The project’s execution started on August 2008.

### *Special Projects*

In 2008, 10 Special Projects were approved, representing US \$99,159 in commitments from FONDAM and US\$118,121 in matched funding, for a sum of \$217,180. In addition, five Water and Sanitation projects approved in 2007, were carried out in 2008 in the areas that were affected by the earthquake of 15 August 2007, with FONDAM contributing US\$ 99,222 and matched funding of US\$24,364, making a total of US\$123,586. The following institutions were involved: CARE PERÚ, TECNIDES, FOVIDA, SER and ADRA PERU.

### ***Additional Achievements of 2008***

- A new Tropical Forest Conservation Fund account was established within FONDAM as a result of a newly negotiated TFCA agreement signed with the Government of Peru in September 2008. The agreement will generate more than \$25 million over seven years for tropical forest conservation.
- Sanitation projects were established with the Ensemble Foundation, protected natural areas projects with the Moore Foundation, and a conservation project for the remnant Polylepis forest with the Global Conservation Fund at Conservation International.
- Three new „Service Agreements’ provided under the FONDAM Project and Resource Administration function have been developed with third parties. These fee-based service agreements augment the Fund revenues and increase its sustainability. The three agreements signed in 2008 require FONDAM to serve as the Fund Administrator or financial intermediary for:
  - the Local Mining Fund of Yanacocha for the Solidarity with the town of Cajamarca Program,
  - the Odebrecht Southern Interoceanic development plan, and,
  - the Xstrata Mining Company for the execution of the Chaninchasún Project in the Agricultural Sector.
- FONDAM is updating and implementing the 1st Stage of the Master Plan for the Ichigkat Muja Cordillera del Cóndor National Park and the Tuntanaim Community Reserve. This is a project undertaken in conjunction with the Moore Foundation and in coordination with the National Service for Protected Natural Areas.
- A new Projects Management System for the formulation, monitoring and follow-up of the projects is under development. This system will improve the management and tracking of all FONDAM grants and associated activities.

- Significant capacity building through workshops and trainings has been undertaken with several collaborators. Advances have resulted in project design, programming and monitoring.

### *Project Impacts*

While the grant project impacts are not quantified here, the impacts for projects having received funding in 2008 increased areas reforested, improved soil and water conservation, improved potable water, sanitation, solid waste management systems, reductions in infant malnutrition and prevalence of contagious diseases, and greater attention to reducing domestic violence and child abuse.

### *Summary*

FONDAM like most other foundations, funds and endowments was adversely affected by the global economic downturn. However, the total portfolio value loss has been less than most market indices due to a conservative Investment Policy Statement approved by the Board. Through 2007, FONDAM had been receiving a very satisfactory annual yield on its investments, which resulted in a balance of approximately \$16.8 million in 2007. However, due to the 2008 crisis in the USA Capitals Market, the Fund experienced a loss of approximately 16.56% of its value.

FONDAM now generates income through service agreements through its „Projects and Resource Administration Services’. Because of these additional revenues, the 16.56% loss was only a 13.6% loss. Also, the co-financing operations with International organizations such as the Moore Foundation, the Critical Ecosystem Partnership Fund (CEPF) and the participation in the USAID ICAA project, have provided access to additional project financing.

The Summary Table below segregates summary information under each FONDAM funding mechanism and provides Fund totals. It also provides useful summary information for comparing across years, such as administrative costs, investment returns and end-of-year balances. Note that the administrative costs are broken down in two ways to reflect reality:

1. As a percentage of grants from the Debt Swap Account (Summary Table, item 5.6).
2. Grants for total projects financed, plus profitability obtained (Summary Table, item 5.7). The relative value of 35.17% is explained by the fact that our Investment Portfolio experienced a loss of 16.6% during the year 2008.

<b>Fund Data</b>	<b>1999-2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Totals 1999-2008</b>
<b>1. Classic National Level RFP</b>					
1.1 No. of proposals submitted	1,139	104	97	104	1,444
1.2 No. of proposals approved	130	10	10	16	166
1.3 Total counterpart match	4,212,353	484,122	382,622	993,000	6,072,097
1.4 Counterpart as % of disbursed grant	37%	19%	40%	64%	37%
1.5 FONDAM grant disbursements	11,286,729	2,521,000	958,905	1,556,000	16,322,634
<b>2. Co-financing Support</b>					
2.1 No. of proposals submitted	133	29	30	15	207
2.2 No. of proposals approved	32	7	11	6	56
2.3 Cost-share contribution	2,924,570	1,007,555	1,218,000	1,228,671	6,378,796
2.4 Co-finance match	3,248,652	1,084,868	2,443,000	776,058	7,552,578
2.5 Counterpart as % of support disbursed	227%	303%	159%	383%	224%
2.6 FONDAM support disbursements	2,717,170	690,000	2,300,000	523,261	6,230,431
<b>3. Special Projects (approx. 10K)</b>					
3.1 No. of proposals submitted	-	35	75	22	132
3.2 No. of proposals approved	73	13	19	10	115
3.3 Total counterpart match	168,220	187,266	174,706	118,121	648,313
3.4 Counterpart as % of support disbursed	24%	58%	73%	119%	47%
3.5 FONDAM support disbursements	712,419	323,000	239,161	99,159	1,373,739
<b>4. Axis of Development Projects</b>					
4.1. No. of proposals submitted	-	3	5	2	10
4.2 .No. of proposals approved	5	1	1	1	8
4.3. Total counterpart match	827,325	19,184	75,053	34,073	955,635
4.4. Counterpart as % of support disbursed	166%	10%	75%	34%	107%
4.5. FONDAM support disbursements	499,664	197,000	99,999	99,960	896,623
<b>5..La Totalidad de los Fondos TOTALES</b>					
5.1 No. of proposals submitted 5.1= (1.1+2.1+3.1+4.1)	1,272	171	207	143	1,793
5.2. No. of proposals approved 5.2= (1.2+2.2+3.2+4.2)	240	31	41	29	345
5.3. Total counterpart match 5.3= (1.3+2.3+2.4+3.3+4.3)	11,381,120	2,782,995	4,293,381	3,149,923	21,607,419
5.4. FONDAM support disbursed 5.4= (1.5+2.6+3.5+4.5)	15,215,982	3,731,000	3,598,065	2,278,380	24,823,427
5.5. Amount spent on administration	3,602,762	883,000	854,000	880,000	6,219,762
5.6. Admin. Costs / new support disbursements (5.5/5/4)	24%	24%	24%	39%	25%
5.7. Admin. Costs / Total administrated accounts (5.5/(5.4+5.3+5.9))	10%	9.79%	7.57%	35%	10.3%
5.8 Investment Portfolio annual yield	n/a	12,7%	19.7%	-16.6%	n/a
5.9 Interest earned for the Fund	11,002,000	2,502,000	3,394,000	-2,926,000	13,972,000
5.10 Fund balance at the end of the year	18,000,000	17,000,000	18,022,000	13,123,343	n/a

## **Annex IV**

### **TFCA Country Reports**

## Bangladesh

<b>Debt Agreement signed</b>	:	September 12, 2000
<b>Forest Agreement signed</b>	:	September 12, 2000
<b>GOB debt service savings</b>	:	\$10 million
<b>US budgetary costs</b>	:	\$6 million
<b>Conservation funds generated:</b>		\$8.51 million (over 18 yrs.)
<b>Type of agreement</b>	:	Reduction/Rescheduling
<b>Leverage</b>	:	1.4:1

### Background

The Arannayk Foundation (AF) or Bangladesh Tropical Forest Conservation Foundation was established, as a non-for-profit company limited by guarantee and not having a share capital, in July 2003 by the United States Government (USG) and the Government of Bangladesh (GOB) under the provisions of the U.S. Tropical Forest Conservation Act (TFCA) of 1998 in order to conserve a viable representative population of Bangladesh's rapidly disappearing tropical forests and its biodiversity.

Bangladesh, with a land area of only 147,570 square kilometers (km<sup>2</sup>) is situated at the unique confluence of the Ganges-Meghna-Brahmaputra (GMB) river systems, the second largest river system in the world, which drains an area of 1,086,000 km<sup>2</sup> from China, Nepal, India and Bangladesh. Because of this unique geophysical location, the country has been endowed with rich biological diversity.

Unfortunately, a number of threats endanger the remaining ecosystems, including an existing population base of 145 million people, development interventions, gaps in policy and legislation, and conflicting institutional mandates. Ninety percent of Bangladesh's natural forests and 50% of its freshwater wetlands are lost or degraded. Bangladesh now has among the smallest areas of protected and intact forest in the world, consisting of 1.4% of its landmass. Many terrestrial wildlife species have been lost during the last 100 years. The probable impacts of global climate change (GCC), particularly sea-level rise and the associated impact on ecosystems and economic loss, adds to the already daunting array of environmental issues. By 2050, 70 million people could be affected annually by floods; 8 million by drought; up to 8% of the low-lying lands may become permanently inundated.

Arannayk has a threats-based strategic plan addressing forests and biodiversity conservation through partnerships and building local capacity. Priority grant themes include conservation of threatened and endangered tropical forest species, protected area partnerships, restoration of degraded forests, ecotourism development, coastal biodiversity conservation, homestead agroforestry, environmental education, and global climate change mitigation and adaptation. In addition, the Foundation promotes alternative income generation (AIG) to improve livelihoods of the poor people living in the vicinity of the forests.

Arannayk has historically functioned through the provision of small grants to non-governmental organizations (NGOs), however, the AF Board decided that larger, highly visible, and strategically sound initiatives were required in order to achieve greater impacts. As part of this effort, AF established an MOU with Forestry Department (FD) in 2006 to support collaborative management of forests involving FD and NGOs. The first such protected area co-management initiative involving Arannayk – the Inani Protected Area Co-management Project (Table 1, no.11)<sup>8</sup> - was supported with technical assistance from the USAID-funded Nishorgo Support Project.

## **Governance**

The AF is managed by an independent Board of Directors which is composed of one representative each from the GOB and the USG, and five representatives from non-governmental organizations. Ms. Denise Rollins, USAID Mission Director, is the USG Representative on the Board. For effective management of daily operations and strategy implementation, the AF Board has three Standing Committees: Program Committee (tasked with program development); Operation Committee (tasked with the development and execution of the program implementation plan); and Finance Committee (tasked with budgeting and investment). AF makes prudent investments through fixed deposits in leading private sector Banks.

In 2006-2007, the Board, its Committees and the Secretariat developed policy and guidelines to ensure proper administrative and financial management. Improvements were made to the automated financial management system, procurement, personnel policies, competitive grant-making procedures and the monitoring and evaluation system.

In 2008, AF introduced annual planning and quarterly progress review systems for AF grantees in order to guide implementation of projects in a timely manner, with necessary navigational changes. The annual and quarterly progress review and planning workshops also facilitate interactions, mutual learning and cooperation among the different grantees.

## **Grant Making**

After initial preparatory activities (establishment of office, management board and standing committees, grant making procedures, etc.), significant grant making activities began in 2006. Since then, seven projects involving 38 implementing organizations (*see Table 1*) were in implementation throughout 2007. While five of these projects are on-going, two are now completed: Nursery Development for Regeneration of Threatened Species (no. 1) and Parent Stock Plantations at the Engineering Staff College Bangladesh (ESCB) (no. 2). In addition, Arannayk terminated one project, „Pilot Level Community Based Participatory Herbal Gardens (no. 3) in 2008 due to one implementer’s financial mismanagement.

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<sup>8</sup> All grant numbers throughout the document correspond to the grant numeration in Table 1.



**Table 1 Arannayk Grants, 2006 - 2008**

	<b>Name of Projects</b>	<b>Location</b>	<b>Implementing Entity<sup>9</sup></b>	<b>Date of Commence-ment</b>	<b>Project Duration (Years)</b>	<b>Total grants (US\$)</b>
1	Nursery development for regeneration of threatened species	26 locations in 11 districts, covering main agro-ecological zones of Bangladesh	26 private nurseries and 1 local expert	Feb 2006	1.5	88,318
2	Parent stock plantation in ESCB campus	Munshiganj	ECB	Apr 2006	3.0	10,465
3	Pilot level community based participatory herbal gardens	Rangamati	Juno Pawr	Nov 2006	8.0	230,728
		Keshabpur, Jessore	IDO			
		Kapasias (shifting from Banderban)	OSAD			
4	Conservation of bamboo in Chittagong Hill Tracts	All three districts (Rangamati, Khagrachari, Banderban) of CHT	Juno Pawr in collaboration with BFRI	May 2008	0.2	
5	Recolonization and mass propagation of Civit ( <i>Svintonia Floribunda</i> )	Chittagong	IFESCU	Nov 2006	5.0	44,776
6	Recolonization & mass propagation of Banspata ( <i>Podocarpus Nerifolius</i> )	Chittagong	IFESCU	Nov 2006	5.0	44,776
7	Coastal biodiversity conservation through creating AIG facilities	Paikgacha, Khulna	CFSD Consortium	Nov 2006	4.0	119,403
		Kaliganaj Upazila of Satkhira	Uttaran			
8	Homestead agroforestry through improved management practices	Sitakund and Mireresharai Upazila of Chittagong	Protyashi	Nov 2006	5.0	205,882
		Patia and Chandanaish Upzaila of Chittagong	CODEC			
		Tala, Satkhira	Uttaran			
		Banderbans	CFSD Consort.			
9	Genetic diversity conservation and restoration Sidr-hit areas	Barguna, Jhalokhathi, Pirojpur and Bagerhat districts	BFRI	Jan 2008	1.0	14,706
10	Program support taxing grants	AF program areas	Supporting agencies & professionals	-	-	75,062
11	Inani PA co-	Inani, Cox's Bazar	NGO, CMC, FD	-	2.0	1,035,643

	Name of Projects	Location	Implementing Entity <sup>9</sup>	Date of Commence-ment	Project Duration (Years)	Total grants (US\$)
	management					
12	Conservation of Denuded Hills, Sitakund	Sitakund, Chittagong	NGO, CMC, FD	-	3.0	458,781
13	Conservation of Denuded Hills, Banskhali	Banskhali, Chittagong	NGO, CMC, FD	-	3.0	247,968
14	Conservation of Dhamuirhat Sal Forest	Dhamuirhat, Rajshahi	NGO, CMC, FD	-	3.0	165,140
15	Conservation of Singra Sal Forest	Singra, Dinajpur	NGO, CMC, FD	-	3.0	192,422
16	Community-based conservation in CHT	Chittagong Hill Tracts	NGO	-	3.0	88,235
17	Conservation of Hijal-Koroch forests	Haor areas of Sylhet	NGO	-	3.0	88,235
					<b>TOTAL</b>	<b>3,110,540</b>

<sup>1</sup> **Acronyms:**

ECB = Environment Council Bangladesh; IDO = Integrated Development Organization; OSAD = Organization for Social Development; IFESCU - Institute of Forestry & Environmental Sciences, Chittagong University; CODEC = Community Development and Environment Conservation; CFSD = Centre for Sustainable Development; CFSD Consortium = A consortium of 4 NGOs led by CFSD – the other NGOs being Bangladesh Centre for Advanced Studies (BCAS), Development through Biotechnology (DEBTECH) and Shushilan.

In 2008, the AF Board of Directors approved 4 new collaborative projects with the FD, under a 2006 MOU, which involve co-management of public reserve forests with the purpose of restoring and conserving biodiversity through active participation of local communities. The approved projects are: restoration and conservation of biodiversity in the denuded hills of Sitakunda and Mirsarai Upazila (no.12) and of Banskhali (no. 13) – both of the Chittagong - and conservation of biodiversity in Dhamoirhat Sal forest in Naogaon district (no. 14) and in Singra Sal forest in Dinajpur district (no. 15). The prime objective of each of these projects is to restore and conserve the characteristic native species of the respective forests; to enhance livelihood opportunities for the local communities including indigenous peoples, particularly in conservation-based enterprises and/or co-management approaches; and to enrich the forest ecosystem. Each project involves three implementing entities: the Forest Department, a NGO (for community organizing and capacity building) and a Forest Co-Management Council (representing the FD, forest user groups, local leaders and relevant government departments). Implementing NGOs have been selected and the grants will begin in early 2009.

By launching co-management initiatives with the FD (e.g. the Inani project), Arannayk hopes to raise both its visibility and its conservation impacts. Moreover, the experience will pave the way for Arannayk to undertake more challenging endeavors such as brokering supports for establishing community conserved areas (CCA).

In July 2008, AF also invited project proposals from eligible entities for community based management of forest resources in two geographical areas: (a) the Chittagong Hill Tracts (CHT) and (b) the Haor (low-lying) areas in the northeast of Bangladesh. The AF Secretariat has received 45 proposals on the CHT and 17 proposals on the Haor areas. The evaluation of the project proposals and the launching of the selected projects will begin in early 2009. Grants will be awarded to at least 3 projects on CHT and 2 projects on the Haor areas.

Finally, two special projects were also financed in 2008 – one on conservation and restoration of genetic diversity (of trees) in areas ravaged by the super cyclone, Sidr that occurred in October 2007 (no.9) and another on conservation of two species of bamboo (*Melocanna baccifera* and *Gigantochloa andamanica*) in the CHT, groves of which died throughout the region due to gregarious flowering (no.4). The former was implemented by the Bangladesh Forest Research Institute (BFRI), based on a request from the Ministry of Environment and Forests (MOEF). The latter was implemented through technical support of BFRI, by Juno Pawr – a NGO implementing an ongoing AF-sponsored project in the CHT.

## **Major Achievements**

### *Nursery Development for Regeneration of Threatened Species - no.1. (2006)*

In order to establish sources of planting materials for the threatened indigenous tree species in Bangladesh forests and homesteads, AF provided small grants to 26 private nurseries in the districts of Cox's Bazar, Chittagong, Sylhet, Gazipur, Mymensingh, Tangail, Rajshahi, Nawabganj, Naogaon, Jessore and Khulna. Each nursery was provided with US\$2,550 as seed money to raise 20,000 seedlings of indigenous species. A local expert from Chittagong University was engaged to provide technical support to the nursery owners. More than 500,000 seedlings of about 150 species were produced in 2007. Nursery practices of 55 indigenous species were published in the form of a manual for use by nursery owners. The project is completed.

### *Establishment of a Quality Seed Source for Threatened Trees Species - no.2 (2006)*

Through an MOU established with the Engineering Staff College of Bangladesh (ESCB), Arannayk Foundation provided a grant to a local NGO, the Environmental Council of Bangladesh (ECB) for the establishment of a parent stock plantation in the ESCB campus to serve as seed source for future plantations. ECB planted more than 2,000 seedlings of 20 species in the ESCB campus. The planting stocks were collected from nurseries supported by the Foundation. The project is completed.

*Community Based Herbal Gardens - no. 3 (2006)*

With the objective of conserving medicinal plants in the natural forests and establishing them as a viable source of income generation for the poor people living in and around the forests, AF extended project support to 3 NGOs, namely Juno Pawr, IDO and OSAD. Each NGO is working in different regions (e.g. Juno Pawr is working with two groups of indigenous communities in two areas of Rangamati district in the Chittagong Hill Tracts) using similar methodologies. Specifically, community herbal gardens are being promoted on homesteads using medicinal plants with a market demand. The NGOs often assist with the development of market linkages. In one case, a portion of the grant is being used as a revolving fund for various income generating activities (fish culture, poultry rearing, goat rearing, handicrafts making).

*Recolonization and Mass Propagation of Civit (Swintonia floribunda) - no. 5 (2006)*

Since 2006 the Institute of Forestry and Environmental Sciences, Chittagong University (IFESCU) has been experimenting on propagation and restoration techniques of Civit – an endangered native species in the forests of Chittagong, Cox’s Bazar and Chittagong Hill Tracts. Using a simple greenhouse, IFESCU has been able to achieve 70 – 80 % success rate in asexual propagation. It has established hedge beds, clonal orchards and forestation of Civit in national parks. IFESCU has started collaborating with the Plant Biotechnology Department of Chittagong University for developing tissue culture protocol for the species.

*Recolonization & Mass Propagation of Banspata (Podocarpus neriifolius) - no. 6 (2006)*

Banspata is the only conifer species growing naturally in the forests of Cox’s Bazar and Chittagong Hill Tracts with great commercial value (e.g. pencil, package and pulp), which has become critically endangered due, in part, to a high proportion of non-viable seed production. In late 2006, a grant was awarded to IFESCU to inventory the existing Banspata trees and to develop improved propagation techniques for the species. Like the Civit project, IFESCU has also been able to achieve successful asexual propagation and has established outplanting in a diversity of settings. IFESCU, likewise, is working on developing tissue culture protocol for the species.

*Coastal Biodiversity Conservation through Development of AIG Facilities - no. 7 (2006)*

Due to sea level rise, the vast coastal areas are increasingly affected by salt-water intrusion, resulting in loss of biodiversity, especially of trees, crops and aquatic resources upon which livelihood of local people are greatly dependent. To conserve the endangered species of flora and fauna of the coastal area near the Sundarbans, the AF has been funding two projects. One of the projects is located at Paikgacha, Khulna and is implemented by a consortium of four NGOs, led by CFSD (Centre for Sustainable Development). The other project is located at Kaliganj Upazila of Satkhira district and is implemented by a local NGO, UTTRAN.

The CFSD consortium has produced baseline floral and faunal inventories, conducts research on endangered plants and aquatic resources, develops alternative income generation activities (e.g. poultry rearing, shrimp cultivation) and builds local organizational capacity. The project has worked with 250 participants and planted about 6,500 saplings, mostly of fruit trees for homesteads, and about 2,500 saplings of mangrove species on dikes of shrimp fields.

UTTARAN has been working with 1,000 farm families, who have planted 1,700 saplings of 26 different species in their homesteads and 2,000 saplings of 3 mangrove species on canal banks and dikes. The farmers also maintained 2,500 seedlings of 18 different species planted in the previous year. UTTARAN also trained farmers in fish fingerling and crab production and livestock production. The project has also established a small revolving fund, for agricultural activities. Loans include a provision for planting endangered plants on farms.

*Homestead Agroforestry through Improved Management Practices- no. 8 (2006)*

Grants have been made to two NGOs (Protyashi and CODEC) in Chittagong and one NGO (Uttaran) in Satkhira with the objectives of conserving and restoring homestead biodiversity while creating alternative income generation facilities for the poor. Both projects work on community organization, tree planting on homesteads (both endangered and commercial species), financing of micro-enterprises, establishment of germplasm banks and promotion of alternative income generating activities (e.g. bee keeping and fish culture).

Protyashi follows a village-wide approach in awareness and capacity building of farmers for agroforestry activities in homesteads. It has distributed over 2000 seedlings of endangered trees among 272 households, collected the planting materials from the AF-supported nurseries. CODEC is working with 400 households in similar efforts in several villages adjacent to degraded public forest lands. In 2008, the project participants planted 45,000 saplings of 75 species of trees (fruit, timber) and initiated awareness campaign and training on use of fuel efficient cook-stoves. Uttaran is working with 1000 households in Satkhira district. In 2008, it distributed saplings of 36 endangered species of fruit and timber trees among the project participants and additionally work in alternative livelihood activities (esp. fish culture, livestock, dairying, nursery, intensive vegetable cultivation). Adoption of sustainable alternative resource use behavior is significant.

*Genetic diversity conservation and restoration in Sidr-hit areas - no. 9 (2008 special project)*

A devastating cyclone, Sidr, destroyed millions of trees (along with other assets) in the coastal districts of Barguna, Jhalokathi, Pirojpur and Bagerhat in October 2007. Arannayk provided BFRI with a small grant to provide information to farmers of the affected areas in reestablishment their plantations with best possible genetic materials. Television and printed media were used to dissemination of technical advice regarding immediate care for damaged trees, matching species to site and re-establishment of

plantations. Additionally, BFRI provided eight workshops on nursery development and planting techniques involving 300 participants.

#### *Conservation of bamboo in Chittagong Hill Tracts - no. 4 (2008 special project)*

Some varieties of bamboo die soon after prolific seed production, although actual the phenology will vary by species. Not surprisingly, the rat population can explode during these bamboo seed production periods, with corresponding losses to grain crops. In 2008, this occurred in the Chittagong Hill Tracts (CHT) with the flowering of Muli bamboo (*Melocanna baccifera*) and Kali bamboo (*Gigantochloa andamanica*). Donors intervened to prevent famine, however, there was no effort to restore the bamboo groves, upon which life and livelihood of the tribal people of the region depend.

With a small grant from the AF, Juno Pawr and BFRI conducted an extensive awareness raising campaign among the people of CHT and trained more than 500 farmers in seed collection, storage, planting of the bamboo seeds. By June 2008, the participants of the project planted Muli bamboo in 15 hectares of land, and private nursery owners started raising seedlings of Kali bamboo in their nurseries. The project was completed in two months' time (May – June, 2008).

#### ***Other Important Developments of 2008***

In 2008, the AF Secretariat paid particular attention to technical capacity and professional development of its staff members. Participation in international for a allowed AF to establish linkages with a number of international and regional networks working on forest management issues. Within Bangladesh, the MOEF involved the Executive Director in a number of policy making initiatives related to forestry such as promulgating village forest rules and amending the existing forest transit rules and wildlife act of Bangladesh. Specific workshops attended by either the Executive Director or the Senior Program Officer included the following:

- Sept 3-7. "Forests, Landscapes and Governance – the role of local communities, development projects, the state and other stakeholders" organized by Helvetas in Punakha, Bhutan. AF participant cost was borne by the Swiss Development Cooperation (SDC).
- Nov. 8-11. "Global Alliance for Community Forestry (GACF)-Asia Regional Workshop" organized by the Federation of Community Forestry Users Nepal (FECOFUN) in Kathmandu, Nepal. AF participant cost was borne by FECOFUN.
- Nov. 10-13. "EAI/TFCA Annual Meeting" held in Belize (Central America).
- Dec. 10-12. "Payment for Ecosystem/Environmental Services (PES)" organized by International Centre for Integrated Mountain Development in Dhulikhel, Nepal.

The AF Secretariat also maintained continuous liaison with USAID's Nishorgo Support Project and recently launched Integrated Protected Area Co-management (IPAC) project to identify and materialize collaborative activities.

In September 2008, the TFCA Secretariat, Washington DC, contracted a TFCA country program evaluation of the AF performance. The evaluation team appraised the grant making procedure, financial management and monitoring systems. The final report was

quite positive while recommending certain procedural improvements, particularly in the areas of communications, strategic planning and fundraising. The report also identified the need for certain amendments to the Article of Association. Each of the recommendations is currently being acted upon for resolution.

**Summary Table (\$US)**

Fund Data					Total
	2002-2005	2006	2007	2008	
No. of proposals submitted	9	212	140	189	550
No. of proposals approved	1	34	4	5	44
Total approved funding for grants	\$ 24,985	\$ 542,978	\$ 1,254,861	\$ 1,287,716	\$ 3,110,540
Total disbursed funding for grants	\$ 18,717	\$ 143,636	\$ 118,484	\$ 172,018	\$ 452,855
Total matching funds as % of grant approved	-	-	-	-	-
Amount spent on administrative costs	\$ 123,280	\$ 122,626	\$ 130,406	\$ 127,676	\$ 503,988
Administrative costs as % of grants approved	493%	23%	10%	10%	16%
Interest and capital gained on investments	\$ 183,284	\$ 342,802	\$ 458,345	\$ 742,634	\$ 1,727,065
Fund balance at the end of the year	\$ 4,494,780	\$ 4,794,472	\$ 5,642,836	\$ 6,618,541	n/a

Website: [www.arannayk.org](http://www.arannayk.org)

## Belize

<b>Agreement Signed:</b>	August 2, 2001
<b>Type of Agreement:</b>	subsidized debt swap
<b>GOB debt payment savings:</b>	\$10 million
<b>US budgetary costs:</b>	\$5.5 million
<b>Conservation funds generated:</b>	\$9 million (over 26 years)
<b>Leverage:</b>	1.87:1
<b>Private funds contributed:</b>	\$1.3 million

### Schedule of Payments to TFCA Account Through 12/31/08 (U.S. \$)

*(includes no investment income – only direct deposit amounts)*

<b>PACT</b>	<b>BAS</b>	<b>BAS</b>	<b>PfB</b>	<b>PfB</b>	<b>TIDE</b>	<b>TIDE</b>	<b>TIDE</b>
Foundation Endowment	Endowment	Land Mngt.	Endowment	Land Mgt.	Endowment	Land Mgt.	Land Purchase
2,049,000	620,001	617,637	620,001	617,637	620,007	617,667	801,000

### Background

The \$5.5 million in appropriated funds were combined with \$1.3 million in private funds raised by The Nature Conservancy (TNC) to reduce Belize's official debt to the U.S. by half. Under the agreement, the Government of Belize (GOB) issued new obligations that will generate approximately \$9 million in local currency payments to help a consortium of four local NGOs administer conservation activities in protected areas. In addition, as part of the agreement, the GOB transferred 11,000 acres of Crown land to the Toledo Institute for Development and the Environment (TIDE), which increased an NGO-managed protected area to 23,000 acres through land purchases financed by TNC.

The four local NGO beneficiaries include: the Programme for Belize (PfB), Belize Audubon Society (BAS), TIDE, and Protected Areas Conservation Trust Foundation (PACT Foundation). Together, the NGOs provide good national coverage. In particular, the agreement will help protect Belize's Maya Mountain Marine Corridor, which is globally outstanding in terms of its biological diversity and includes 16 miles of pristine Caribbean coastline. This area is home to more than 220 tree species and 350 species of birds, as well as the jaguar, marguay, Baird's tapir, and scarlet macaw.

### Governance

The Belize agreement was the first debt-for-nature swap under the TFCA program. As a "subsidized debt swap", it utilized both appropriated and private funds. An Oversight Committee ensures that the terms of the agreement are observed by all parties. Membership of the oversight committee includes a representative from each of the four benefiting NGOs, a representative from both the U.S. Government and the GOB, and one representative from TNC.



## Major Achievements

### *PACT Foundation*



The Protected Area Conservation Trust (PACT) Foundation was intended to be the one NGO of the four TFCA beneficiaries to offer a small competitive grants fund available for eligible local entities. After an extended delay, The PACT Foundation was officially registered in November, 2004. The Foundation had collected term deposits of US\$ 2,049,000 with the last deposit of US\$ 135,000 having been made as scheduled in September 2008. The following information covers the reporting period October 2007 – October, 2008.

The PACT Foundation provides grants to registered management organizations of terrestrial protected areas including, non-governmental organizations (NGOs) and community based organizations (CBOs) that are involved in conservation and management for sustainable use of Belize’s natural resources and terrestrial protected areas. Eligible projects include general park management, training and research.

### **Grant Making**

To date, two cycles of grants are underway. The first commenced in April 2007 (6 grants were awarded, of which 4 have been completed) and the second in April 2008 (3 grants were awarded and each commenced in August). As per PACT Foundation policy, an initial disbursement of 95% was issued upon signing of the agreement and the remaining 5% is retained until submission and approval of the end of year report.

#### *First Grant Cycle- July 2007- November 2008*

- 1. Aguacaliente Management Team (AMT), “Sustainable Income Generation through Improved Services at Aguacaliente Wildlife Sanctuary (AWS)”*

This grant has allowed for the improvement of the communication capacity of AMT, the co-management entity for the Aguacaliente Wildlife Sanctuary. In addition, sanctuary infrastructure was made more accessible and improved (e.g. a boardwalk) and AMT rangers were better equipped to assist in combat illegal activities within AWS. In general, sanctuary management capacity was strengthened. The grant was successfully closed October 7, 2008.

- 2. Community Baboon Sanctuary Women’s Conservation Group (CBSWCG), “Improving Infrastructure and Capacity Building within the Community Baboon Sanctuary for Environmental Management”*

A Community Baboon Sanctuary has provided a conservation education opportunity and income generation opportunity for a Women's Conservation Group. An education center was established as a resource clearinghouse/museum and associated infrastructure upgraded (trail, restroom facility) to enhance visitor's experience. The grant was successfully closed on October 7<sup>th</sup>, 2008. The PACT Trust subsequently awarded a support grant of \$10,000 for CBSWCG to develop a marketing strategy for the CBWS.

3. *Forest and Marine Reserves Association of Caye Caulker (FAMRACC), "Caye Caulker Forest Reserve (CCFR) Littoral Forest/Mangrove Restoration"*

This grant allowed for the completion of baseline species inventories within CCFR and for the establishment and monitoring of experimental forests at four selected sites. Hurricane Dean, early last year, resulted in delays in the establishment of two of the experimental sites. The grant extended to acquisition of forest monitoring equipment & supplies. In addition, an environmental education component engaged local schools. The grant closed in November, 2008.

4. *Itzamna Society "Increase Competitive Eco-tourism of the Eljio Panti National Park through the Implementation of the Management Plan"*

The Eljio Panti National Park is co-managed, in part, by the Itzamna Society. This grant allowed for the upgrading of water systems and latrines, trail clearing, establishment of medicinal species trials, plant identification surveys and the establishment of a training program. An environmental awareness training manual was developed and was presented to schools of buffering communities. Project was successfully closed on August 19<sup>th</sup>, 2008

5. *Steadfast Tourism and Conservation Association (STACA), "Improving Management of Billy Barquedier National Park"*

Most components for this Billy Barquedier National Park (BBNP) grant are on schedule. Specifically, the water quality monitoring of the South Stann Creek River, trail maintenance and improvement, and park protection (esp. surveillance) are being implemented. The preparation of a BBNP management plan is somewhat delayed. This grant is scheduled for closure in February, 2009. Additional institutional strengthening of STACA is expected from the Association of Protected Areas Management (APAMO), particularly, capacity development of co-management.

6. *Ya'axche Conservation Trust (YCT), "Strengthening Mechanisms for the Effective long term Sustainability of the Protected Area at Golden Stream Corridor Preserve"*

This grant allowed for the upgrading of the field station resource center and communication system at the Golden Stream Corridor Preserve. An additional focus was on institutional strengthening of the Ya'axche Conservation Trust, including an assessment of training needs, an evaluation and upgrading of the administrative systems, and improved research and monitoring (e.g. improved equipment). As is common, an environmental

education and extension program was also supported. The grant was successfully closed October, 2008.

*Second Grant Cycle July 2008- November 2009*

7. *Aguacaliente Management Team (AMT), “Improving Aguacaliente Management Team Technical Capacity for More Effective Management of the Aguacaliente Wildlife Sanctuary”*

This grant has allowed the AMT to hire a Community Outreach Officer to implement a Community Outreach/Environmental Education program within the 10 communities surrounding the Aguacaliente Wildlife Sanctuary. In addition, some cost of operations, communications and biodiversity monitoring were covered.

8. *Rancho Dolores Environmental and Development Company Limited, “Spanish Creek Wildlife Sanctuary Maintenance and Development Project”*

In accordance with the Spanish Creek Wildlife Sanctuary (SCWS) management plan, this grant has allowed for maintenance and improvement of trail systems (including equipment), the hiring of one additional staff member and development of a communications strategy focusing on local government and communities. Additionally, the project allowed for consultations with nine communities to explore micro-enterprise development.

9. *Rio Blanco Mayan Association (RBMA), “Securing Rio Blanco National Park with Adequate Resources”*

As with many park grants, this one has allowed the RBMA to procure needed equipment and supplies to enhance park management, including the improvement and maintenance of park infrastructure and the installation of solar panels. Biological monitoring and surveillance has been a priority program under his grant.

***Challenges and Successes***

While all four of the 2007 projects having closed in 2008 were successfully implemented (e.g. all tasks completed), the actual achievement of objectives is still under assessment. The grantees all had varying level of capacities in project implementation. This required a corresponding ‚relevant’ level of guidance from PACT. It is generally understood that small grantee organizations required a higher level of technical support, particularly during preparation or timely reports, budget tracking and management, and project accounting.

As a result, small grantees required an elevated level of monitoring (e.g. frequency of visits) and a higher number of PACT relevant officers to provide technical assistance. Of particular demand were the Project Officer and the Project Financial Administrator. The additional technical assistance was effective, but increased administrative costs of grants to

small inexperienced grantees. Nevertheless, grantees greatly appreciated the capacity building and such expenses are therefore justified in strengthening civil society.

One policy change in implementation of the second grant cycle, in an effort to minimize delays, was to develop and implementation plan and, if needed, a monitoring and evaluation plan for small grantees, prior to issuing of the first disbursement. In addition, the estimated level of technical assistance for small grantees during project implementation has been elevated. This prioritization of institutional capacity building is consistent with the assessment of both the PACT Mentoring Program and the program of the Association of Protected Area Management (APAMO).

**TABLE 1. Disbursement Summary**  
(\$US)

	<b>Organization</b>	<b>Amount approved</b>	<b>Amount Disbursed</b>	<b>Amount Available</b>	<b>Start Date</b>	<b>Expected End Date</b>
1	Aguacaliente Management Team (AMT) <sup>1</sup>	\$19,977	\$19,627	\$349	6/07	07/08
2	Community Baboon Sanctuary Women's Conservation Group (CBSWCG) <sup>1</sup>	\$19,754	\$19,339	\$415	6/07	07/08
3	Forest and Marine Reserves Association of Caye Caulker (FAMRACC) <sup>1</sup>	\$10,372	\$9,502	\$870	6/07	11/08
4	Itzamna Society <sup>1</sup>	\$20,000	\$20,000	\$0	6/07	07/08
5	Steadfast Tourism and Conservation Association (STACA) <sup>1</sup>	\$19,980	\$18,575	\$1,405	6/07	2/09
6	Ya'axche Conservation Trust (YCT) <sup>1</sup>	\$19,990	\$19,744	\$246	6/07	07/08
7	Aguacaliente Management Team (AMT) <sup>2</sup>	\$19,978	\$18,516	\$1,462	8/08	8/09
8	Rancho Dolores Environmental and Development Company Limited <sup>2</sup>	\$19,986	\$18,524	\$1,463	8/08	8/09
9	Rio Blanco Mayan Association (RBMA) <sup>2</sup>	\$20,000	\$18,537	\$1,463	8/08	8/09

\* \$US 1 = 2.05 Belize dollars

**NOTE:**

<sup>1</sup> First Grant Cycle projects

<sup>2</sup> Second Grant Cycle projects

## *Toledo Institute for Development and the Environment (TIDE)*



### Overview

The Toledo Institute for Development and Environment (TIDE), a non-governmental organization, was founded in 1997 to meet the growing environmental and development needs of Toledo District, the southernmost district of Belize. TIDE was conceived as a grassroots initiative in response to the negative environmental effects from activities such as manatee poaching, illegal fishing, illegal logging, destructive farming methods, and unsustainable development. TIDE has 30 paid staff members. TIDE sees the facilitation of private land conservation as critical to maintaining connectivity between the protected areas and minimizing the negative and harmful impacts of certain destructive practices on neighboring lands. In addition, TIDE has acquired lands in the Maya Mountain Marine Corridor (MMMC), a high priority conservation site extending from the crest of the Maya Mountains in southwestern Belize to the southern end of the Belize Barrier Reef System.

### Private Lands Initiative

TIDE's Private Lands Initiative (PLI) is currently being financed through the TFCA Forest Conservation Agreement and partners of TIDE. Funds are used for the park land management and improvement. The PLI is headed by a Manager, Mr. Eugenio Ah, who is supported by a staff of three full-time and two part-time rangers. The staff conducts patrols on the 23,000 acres of land purchased via the 2001 Debt-for-Nature Swap (DNS)<sup>10</sup>, as well as an additional 6,000 acres. The team's goal is to reduce threats to biodiversity and fresh water and support the sustainable management of this critical ecosystem for the benefit of communities and the Belize Barrier Reef system. The major threats today come in the form of illegal fishing (gill-nets), illegal logging, and hunting/poaching and related fires. TIDE DNS rangers and staff participate in fire management, reforestation, nursery development, environmental education activities, biodiversity monitoring, and numerous community meetings to create awareness and gain support for conservation efforts.

### Major Achievements for 2008

- Cleared and demarcated approximately 20 linear miles of boundary lines on DNS lands (about 30% of the total, but in the most critical areas).
- Placed 20 regulatory signs along the DNS lands and rivers.
- Conducted over 80 joint patrols with soldiers from the Belize Defense Force, Belize Forest Department, and other non-governmental agencies.
- Implemented a biodiversity monitoring programs.
- Conducted school visits and field trips with students from the buffer communities.
- Donated and sold trees from a nursery constructed and managed by DNS rangers.

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<sup>10</sup> In Belize, the Debt for Nature Swap (DNS) is the common term used for the Tropical Forest Conservation Act (TFCA) Agreement.

- Extended technical assistance to 50 “*Matambre*” farmers on protection of the buffer zones when preparing land for subsistence farming (e.g. maintaining 66ft buffer strips).
- Promoted conservation through visits to families engaged in hunting and fishing in and around the TIDE lands.
- Improved infrastructure including a kayak and boat docking area at the ranger station and a 200ft boardwalk over a swamp area featuring many native tree species.

Rangers also participated in trainings on matters such as: bird diversity monitoring, „green’ laws, trail design and construction, mammal and plant Identification, advance fire management, computer skills, report writing, oral presentations, map reading, and special constable training allowing rangers powers to confiscate and arrest. Ranger exchanges were additionally arranged with Petén, Guatemala and the Shipstern Nature Reserve in Northern Belize.



Fire management training



Joint river patrols with Belize Defense Force Soldiers



Weather condition monitoring



Docking area for boats and kayak

### Project Impacts

The year 2008 witnessed many success stories. TIDE received the first prize for Social Innovative Project for the Freshwater Cup by the Economic Commission for Latin America and the Caribbean. TIDE also: conducted staff training, implemented alternative

livelihood training for 5 community members (e.g. SCUBA diving and tour guide training), coordinated the development of a Conservation Action Strategy and work plan for the MMMC, raised awareness in conservation and conducted beach clean ups with many local groups and institutions. The TIDE staff is highly motivated and dedicated to achieving the ambitious institutional conservation goals.

#### Leveraging EAI/TFCA Resources

During the past year TIDE managed to leverage funds used to assist in the management of the lands. The sources of the funds included: the Earthwatch Institute, Outpost International, and The Nature Conservancy. TIDE once again expresses gratitude for the continuous support of the TFCA funds that allows us to protect and restore critical biodiversity through habitat protection and management. Biodiversity in the protected areas continue to increase, unfortunately so does hunting and fishing pressures. The world economic crisis has definitely impacted TIDE ability to effectively manage the lands, but with the continuous support from TFCA we were still able to accomplish many objectives with limited funds.

**Summary Table (in US\$)**

<b>Fund Data</b>	<b>2002-2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Total</b>
Total approved from TFCA Land Management account	\$329,190	82,422	82,422	82,422	\$576,456
Total approved from TFCA Land Purchase account	\$667,500	-	-	-	\$667,500
Total approved from TFCA Endowment account	\$249,521	118,734	118,734	118,734	\$605,723
Other leveraged matches (e.g. co-financing)	\$38,400	41,698	67,700	67,700	\$215,498
Total matching funds as % TFCA Land Management acct.	11.7%	51%	82%	82%	37.4%
Amount spent on administrative costs	\$75,314	24,727	24,727	24,727	\$149,495
Administrative costs as % of Land Management	22.9%	30%	30%	30%	25.9%
Interest and capital gained on TFCA investments	\$78,721	38,569	51,476.	51,476.	\$220,242
Fund balance at the end of the year (Endowment & Land Purchase accounts)*	\$767,042	637,088	747,931	747,931	\$2,899,992

## ***Programme for Belize (Pfb)***



Programme for Belize (Pfb) is a private, non-profit, Belizean NGO established in 1988 and is dedicated to conserving biodiversity and promoting the sustainable development of Belize's natural resources through the proper management of the Rio Bravo Conservation and Management Area (RBCMA) and other entrusted lands. RBCMA is the largest private protected area (260,000 acres) in Belize on which Pfb practices management principles based on the U.N. Man and Biosphere Reserve system which promotes revenue generation for conservation activities.

Pfb has used the TFCA funds in the seventh year to continue to maintain Pfb's protection personnel. The ranger force has continued to be deployed to manage and patrol various hotspots on the RBCMA. Funds were also used to facilitate the general maintenance and administration required to support this unit and assist with the transportation and communication mechanisms that are used by the ranger force.

The reporting period herein is October 2007 – September 2008. During that period, Pfb received a total of \$201,152, of which \$82,418 was transferred to the Land Management account. Of that amount, approximately 66% covered park management salaries and 4% went to cover aerial reconnaissance and office expenses respectively (e.g. park vehicle repairs and radio communication upgrades). The final 30% or \$24,725 was used to cover TFCA program administrative expenses during the year in review.

During the same period, a total of \$118,734 was transferred to the Endowment account. The accumulated endowment amount is now approximately \$768,211 as of September 2008. This figure includes accumulated interest for all periods of approximately \$179,794.

### **Major Achievements - 2009**

The TFCA program and funds were used to support the ranger force in the RBCMA over the past year maintaining ten rangers on the protection force including entry gatemen. Pfb's ranger force is deployed for on-the-ground gate monitoring at entry points and simultaneously is deployed to conduct daily patrols and reconnaissance activities in known hot spots and other areas. Established work-plans on a monthly basis control the movements over the property to do patrolling and boundary line clearing as well as additional patrols on the water way on the New River Lagoon. In 2009 additional vigilance was required at access points created by newly cut transect lines for seismic surveying.

### **Park Management: Enforcement**

During the reporting year, the Rangers were able to undertake 2 aerial quarterly flights, the first in December and the second in April. A third flight slated for September 2008 was



rescheduled to November 2008. There were no illegal activities detected as a result of these two flights with the exception of 1 small field prepared for cultivation found just outside the border of the property. This encroachment plot was subsequently destroyed with the help of the local authorities.

Illegal cultivation was also found by ground patrols near La Milpa research station in August. The Rangers found an field containing about 500 mature marijuana plants in the Cane Field Area and this field was destroyed with the help of the local authorities.



San Felipe Road: RBCMA to the left and Mennonite farms to the right.



PfB Hill Bank Station – park ranger base

There were no recorded incidences of illegal logging on the RBCMA during the first half of the reporting period. However, during the second half (April through September) there were 4 reported incidences of illegal logging. All four of these incidences took place in the Cane Field and San Felipe areas of the RBCMA, known hotspots. Generally, what are found are downed mahogany trees and sawn logs or logger camp sites. Despite added patrols and movements by the Rangers, no logger was found in these areas and, as a result, no one was charged or detained. The boards are confiscated.



Site location being recorded in the field

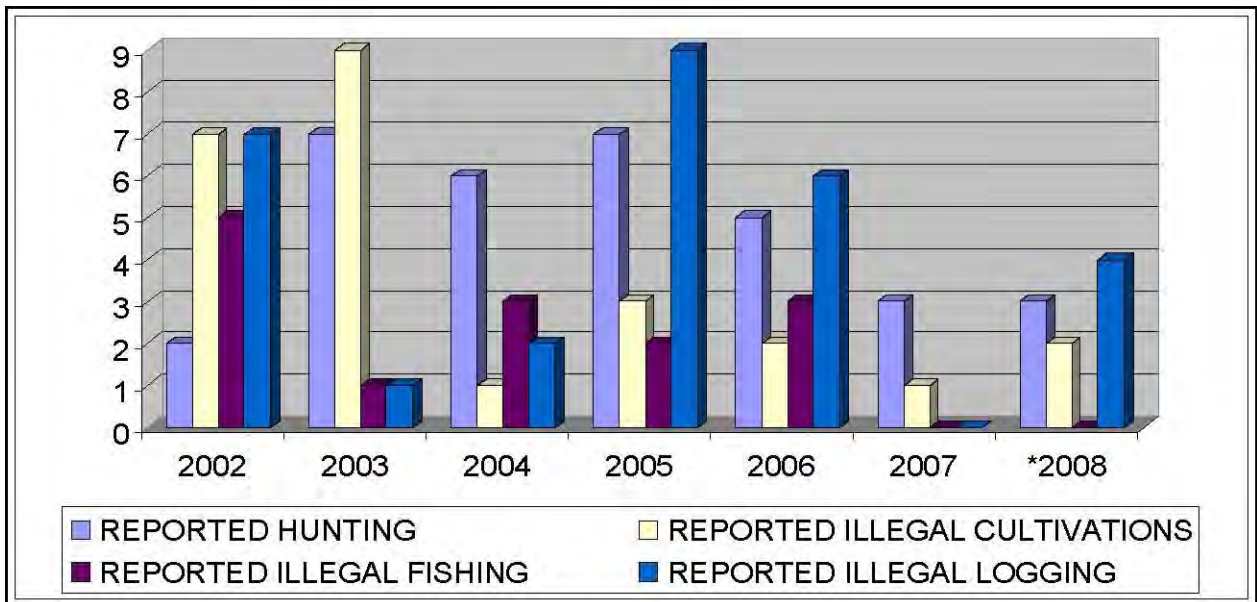


Illegally mahogany relocated to Hill Bank

The rangers believe that the added deployments required by the seismic operations helped to contribute to these incursions as the rangers were unable to conduct major patrol movements when the two operations overlapped and required multiple resources for monitoring. Hindrances to the ranger movements do to degraded roads contributed to this situation.

In terms of illegal hunting and poaching, there was one reported instance of poaching of Yellow-Headed Parrots where rangers found 5 parrot nesting sites destroyed along with evidence that 2 chicks were removed from these locations. Poachers have continued to elude the rangers and enter the property using seismic lines that have been cut and opened by the oil exploration activities during the dry season especially in the Savannahs. The rangers also confiscated a horse and saddle near the East Gate Savannah after the hunter fled the area. Both items were handed over the local authorities after a report was made by our rangers of this incident. There were no illegal fishing activities encountered and reported.

Data on illegal activities continues to be collected and reported. The graph below highlights the trend data that has emerged over time which shows that the ranger presence has continued to have positive impacts on the RBCMA in curtailing and abating illegal activities. Illegal hunting and fishing incidents continue to fall along with illegal cultivations. Illegal logging has increased in some years, particularly the drier years (2002, 2005 and 2006). Data for 2008 should offer some indication of the impacts of increased access due to seismic surveys.



(Statistical Data Set for the RBCMA)

\*2008 – Reflects reported activities from January – September 2008 only. All other years reflect January – December of respective year.

## **Oil Exploration Monitoring Activities**

In early January 2008 the rangers were pressed into additional services to provide monitoring for seismic surveying activities on the RBCMA by two gas firms: RSM Corporation (Feb.-May) and BNE (May –July). The Rangers provided full time monitoring of these activities to ensure both mitigation compliance by the firms themselves, and vigilance against illegal activities.

Mitigation funding was provided through the agreements with RSM Corporation and BNE for the hiring of 4 additional rangers, to be retained on a one-year part time basis, to ensure that the appropriate level of follow-up monitoring can occur to prevent hunters and others from using these lines to access the property and carry out illegal activities.

A significant number of transect lines similar to ones below have been opened on the RBCMA now placing added stresses to the monitoring and security of the property. Vigilant monitoring of these lines will continue until the lines are revegetated and property access closed off. The southern leg of the property, where BNE lines were opened, has already shown an increase in movements of hunters on these lines.



Transect line opened for Seismic Surveying by RSM on the RBCMA) measures approximately 5 feet

## **Capacity Building**

In November 2007, the Rangers participated in several training sessions that were held at the Hill Bank Field Station. The first of these training sessions was a one week intensive course for „Special Police Constables’ delivered by members of the Police Training Academy.

The 11 PfB staffers also participated in a „Green Laws Training’ session conducted by the Forestry Department. The course centered on processing cases under several key laws used by the Forestry and Fisheries Departments (e.g. Forest Act, The Wildlife Protection Act, the National Park Systems Act and Fisheries Acts). Actual cases were presented to demonstrate how to properly manage and process each case for successful prosecution.

## **New Equipment**

In the month of January 2008 the ranger personnel were provided with new uniforms and camping equipment. Jackets, pants, boots, backpacks, water canteens, tents and cooking equipment were provided through the PFB Carbon Sequestration Program at a value of approximately \$8,500. The Rangers also received 3 new all terrain vehicles (ATV) units in the month of September 2008 which will help significantly in ground movements and patrolling. The ATV's were provided through funding from the Linda Wallace Foundation at a value of approximately \$30,360.

An additional \$70,000 worth of gear and equipment was provided through the RSM/BNE seismic operation agreements. This included 2 GPS unit, 2 handheld radios and 2 compasses that will support long term monitoring activities around the RBCMA well after the seismic transect lines are overgrown. A 4x4 pickup truck was also secured and is now in use at the Hill Bank Field Station supporting ranger movements and patrols.

## **Conclusions**

In sum, TFCA-funded ranger team continued to provide highly effective conservation despite the many challenges encountered. They increased patrolling and monitoring efforts in the known hotspots to deter any hunting and poaching, particularly along the newly cut transect lines. Now that these exploration activities have concluded, the rangers (including the temporary staff) are geared up to maintain effective vigilance throughout the RBCMA.

PFB Website: [www.pfbelize.org](http://www.pfbelize.org)

## ***Belize Audubon Society (BAS)***



The Belize Audubon Society (BAS) is a non-governmental, membership organization dedicated to the sustainable management of Belize's natural resources through leadership and strategic partnerships with stakeholders in order to create a balance between people and the environment.

Although BAS currently manages or co-manages nine protected areas, only three of those nine benefit from TFCA Land Management Account: St. Herman's Blue Hole National Park (SHBHNP), Guanacaste National Park (GNP), and Tapir Mountain Nature Reserve (TMNR). Collectively the three are referred to as the "Cayo Parks".

## ***TFCA Fund Disbursement***

The Belize Audubon Society (BAS) is a non-governmental membership organization dedicated to the sustainable management of Belize's natural resources through leadership and strategic partnerships with stakeholders in order to create a balance between people and the environment.

Although BAS currently manages or co-manages nine protected areas, only three of those nine benefit from TFCA Land Management Account: St. Herman's Blue Hole National Park (SHBHNP), Guanacaste National Park (GNP), and Tapir Mountain Nature Reserve (TMNR). Collectively the three are referred to as the "Cayo Parks".

The reporting period herein is from October 2007 to September 2008. During this period, BAS received a total of \$201,152 of which \$82,418 were transferred to the Land Management Account. Seventy percent of the Land Management budget (\$57,692) was expended in park management (staff salaries) for GNP, SHBHNP, and TMNR. Thirty percent (\$24,725) was expended in salaries for program coordination overhead which includes the Executive Director, Finance Department, Administrative Support and Park Manager. During the same period, a total of \$118,734 was transferred to the Endowment Account. The accumulated endowment amount is now approximately \$680,949, including \$60,948 of accumulated interest.

### **Activities and Accomplishments**

As a partner in the TFCA debt swap agreement, BAS continues to receive the necessary funds to implement its vision of protecting Belize's lands and natural resources. Major activities over the past year in the Cayo Parks were focused *on protected areas management (esp. enforcement), education, research and monitoring, capacity building and special events.*

#### Enforcement

The TFCA Funds allowed for continued staff presence at SHBHNP, GNP and TMNR. Staff carries out their daily duties to ensure security of the parks and to maintain protected area integrity.

In April, BAS staff participated in an over flight of three Cayo parks and Actun Tunichil Muknal Natural Monument. Select buffer zone community members also participated in the aerial surveillance as part of BAS community outreach, in order to foster stewardship of protected areas. There were no signs of illegal incursions, logging or clearing within any of the park boundaries. However, clearance was noted in adjacent forest lands outside TMNR. These areas were then targeted for additional monitoring and patrolling.

Regular ground patrols are conducted by park wardens and some operations are held in conjunction with Forest Department and Belize Defense Force. In one case, a joint patrol conducted at TMNR, came upon an area of illegal logging and xatero leaf extraction. The camp site was destroyed and the xate leaves processed by the Forest Department.



Educational outreach



Confiscated Xate palm

The BAS staff received training as Special Constables with knowledge of laws governing protected areas. Registered enforcement officers, therefore, have the rights to cease and detain poachers. Illegal activities have been significantly curtailed, particularly at GNP, as a result of staff presence, increased patrols and staff enforcement capabilities.

### Education

Of the nine protected areas managed by the BAS, the three TFCA supported sites stand at the forefront in environmental conservation education and visitation management. Education centers specializing in protected areas management and conservation serve local area teachers, students, tourists, and community members. Presentations are tailored to the objectives of the teachers and the National Curriculum, which was developed with BAS assistance in 2007. A total of 5,534 students and teachers visited SHBHNP and GNP for this reporting period and several received hands-on experiences in protected areas management.

### Research and Monitoring

Research continues to be a BAS priority. In May 2008, xate palm surveys were completed at TMNR and SBHNP. The objectives of the surveys were to quantify relative species abundance and diversity, as well as the level of illegal harvesting occurring. Xate has commercial value and is frequently poached from protected areas. The surveys will provide BAS with the necessary baseline data on xate, and its threats, from which to develop further assessments and management plans.

The presence of TFCA supported staff at the parks has contributed to the leverage of additional support from other donors, such as the provision of monitoring equipment (including \$10,000 for binoculars). This allows for increased bird monitoring, development of baseline figures and impact evaluations.



### Capacity Building

The BAS strategic plan resulted from a highly participatory process whereby the staff contributed substantially to the vision of the next five years. The strategic planning process ensured a sense of ownership for the plan and its conservation mission. Investment in the growth and development of the BAS staff is critical and, consequently, capacity building continues to be a significant BAS priority. During 2008, staff members were engaged in several training opportunities and development workshops, including:

- Green Laws Training
- Special Police Constable Training
- Media Communications Training
- BAS Strategic Plan Development Workshops
- Professional Development Training
- Bird Banding Training
- Plant Identification and Taxonomy Training

Training highlights included a week-long course in Plant Identification and Taxonomy at the Cockscomb Basin Wildlife Sanctuary and a four-day Bird Banding Training as part of a research project evaluating neotropical migratory bird corridors. The staff of GNP and SHBHNP learned how to handle birds of several species, data collection methods, monitoring methods and techniques for ageing and sexing birds. This training will augment the existing birding expertise of park personnel to improve both bird monitoring and the visitor's experience.



Bird watching - ecotourism



Bird monitoring  
(sexing & ageing)

### Special Events

Finally, the staff participated in several major events during the reporting period. GNP staff developed a series of activities in celebration of Earth Day 2008 with the theme “Solutions to Climate Change”. The activities included: 1) the launching of a Greening Initiative that promotes sustainable and economically viable livelihoods and lifestyles; 2) the inclusion of senior and special needs citizens in environmental conservation, and; 3) launching of the “Environmental Agenda for Belize 2008 – 2013.” The objective of the latter is to improve the content and effectiveness of communications on key environmental issues to raise the level of analysis for making informed decisions, particularly policy decisions by the Government of Belize. Examples of analysis would include identification of weaknesses in legislation and regulations, inefficiencies in coordination among Government agencies and their capacity limitations, and the lack of stakeholder participation in co-management agreements.

BAS continues to engage an increasing number of stakeholders through its Annual Membership Convention (April) and its Annual General Meeting (May). The BAS Membership Convention is an ideal forum for increasing environmental awareness and commitment. The commitment of the staff itself was augmented through participation in the BAS staff/board retreat in November. This retreat unified the BAS team for a weekend of staff relationship building and capacity improvement in communications and customer service.

The TFCA agreement continues to be an important source of funding for the unrelenting conservation and management work of BAS within the Cayo parks. With the finalization of the BAS five-year strategic plan, these funds will provide for the execution of strategic activities in the Protected Areas Program, Advocacy, Research, Education and Community Outreach.

BAS website: [www.belizeaudubon.org](http://www.belizeaudubon.org)



## Botswana

<b>Debt Agreement signed</b>	October, 2006
<b>Type of Agreement</b>	reduction/rescheduling
<b>US budgetary costs</b>	\$7.0 million
<b>Conservation funds generated</b>	\$8.3 million (over 10 years)

### Schedule of Payments to TFCA Account through 12/31/08 (U.S. \$)

Date	Forest Grant Fund	Grant Disbursements
2008	\$2,833,669	0

### Background

The Governments of the United States of America and the Republic of Botswana signed agreements on October 5, 2006 with the purpose of reducing Botswana's debt payments to the United States by over \$8.3 million. These funds will be used to support grants that will conserve and restore important tropical forests throughout the country, including such world famous areas as the Okavango Delta and Chobe National Park region. The agreements, which were made possible through a contribution of nearly \$7 million by the U.S. Government were the first such TFCA agreements concluded in Africa.

The forests covered by the agreements include closed canopy tree cover, riverine forests and dry acacia forests. They are home to the fishing owl, leopard, elephant, hippopotamus and many other wildlife species. People living in and around these forests depend upon them for their livelihood and survival, and these agreements will help ensure the sustainability of the forests for future generations.

### Major Achievements

Over the last year the Ministry of Environment Wildlife and Tourism (MEWT) finalized the membership for TFCA Board. The first meeting of the Board was held in late 2007 where the steering committee handed over the responsibilities to the Board. The Board met in early 2008 to review, edit and approve the terms of reference (TOR) for the Board.

In July the Board met to finalize and approve the job description for the CEO of the established company that would oversee the Fund administration, the Forest Conservation Botswana Limited (FCBL). MEWT then distributed the job description to local media. The closing date for applicants was August 8. From a total of 23 candidates, five were short listed for interviews. Due to conflicts in schedules for the CEO selection sub-committee they were not able to meet until early December. At the December meeting all five candidates were interviewed and one candidate was selected for recommendation to the Board, which unanimously approved the candidate at its meeting of December 16. The candidate will be formally presented to the Board at the next scheduled meeting in February, 2009 and the work of grant making can begin shortly thereafter.

## Colombia

<b>Debt Agreement signed</b>	March 30, 2004
<b>Type of Agreement</b>	Subsidized debt swap
<b>US budgetary costs</b>	\$7 million
<b>Conservation funds generated</b>	\$10 million (over 12 years)
<b>Private funds contributed</b>	\$1.4 million
<b>TFCA Account Administrator</b>	Fondo para la Acción Ambiental y la Niñez, FPAA

### Total Deposits to TFCA Accounts through 12/31/08 (US \$)

Date	Grants Account	Endowment Account	Reserve Account
2004-2008	\$2,755,286	\$4,086,908	\$718,195

As of December 31, 2008 the Government of Colombia had made 10 out of 26 scheduled payments for a total of \$7.6 million into the TFCA Account (76%).

### Background

On March 30, 2004, a subsidized debt-for-nature swap was signed under the Tropical Forest Conservation Act (TFCA) by the governments of the U.S and Colombia and by participating NGOs: The Nature Conservancy (TNC), World Wildlife Fund (WWF) and Conservation International (CI). The U.S. Government provided \$7 million; the Nature Conservancy, Conservation International and World Wildlife Fund contributed a total of \$1.4 million. The agreement was declared effective on September 7, 2004 and will generate approximately \$10 million for forest conservation over 12 years.

The proceeds derived from the debt-for-nature swap for Colombia will contribute to the long-term financial sustainability of Colombia's system of protected areas. Funds will be channeled to NGOs and CBOs with experience and previous work in the protected areas and their buffer zones, with the purpose of increasing connectivity and ecological integrity of tropical forests in Colombia. The TFCA Account will provide direct funding for conservation and sustainable development activities (50%) and an endowment fund (50%) for nine protected areas, both public and private, their buffer zones, and corridors. All designated areas are located in three biogeographic regions of Colombia: the Tropical Andes, the Caribbean, and the Llanos and cover 11,400,000 acres of critical forest lands that overlap with part or all of 12 ecoregions in Colombia (of which 5 are high priority ecoregions<sup>11</sup>).

### Governance

The Oversight Committee has five members and is composed of representatives from the U.S. Government (USAID), the Government of Colombia (Ministry of the Environment,

<sup>11</sup> Dinerstein et al (1995). A Conservation Assessment of the Terrestrial Ecoregions of Latin America and the Caribbean.

Special Administrative Unit of the National Natural Parks System - UAESPNN), and the three contributing international NGOs (TNC, WWF and CI). The Committee met twice in 2008.

## **Major Achievements in 2008**

### **Investment priorities**

In September 2005, the Oversight Committee approved the investment (a.k.a. grant-making) strategy for three priority areas: El Tuparro Biosphere Reserve, located in the eastern department of Vichada along the border with Venezuela; the buffer zone of the Yariguíes National Park, in the departments of Boyacá and Santander; and the Oak Forest Conservation Corridor, in Santander and Boyacá, in the buffer area of the Guanentá Alto Río Fonce Flora and Fauna Sanctuary.

Tuparro is the only public protected area in the Colombian Llanos biogeographic region. Declared National Park in 1970 and included in UNESCO's Man and Biosphere Program in 1979, Tuparro comprises 2.2 million acres (548 thousand hectares) of tropical grasslands and natural savannas. Woodlands are present along the major rivers and streams. The area houses important species such as the giant river otter, cebus monkeys, the Orinoco crocodile, and the capybara; its rivers abound with fish including piranha, various ornamental species and electric eels. Over 20 species of mammals, birds and reptiles found here are on the World Conservation Union's Red List. It is home to five indigenous communities.

Yariguíes is located in the Tropical Andes, a region of immense biodiversity due to fluctuations in altitude, geology and climate. Given its geographical isolation, Yariguíes also registers high rates of endemism. The National Park and its buffer zone, comprising 1.3 million acres, were declared one of 700 most biologically diverse regions by the Zero Extinction Alliance. It is also a strategic area for bird conservation in Colombia and is home to more than 350 bird species, of which 14 face some degree of danger. One migratory species is considered endangered by the IUCN and 6 mammal species are threatened. Major productive activities are coffee, cocoa and cattle ranching.

The oak forest corridor used to cover great extensions in the three ranges of the Andes Mountains. Currently its distribution is restricted to forest fragments in the eastern range, in an estimated area of 170,000 hectares. Only 17,000 hectares of oak forests are protected by the Iguaque and Guanentá Flora and Fauna Sanctuaries, a forest reserve, and two private biological reserves (Cachalú and Rogitama). The expansion of cattle ranching and agriculture and the pressure on forests for fuelwood are a major threat for the remaining oak forests and this has led to their declaration as a top conservation priority.

The Oversight Committee established a \$2.6 million investment (grant-making) target and authorized FPAA to open Requests for Proposals for these forest areas. FPAA opened a permanent "window" where 77 profiles and projects were received, screened and appraised.

Between 2006 and 2007, the Oversight Committee had approved 3 projects and allocated \$1.4 million (54% of the target).

In October 2008 the Oversight Committee approved the first project for the oak forest corridor and a third project in the buffer zone of the Yariguíes Protected Area. With these decisions, total allocation from the FCA Grants Account reached \$2.7 million, 2% above the investment target.

The investment portfolio is shown in the following table.

<b>Fondo para la Acción Ambiental y la Niñez Tropical Forest Conservation Account Grantmaking 2006-2008</b>				
<b>2006-2008 Investment target</b>				<b>\$ 2.585.143</b>
Incentives for conservation & sustainable coffee production	Yariguíes buffer zone	Fundación Natura	2006	\$ 315.809
"Orinoco People": Sustainable development in the Tuparro Biosphere Reserve	Tuparro Biosphere Reserve	Fundación Omacha Fundación Horizonte Verde	2006	\$ 523.295
Sustainable production and conservation by civil society organizations	Yariguíes buffer zone	RESNATUR CIPAV	2007	\$ 580.002
Conservation and sustainable management of oak forests, enhancing connectivity in rural landscapes and implementing conservation in private lands	Oak forest Corridor	Fundación Natura CIPAV	2008	\$ 703.790
Conversion to sustainable cattle farming	Yariguíes buffer zone	CETA	2008	\$ 573.952
<b>Additional allocation</b>			<b>2008</b>	<b>\$ 51.535</b>
<b>Total grantmaking 2006-2008</b>				<b>\$ 2.748.383</b>

### *Conserving the oak forest*

Fundación Natura and Fundación CIPAV joined strengths for the conservation and sustainable management of a unique oak forest corridor in the eastern Andes Mountains. Natura has a solid track record in this region, with over a decade of conservation work with local organizations, communities and the National Parks Service. This environmental NGO developed the studies that supported the creation of the Guanentá Alto Río Fonce Flora and Fauna Sanctuary; it also owns the Cachalú Biological Reserve, a private protected area and research center. CIPAV, created in 1986, is a private research center that focuses on sustainable production systems for agriculture and cattle ranching. In recent years it has gained notoriety for the development of a model that facilitates the transition from

unsustainable cattle ranching to an efficient and sustainable system based on agroforestry and conservation.

The project will enhance connectivity in rural landscapes, protect the last remnants of oak, stimulate a radical conversion to sustainable cattle ranching and implement conservation in private lands. Implementation began in October and will run until 2011. Eighty (80) production units, located in the buffer zone of the Guanentá Sanctuary, are committed to participate in this conservation and sustainable development initiative.

The project's targets are:

1. Conservation and restoration of 1,500 hectares of native Andean oak forests.
2. Establishment of 480 hectares in silvo-pastoral systems in 80 cattle farms.
3. Design and implementation of 80 sustainable management plans and private conservation agreements.
4. Consolidation of the oak forest corridor node of the Network of Private Natural Reserves (RESNATUR).
5. Capacity building of local and regional peasant organizations.

#### *Controlling encroachment by cattle ranching*

In July 2008 the Oversight Committee approved a grant for a project presented by CETA in the area of influence of the Yariguíes Natural Park. CETA has experience in the promotion of rural micro enterprises and cooperatives. This private organization has teamed up with the regional environmental authority (Corporación CAS) and the municipalities of El Carmen and San Vicente de Chucurí.

The initiative will support the adoption of sustainable production techniques and best practices in 70 livestock production units located in two water catchments. The project will run until October 2011. The planned targets include:

1. Reforestation of 60 hectares in water sources and along rivers.
2. Natural regeneration and conservation of 140 hectares of protection forests.
3. Reconversion to sustainable cattle farming in 70 productive units, through the establishment of 280 hectares in agroforestry and silvo-pastoral systems.
4. Design and implementation of 70 sustainable management plans and private conservation agreements.
5. Capacity building in local cooperatives and farmer associations.
6. Establishment and operation of a commercial network.

**Summary Table**  
**FPAA Management Years (2004-2008)**  
(In US\$ thousands)

TFCA Account Data	2004 - 06	2007	2008	Total 2004-08
<b>No. of proposals received (including profiles)</b>	46	25	6	77
<b>No. of approved projects</b>	3	1	2	6
<b>Approved FCA funding</b>	\$895	\$580	\$1,329	\$2,804
<b>Beneficiary counterpart match</b>	\$737	\$338	\$848	\$1,923
<b>Total value of grants</b>	\$1,632	\$918	\$2,177	\$4,727
<b>Counterpart as % of FCA grants</b>	82%	58%	64%	69%
<b>FPAA disbursed funding</b>	\$257	\$332	\$631	\$1,220
<b>Amount spent on administration</b>	\$240	\$124	\$125	\$489
<b>TFCA Account balance - end of year</b>				
Sinking (Grants) account		\$1,718	\$ 1.362	-
Endowment account		\$3,440	\$ 4.473	-
Reserve account		\$ 641	\$ 874	-

Fund's Website: [www.accionambiental.org](http://www.accionambiental.org)

## Costa Rica

<b>Debt Agreement signed</b>	September, 2007
<b>Type of Agreement</b>	subsidized debt-swap
<b>U.S. budgetary costs</b>	\$12.6 million
<b>Conservation funds generated</b>	\$26 million (over 16 years)
<b>Private funds contributed</b>	\$2.5 million

### Schedule of Deposits to TFCA Account through 12/31/08 (U.S. \$)

Date	Forest Grant Fund	Grant Disbursements
2008	\$ 2,300,818	0

### Background

The Governments of the United States of America and Costa Rica, the Central Bank of Costa Rica, Conservation International (CI) and The Nature Conservancy (TNC), concluded agreements to reduce Costa Rica's debt payments to the United States by \$26 million over the next 16 years. The debt for nature program was made possible through contributions of over \$12.6 million by the U.S. Government and a combined donation of over \$2.5 million from CI and TNC. In return, the Central Bank of Costa Rica has committed to pay the \$26 million to support grants to non-governmental organizations and other groups to protect and restore the country's important tropical forest resources.

The funds will help conserve several important forest areas in Costa Rica. The Osa Peninsula is home to the scarlet macaw and many other bird species, as well as to the squirrel monkey and jaguar. The La Amistad region contains the most extensive tract of untouched forest in the country, and is the source of much of Costa Rica's fresh water. The Maquenque Wildlife Refuge area is home to the great green macaw, while the Tortuguero region contains a rich variety of forest ecosystems. The area north of Rincon de la Vieja contains rich dry forests, and the Nicoya Peninsula's dry forests and mangroves are important to the preservation of water resources in the region.

### Major Achievements

A judicial ruling stymied early efforts to expedite grant making through TFCA Oversight Committee meetings, the development of Action Plans and the sharing of start-up experiences with the TFCA program in Guatemala. The GOCR Attorney General made a determination that the Ministers for the Finance and the Environmental Ministries could only bind the government within scope of their authorities, thus creating a delay. A review of those limited authorities relative to the TFCA agreements was required.

Subsequent delays included concerns about the COCR tax treatment relative to the TFCA account deposits and earnings, the finalization of a Trust Agreement for fiduciary stewardship of the account, and specific concerns raised by the Fund Administrator [the Costa Rica – United States of America (CRUSA) Foundation] regarding the allowance for administrative expense allocations. Each of these issues was unresolved at the end of the calendar year, but they are currently being addressed.

Despite these current obstacles, some progress was made in 2008:

- A Term member representing civil society was selected and approved as the fifth and final member of the Oversight Committee.
- Since the 2007 signing of the TFCA agreements, through 2008, the OC held 12 regular meetings.
- A sub-committee of the Oversight Committee completed a “gaps analysis” to further refine Fund priorities and, while no strategic plan has been finalized, a planning workshop was conducted in November.
- CRUSA drafted all necessary policies and procedures to begin implementation of grant making (e.g. operations manual, grant-making manuals).

The Central Bank of Costa Rica currently serves as both the source of deposits and the fiscal agent for the TFCA account. The Bank has made its scheduled deposits in accordance with the agreement accumulating to a total of \$ 2,300,818 (w/o interest or capital gains).



## El Salvador

<b>Debt Agreement Signed:</b>	July 12, 2001
<b>Forest Agreement Signed:</b>	September 14, 2001
<b>Type of agreement:</b>	reduction/rescheduling
<b>GOES debt service saving:</b>	\$21 million
<b>US budgetary costs:</b>	\$7.7 million
<b>Conservation funds generated:</b>	\$ 14 million (over 26 years)
<b>Leverage:</b>	1.8:1

### Schedule of Payments to TFCA Account through 11/30/08

<b>Date</b>	<b>Accrued Deposits (US\$)</b>	<b>Grant Approvals (US\$)</b>
11/30/08	7,410,665	1,789,454

### Background

The TFCA agreement was signed in September 2001, as an additional debt relief mechanism that added an account to the existing El Salvador Enterprise for the Americas Initiative Fund (FIAES). The first payment to the TFCA account was made October 24, 2001. By December, the Commission had increased its membership by one to include a member representing the forest sector and began grant-making in accordance with its existing procedures and schedules. This TFCA account is utilized to facilitate the administration, protection, restoration, and the sustainable use and management of forests in El Salvador.

### Major Achievements in 2008

With 2008 TFCA funding, FIAES financed<sup>12</sup> eight strategically focused projects for biodiversity conservation encompassing 32,207 acres of terrestrial and marine ecosystems as part of the Natural Protected Areas System managed by the Ministry of Environment and Natural Resources (MARN). The TFCA agreement supported best management practices on these eight protected areas through training park rangers, performing biodiversity research, monitoring of biological indicators as well as fostering the use of planning tools for the sustainable management and conservation of natural resources.

TFCA project funds have contributed to the protection of a number of important wetlands, including the Biosphere Reserve Xiragualtique-Jiquilisco and the Jocotal Lagoon, which

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<sup>12</sup> In El Salvador, the Fund makes a distinction between the “Cycle Year” (the year in which the Call for Proposals was released), the “Approval Year” (the year in which the grant agreement is signed), and the “Finance Year” (the 1-2 years of disbursements). Most TFCA grant is implemented over a two year period. Consequently, in order to address “achievements” made in 2007, FIAES will report on projects “financed in 2006” regardless of when the Cycle or Approval year.

are designated with “Ramsar status” as priority sites under the Ramsar Convention on Wetlands (a global environmental treaty signed in Ramsar, Iran in 1971). Recognizing that Ramsar status is key to creating new opportunities to support wetland ecosystem management some of these other sites, such as the Lake Güija Complex, are currently in the process of applying for Ramsar status as well.

Financing from TFCA has also allowed FIAES to commit to providing permanent support for the tropical forests reserves recently given biosphere status by UNESCO. “Apaneca-Illamatepec”, located along the mountain range of the same name and the above mentioned Ramsar site “Xiragualtique-Jiquilisco are the only two biosphere reserves in El Salvador

Funding distribution among the projects funded in 2008 is detailed in Table 1. A total of \$417,226 was invested in conservation. The \$344,325 in funding provided by TFCA (82.5%) leveraged an additional \$72,901 in local counterpart contribution (17.5%) for the eight projects. Information on projects funded in 2001-2007 is contained in Table 5.

TABLE 1. Tropical Forest Conservation Act (TFCA) Financed Projects, 2008

N°	Institution	Protected Natural Areas	Geographical Zone	Total financed US\$		
				FIAES	Counterpart	Total
1	ADESCONE-A	SANTA RITA - SANJÓN EL CHINO	West, Ahuachapan	43,395.00	6,510.00	49,905
2	ADESCOBN	NANCUCHINAME	East, Usulután	44,067.00	6,611.00	50,678
3	ASACMA	COMPLEJO SAN MARCELINO	West, Sonsonate y Santa Ana	47,191.00	9,439.00	56,630
4	FUNDARRECIFE	COMPLEJO LOS CÓBANOS	West, Sonsonate	41,474.00	10,334.00	51,808
5	AAVSS	EL JABALÍ, LAS GRANADILLAS, SANTA MARÍA, LAS MERCEDES	Central, La Libertad	25,000.00	11,925.00	36,925
6	CEPRODE	SAN DIEGO - LA BARRA	West, Santa Ana	50,000.00	10,311.00	60,311
7	FUTECMA	COMPLEJO TAQUILLO	Central, La Libertad	43,293.00	8,659.00	51,952
8	FUNDESA	ESCUINTLA	Central, La Paz	49,905.00	9,112.00	59,017
<b>TOTAL</b>				<b>344,325</b>	<b>72,901</b>	<b>417,226</b>

A total of 17,760 people (53% women and girls and 47% men and boys) have benefited from the eight 2008 FIAES projects. Table 2 details the beneficiaries by women, men, girls and boys for each conservation project.

TABLE 2. Tropical Forest Conservation Act (TFCA) Beneficiary Population, 2008

Nº	Intitution	Protected natural areas	Population				Total population
			Men	Women	Boys	Girls	
1	ADESCONE-A	SANTA RITA - SANJÓN EL CHINO	350	400	500	575	1,825
2	ADESCOBN	NANCUCHINAME	442	455	497	544	1,938
3	ASACMA	COMPLEJO SAN MARCELINO	249	236	222	228	935
4	FUNDARRECIFE	COMPLEJO LOS CÓBANOS	317	317	129	121	884
5	AAVSS	EL JABALÍ, LAS GRANADILLAS, SANTA MARÍA, LAS MERCEDES	228	257	414	386	1,285
6	CEPRODE	SAN DIEGO - LA BARRA	849	921	476	522	2,768
7	FUTECMA	COMPLEJO TAQUILLO	475	500	701	826	2,502
8	FUNDESA	ESCUINTLA	1,403	1,971	1,017	1,232	5,623
TOTAL			4,313	5,057	3,956	4,434	17,760

TFCA funded projects have provided 57 permanent positions in the areas of project coordination and natural area protection (park rangers). Total personnel are comprised of 26% women and 74% men. In the case of park rangers, which is traditionally considered a male dominated profession, women make up 23% of the employed population. This figure has shown a steady increase since the implementation of gender equity objectives and strategies. Other employment opportunities made possible by TFCA funding include temporary field positions and research consultancies, together providing 5,648 work days. Table 3 describes employment generated for each protected area.

TABLE 3. Tropical Forest Conservation Act (TFCA) Generated Employment, 2008

Nº	Intitution	Protected natural areas	Temporary Jobs	Permanent Jobs		
			Wage-earning work days	Men	Women	Total
1	ADESCONE-A	SANTA RITA - SANJÓN EL CHINO	1,220	5	1	6
2	ADESCOBN	NANCUCHINAME	915	6	2	8
3	ASACMA	COMPLEJO SAN MARCELINO	73	5	2	7
4	FUNDARRECIFE	COMPLEJO LOS CÓBANOS	672	3	4	7
5	AAVSS	EL JABALÍ, LAS GRANADILLAS, SANTA MARÍA, LAS MERCEDES	230	5	1	6
6	CEPRODE	SAN DIEGO - LA BARRA	320	6	3	9
7	FUTECMA	COMPLEJO TAQUILLO	850	6	1	7
8	FUNDESA	ESCUINTLA	1,367	6	1	7
TOTAL			5,648	42	15	57

### Principle Activities of 2008

- Protection of natural areas, including the hiring and training of 47 park rangers who provided 4,784 fire prevention and guard patrols throughout the year.

- Sponsored 12 applied biodiversity research projects in the Natural Protected Areas (NPAs), providing information for conservation plans.
- Evaluation the management efficiency and effectiveness of 5 NPAs.
- Renovation and maintenance of an NPA infrastructure (e.g. operational center).
- Establishment of 25,760 linear meters of live fencing and 54,000 meters of firebreaks.
- Construction and maintenance of five rain-water reservoirs for fire control.
- Implementation of 34 composting piles for organic fertilizer production.
- Contributed to solid waste management in communities surrounding the NPAs through 18 clean community campaigns, including construction of two solid waste collection systems in two coastal NPAs with high tourist visitation rates.
- Biodiversity monitoring in 27 artificial reef modules in the NPA Los C6banos.
- Provided 141 training sessions, 10 park ranger-community leader exchanges, and facilitated innovative environmental school competitions.
- Construction and operation of new NPA infrastructure to improve environmental interpretation and conservation, including interpretative monitoring stations.
- Integrated environmental education in 19 schools (1,315 children) and organized environmental and ecology groups in three communities surrounding NPAs.

TABLE 4. Tropical Forest Conservation Act (TFCA) Strategic Indicators Result, 2008

INDICATOR	2002	2003	2004	2005	2006	2007	2008	ACUMULATED TOTAL 2002-2007
N° of approved projects	10	4	5	4	4	9	8	44
N° of finalized projects	10	4	5	4	4	9	8	44
Agroforestry (acres)	0	0	0	0	0	0	0	0
Pure reforestation (acres)	0	0	0	0	5	17	4	26
Partial reforestation (acres)	0	0	49	106	0	4	91	250
Protected natural areas (acres)	57,314	19,260	29,261	25,752	26,870	33,442	32,207	224,106
Water / soil conservation (acres)	0	0	0	0	0	0	0	0
Total of acres	57,314	19,260	29,310	25,858	26,875	33,463	32,302	224,382
Benefited population	39,725	6,823	20,011	28,207	5,695	24,903	17,760	143,124
Permanent jobs	69	22	33	29	24	61	57	295
Wage-earning work days	750	2,059	1,944	480	1,678	6,409	5,648	18,968

### Capacity Building Strategies and Activities

FIAES has contributed to the building of strong, organized community and local environmental protection organizations, giving the local population tools to improve the quality of their lives and conserve the very habitat that supports them through the implementation of cross-cutting development strategies. The following activities have proven successful in empowering local participants: environmental education, community organization for natural disaster risk management, promotion of gender equity and the incorporation of both men and women in the different project components. These social activities are complemented with investments in community projects which contribute to environmental health conditions such as solid waste management, basic sanitation and the improvement of water quality among others. Capacity building in sustainable tourism has also strengthened financial sustainability for both the NPAs and the surrounding communities. Sustainable tourism is generating new income for park management and stimulating economic growth in the surrounding communities.

## Success Story: ADESCONE and the Santa Rita Tropical Forest

The humid tropical forest of Santa Rita, in the department of Ahuachapán, was declared a protected area 11 years ago. It is surrounded by the four communities of Los Violantes, El Chino, Méndez and Santa Rita, which have been active in its conservation since 2000. It is one of the few natural areas in the country which remains flooded during the greater part of the year, and for that reason, Santa Rita is a refuge for many specialized species. One of the most peculiar native species is the *Atractosteus tropicus* or tropical gar, which is considered a “living fossil” as this species evolved several million years ago. This curious fish shares its wetland home with caimans and many other unique species, making Santa Rita a high priority area for conservation.

El Salvador’s agrarian reform in the 1980’s displaced the primary landowners and reshaped nearby land use, leaving Santa Rita vulnerable to environmental predators interested in hunting and exploiting timber resources. Concerned by the accelerated deterioration of the natural area, the surrounding communities organized themselves, without any outside support, to create a fund and hire local park rangers to implement conservation measures.

The community development associations surrounding the Santa Rita NPA, designated ADESCONE as the implementer of an environmental conservation project. “Thanks to FIAES’s financing we can now provide park guards in the forest, and we have been able to reach out with environmental education activities. FIAES has also supplied park ranger equipment, including boots, uniforms, and binoculars. This has helped improve the efficiency of our conservation activities,” said ADESCONE-FIAES project coordinator, Walter Martínez.

Cooperation among all stakeholders is showing results in the Santa Rita NPA. The population of the tropical gar is recovering because of permanent full-time surveillance, caimans are being protected in the dry season with pools from artificial dams, iguana populations are greater as wetland embankments are designed to provide suitable habitat, and ethno-botanical research on the medicinal plants is underway. In addition, full community participation means that all generations are engaged in preserving their natural heritage.

All of these accomplishments were recognized August, 2008 when ADESCONE was awarded the **National Environmental Prize** for a Community Environmental Project. This prize recognizes the efforts in all four communities surrounding the Santa Rita Tropical Forest. “Winning this prize gave us a new objective, to continue our work, improve it and make it more effective. The association sees this as a challenge, but with the help of the community and FIAES we are sure that we can reach and surpass this goal,” concluded Walter Martínez.

Park guards on patrol in the Protected Natural Area of Santa Rita.  
*Photograph by: FIAES*



**Table 5. TFCA projects 2001-2007**

N°	Call Cycle	Implementation year	Institution	Location (Municipality and Department)	Amount (US\$)
1	2001	2002	ADESCOBN	Jiquilisco, Usulután	4,913.94
2	2001	2002	ADESCOCA	Yamabal, Morazán	20,860.51
3	2001	2002	ALFALIT	Suchitoto, Cuscatlán	22,491.38
4	2001	2002	AMS	El Tránsito, San Miguel	23,258.19
5	2001	2002	ASAPROSAR	Chalchuapa, Santa Ana	23,163.63
6	2001	2002	ASFAREP	Jiquilisco, Usulután	23,575.51
7	2001	2002	ASISTEDCOS	Puerto de La Libertad, La libertad	15,521.28
8	2001	2002	FUNDESA	Zacatecoluca, La Paz	23,041.36
9	2001	2002	SAENA	Santa Ana, Santa Ana	20,960.25
10	2001	2002	SALVANATURA	San Francisco Menéndez, Ahuachapán	22,213.95
11	2002	2003	FUTECMA	Chiltiupán and Jicalapa, La Libertad	54,633.00
12	2002	2003	FUNPROCOOP	San Vicente, San Vicente	51,781.00
13	2002	2003	AMS	El Tránsito, San Miguel	54,868.00
14	2002	2003	PRODETUR	Arambala, Morazán	46,760.00
15	2003	2004	AMS	El Tránsito, San Miguel	37,005.00
16	2003	2004	ASACMA	El Congo, Izalco and Armenia, Santa Ana and Sonsonate	42,876.00
17	2003	2004	FUNEDES	San Julián and Caluco, Sonsonate	38,451.00
18	2003	2004	FUNPROCOOP	San Vicente, San Vicente	43,131.00
19	2003	2004	PRODETUR	Arambala, Morazán	38,400.00
20	2004	2005	ADESCOBN	Jiquilisco, Usulután	50,460.00
21	2004	2005	ALFALIT	Suchitoto, Cuscatlán	48,851.00
22	2004	2005	ASACMA	El Congo, Izalco and Armenia, Santa Ana and Sonsonate	49,463.00
23	2004	2005	CEPRODE	Metapán, Santa Ana	50,734.00
24	2005	2006	CEPRODE	Metapán, Santa Ana	46,138.00
25	2005	2006	ADEL OAT	El Paisnal, San Salvador	50,400.00
26	2005	2006	AGAPE	Sonsonate	51,794.00
27	2005	2006	SALVANATURA	San Francisco Menéndez, Ahuachapán	51,527.00
28	2006	2007	ASACMA	El Congo, Izalco and Armenia, Santa Ana and Sonsonate	49,398.00
29	2006	2007	FUNDARRECIFE	Acajutla, Sonsonate	53,473.00
30	2006	2007	AAVSS	San Juan Opico, La Libertad	50,595.00
31	2006	2007	CEPRODE	Metapán, Santa Ana	47,255.00
32	2006	2007	ADESCOLAB	Metapán, Santa Ana	41,393.00
33	2006	2007	ADESCONE - A	San Francisco Menéndez, Ahuachapán	48,553.00
34	2006	2007	ADESCOBN	Jiquilisco, Usulután	51,578.00
35	2006	2007	FUTECMA	Chiltiupán and Jicalapa, La Libertad	49,125.00
36	2006	2007	FUNDESA	Zacatecoluca, La Paz	46,487.00
37	2007	2008	ADESCONE-A	San Francisco Menéndez, Ahuachapán	43,395.00
38	2007	2008	ADESCOBN	Jiquilisco, Usulután	44,067.00
39	2007	2008	ASACMA	El Congo, Izalco and Armenia, Santa Ana and Sonsonate	47,191.00
40	2007	2008	FUNDARRECIFE	Acajutla, Sonsonate	41,474.00
41	2007	2008	AAVSS	San Juan Opico, La Libertad	25,000.00
42	2007	2008	CEPRODE	Metapán, Santa Ana	50,000.00
43	2007	2008	FUTECMA	Chiltiupán and Jicalapa, La Libertad	43,293.00
44	2007	2008	FUNDESA	Zacatecoluca, La Paz	49,905.00
					1,789,454.00

## Fund Management

Table 6 is a summary table of FIAES TFCA account activities. FIAES manages Tropical Forest Conservation Agreement (TFCA) financing in an independent trust fund. Interest earned during the period January 1-December 30, 2008 was \$ 335,584. TFCA account funding from 2001-2008 has permitted FIAES to invest over \$1,789,454 for the conservation and management of El Salvador's protected natural areas. Ten percent of funding from the TFCA is utilized to cover FIAES administrative costs, guaranteeing FIAES' operation through 2026. Beginning next year, FIAES will develop projects that correspond to the calendar year of funding (rather than mid-year to mid-year) to facilitate a clearer understanding of fund use calculations.

**Table 6. Summary Table (\$US) (TFCA)**

Fund Data					Total
	2002-2005	2006	2007	2008	
No. of proposals submitted	....	....	....	....	....
No. of proposals approved	23	4	9	8	44
Total approved funding for grants	\$807,413	\$199,859	\$437,857	\$344,325	\$1,789,454
Total of counterpart match (grantee cost-share)	\$119,930	\$32,322	\$83,800	\$72,901	\$308,953
Total matching funds as % of approved grants	15%	16%	19%	21%	17%
Amount spent on administrative costs (*)	....	....	....	....	Included in EAI chapter
Interest and capital gained on TFCA investments	\$518,456	\$366,918	\$316,969	\$335,584	\$1,537,927
Fund balance at the end of the year	\$4.7M	\$5.5 M	\$5.9 M	\$6.4 M	n/a

(\*) Administrative costs are detailed in the consolidated table and EIA.

**website:** [www.fiaes.org.sv](http://www.fiaes.org.sv)



## Guatemala

Debt Agreement signed:	September 8, 2006
Type of agreement:	Subsidized debt swap
US Budgetary Cost:	\$15 million
Conservation Funds Generated:	\$24 million (over 15 years)
Private funds contributed:	\$ 2 million

### Payments received by the TFCA Fund from January to December 2008<sup>13</sup>

Payment Date <sup>14</sup>	Total Payment Due	Endowment Fund	Management Expenses	Available Fund for Grants
Previous balance (12.31.07)	\$2,989,995	\$668,182	\$254,368	\$2,067,446
January	\$113,527	\$47,727	\$11,205	\$54,595
March	\$239,118	\$47,727	\$23,601	\$167,790
April	\$487,429	\$95,455	\$48,109	\$343,866
May	\$194,432	\$47,727	\$19,190	\$127,515
July	\$113,527	\$47,727	\$11,205	\$54,595
September	\$239,118	\$47,727	\$23,601	\$167,790
October	\$487,429	\$95,455	\$48,109	\$343,866
November	\$194,432	\$47,727	\$19,190	\$127,515
<b>TOTAL</b>	<b>\$5,059,010</b>	<b>\$1,145,454</b>	<b>\$458,579</b>	<b>\$3,454,976</b>

Current additional income of the Tropical Forest Conservation Fund (FCA - Spanish acronym) is the bank interest generated by the debt service and endowment account. The balance is given in the following table:

#### Earned Interest

Concept	Balance from Sep 06 to Nov 08
Grants and Endowment Funds	\$ 4,600,430.54
Earned Interest	\$ 284,205.87
First Grants Disbursements	(\$ 430,891.63)
<b>FCA Fund Balance to 11.30.08</b>	<b>\$ 4,453,744.78</b>

<sup>13</sup> **Note:** The rate of exchange used throughout this report is \$1.00 = Q.7.69008. A rate of exchange is needed because the Guatemalan Government pays into the account in local currency (Quetzals) and the debt service account is maintained in local currency and this report documents U.S. dollars.

<sup>14</sup> In 2008 the Government of Guatemala made ten payments through the Ministry of Finance, thus fulfilling 100% of its commitment. On April 20<sup>th</sup> and October 20<sup>th</sup> of each year, two payments are received on the same day so that only eight payments are actually registered in the Received Payments Table



## Background

The Governments of the United States of America and the Republic of Guatemala, together with The Nature Conservancy and Conservation International Foundation, have concluded agreements which will reduce Guatemala's official debt to the United States and generate \$24 million to conserve tropical forests in Guatemala. The Government of Guatemala (GOG) has committed these funds over the next 15 years to support grants to non-governmental organizations and other groups to protect and restore the country's important tropical forest resources. The agreements were made possible through contributions of over \$15 million by the U.S. Government under the Tropical Forest Conservation Act (TFCA) of 1998 and \$2 million total from Conservation International and The Nature Conservancy. The deal with Guatemala was the largest (in terms of appropriations used) in the eight-year history of the U.S. Government's program under the TFCA.

The existing Foundation for the Conservation of Natural Resources and Guatemalan Environment (FCG) was selected to be the TFCA account Fund Administrator. The Forest Conservation Agreement (FCA) establishes three accounts: the Debt Service Account to receive the GOG deposits, the Grants Account and the Endowment Account. The latter is expected to be capitalized with \$2.1 million in five years.

The parties to the Guatemala TFCA agreement identified four priority regions which will benefit with the TFCA grants. These regions have been selected based upon their: a) ecological importance (esp. biodiversity) in the regional and national context, b) consistence with political priorities and national strategies as determined by the Guatemalan Protected Areas System (SIGAP), and, c) social and economical importance for Guatemala and Mesoamerica. The four priority regions are:

- a. **The Biosphere Maya Reserve** - with emphasis in the Lacandon National Park; the Multiple Use Zone, the Laguna del Tigre National Park (which includes special protection zones), and community forestry concessions and the biological corridors.
- b. **The Volcanic Chain of the Guatemalan Occidental Highlands** - with emphasis in the volcanic region that extends from the Pacaya Volcano National Park and the Alux Forest Reserve to the Tacana Volcano. This includes all altitudinal ranges in the Multiple Use Watershed of the Lake Atitlan Reserve.
- c. **The Motagua-Polochic System and the Caribbean Coast** - with emphasis in the Bocas del Polochic Wildlife Refuge, the dry Motagua ecosystem and the Gulf of Honduras drainage, including protected areas and all watersheds draining into the Caribbean.
- d. **The Cuchumatanes Region** – with conservation activities focused on the region of Todos Santos Cuchumatán, Cruz Maltín, Magdalena Pepajau and other habitats supporting the following threatened or endangered species: *Hyla Perkinsi*, *Bradytriton silus*, *Bolitiglosa jacksoni*, *Ptychohyala macrotypanum*, *Hyladendrophasma*, as determined by the Alliance of Zero Extinction (AZE).

## Grant-Making

The FCA Fund launched the first request for proposals on August 23, 2007. As part of the request for proposals, five workshops were held in different regions of Guatemala. A total of 107 proposals were received. After a careful process of evaluation using technical, management and financial criteria, the Oversight Committee (OC) pre-selected eight proposals for proposal development and refinement. Ultimately, seven (7) project proposals were approved in June, 2008.

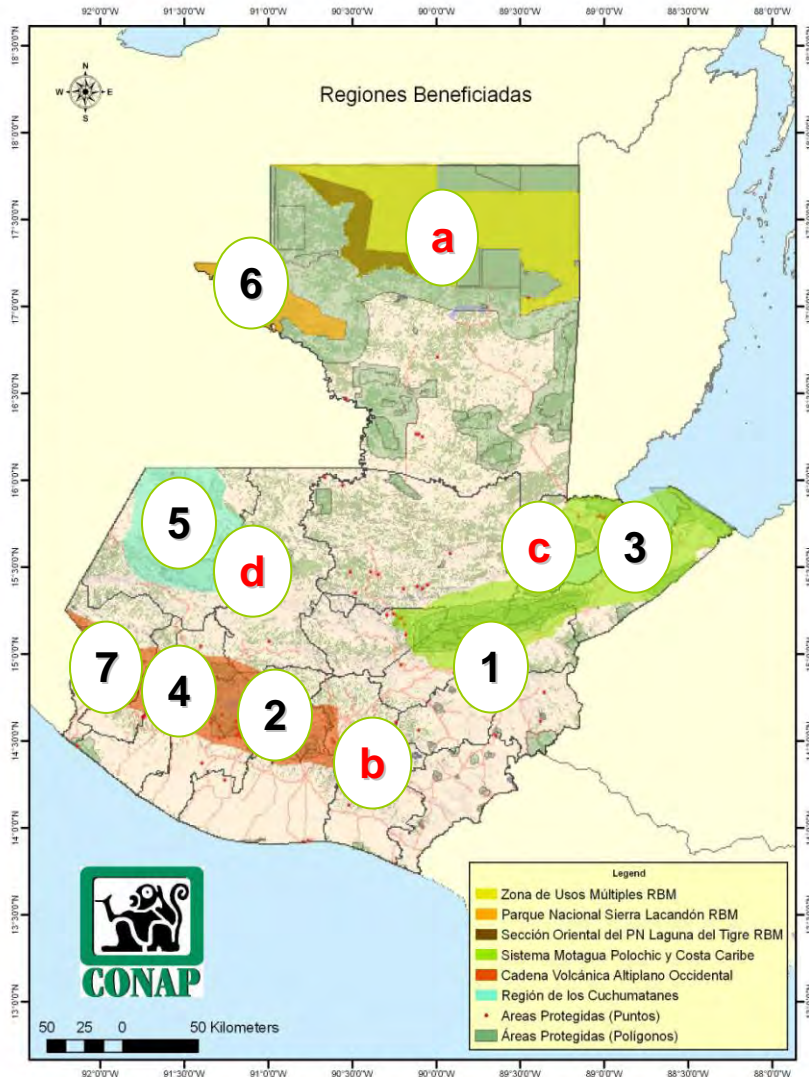
On November 19, 2008, only 26 months after the Debt Swap Agreements were signed, the first set of grant recipient agreements were signed. A grant signing ceremony was held in *Palacio Nacional de la Cultura*, presided by the Vice-President of Guatemala, Dr. Rafael Espada and attended by U.S. Ambassador to Guatemala, Stephen McFarland. At the same time, the Oversight Committee gave the first disbursements to seven approved projects in the amount of \$430,892.

### First Grant Projects Approved 2008

Title	Organization	Geographical area	Approved amount (US\$)
“Strengthening of Sololá municipality regional parks system and sustainable development advertising in the biological corridor in the south of RUMCLA”	Vivamos Mejor	Volcanic Chain	255,201.31
“Strengthening of institutional capacities and sustainable community development for the conservation of natural and cultural patrimony of Sierra del Lacandon National Park”	FDN	Mayan Biosphere	281,572.42
“Strengthening of community administration of local management of communal forests in Quetzaltenango and Totonicapán, Guatemala	HELVETAS	Volcanic Chain	259,012.05
Municipal and community management for the conservation of Cerro Cucho and Cerro Saquibut in San Marcos, Guatemala	HELVETAS	Volcanic Chain	266,098.04
“Conservation strategy for landscape and high-priority species of the semiarid region in Motagua Valley”	FDN	Motagua-Polochic	190,832.05
“Resolution of 3 management and territorial governance conflicts in protected areas of the Caribbean of Guatemala”	FUNDAECO	Motagua-Polochic	124,764.7
“Design, proposal and advertising of a protected areas regional subsystem for northern Huehuetenango, through alternative strategies of conservation”	FUNDAECO	Cuchumatanes	230,965.49

**TOTAL \$ 1,608,446**

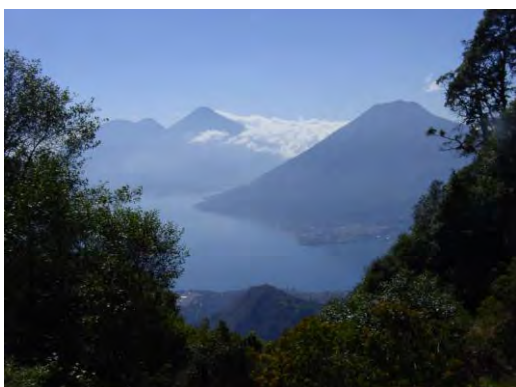
## FIRST GRANT PROJECTS APPROVED 2008



- 1** Conservation strategy for landscape and high-priority species of the semi-arid region in Motagua Valley.
- 2** Strengthening of Sololá municipality regional parks system and sustainable development advertising in the biological corridor in the south of RUMCLA.
- 3** Resolution of 3 management and territorial governance conflicts in protected areas of the Caribbean of Guatemala.
- 4** Strengthening of community administration of local management of communal forests in Quetzaltenango and Totonicapán, Guatemala.
- 5** Design, proposal and advertising of a protected areas regional subsystem for northern Huehuetenango, through alternative strategies of conservation.
- 6** Strengthening of institutional capacities and sustainable community development for the conservation of natural and cultural patrimony of Sierra del Lacandon National Park.
- 7** Municipal and community management for the conservation of Cerro Cucho and Cerro Saquibut in San Marcos, Guatemala.

### FCA priority regions:

- a. The Biosphere Maya Reserve
- b. The Volcanic Chain of the Guatemalan Occidental Highlands
- c. The Motagua-Polochic System and the Caribbean Coast
- d. The Cuchumatanes Region



Chuiraxamoló Park, Sololá



Sarstún River, Izabal

## Major Achievements 2008

### *Theme 1: Operations and Administration*

#### *a. External Audit:*

The PKF company submitted a final report for the audit of the movements in the FCA Fund, from October 2006 to December 2007. It provided an unqualified opinion regarding the reporting of *income, disbursement costs and the acquired goods by the Program, during the reporting period*. The same company also endorsed the transfer of funds from the escrow account to the Trust, effective as of September 2008.

#### *b. 2008 and 2009 Budget Approval*

The Oversight Committee, in conjunction with finance experts, reviewed and approved the 2008-2009 budget. The 2008 management expenses were approved to be 9.87% of the total deposits made by the Government of Guatemala (GOG) under the Debt Restructuring Agreement. For the year 2009, management expenses were approved at a level of up to 10% of the GOG total deposits.

#### *c. Participation in the EAI/ TFCA Funds Annual Meeting*

On November 10<sup>th</sup>, members of the OC and FCA administrator, *Fundación para la Conservación de los Recursos Naturales y Ambiente en Guatemala (FCG)* attended the Annual TFCA Funds meeting, held in Belize, where participants discussed a wide range of topics including sustainable tourism and management expenses.

### *Theme 2: Oversight Committee*

The Oversight Committee (OC) is charged with management of the TFCA accounts and program and ensuring compliance with all terms and conditions of the TFCA agreements. The OC is comprised of both permanent and term members. The permanent voting members are from the two governments (USAID Mission Director and the GOG National Counselor for Protected Areas) and the Guatemalan programs of both The Nature Conservancy and Conservation International. In order for civil society members to constitute the majority of the OC, a local term member is selected to serve for a two (2)

year term. The nomination process for replacing the first term member began in 2008. A short list of four candidates will be interviewed and a finalist selected in early 2009.

During 2008, 16 OC meetings were held and documented in respective meeting minutes. The OC unanimously selected, Carlos Rodriguez, Regional Director for Conservation International, to serve as the OC Chairperson for two more years (Oct. 2008 – Oct. 2009).

During the reporting period, an attorney was retained by the OC to work as the FCA Fund legal advisor to develop the Trust Agreement. After careful review by the OC members, and their respective agency attorneys, the Trust Agreement was approved and became official under Guatemalan law on September 30, 2008. The OC attorney also reviewed the proposed internal regulations for the functioning of the OC in order to ensure their compliance with both Guatemalan Law and the Debt Swap Agreements.

### **Leveraging TFCA Resources**

The OC and the FCG both benefited from a presentation in May by the *Conservation International Stewards Program* on the CI experience with conservation agreements in Guatemala (both in and outside of the FCA priority geographic areas). The purpose of the session was to unify OC strategic vision and to consider prospects for leveraging funds for the future. Prospective partners and alliances were identified, including the Critical Ecosystem Partnership Fund (CEPF).

### **Priority activities for 2009**

- Approve and sign the descriptive document that outlines duties for FCG as the FCA Fund Administrator and Trustor of the Guatemala-TFCA Trust.
- Review the work plans of the OC Work Commissions.
- Approve and sign the OC Internal Regulations
- Induct new members of the OC
- Review and approve the Terms of Reference and development of an investment policy, communications strategy, and FCG strengthening plan.
- Review and approve the process for, and launch, the second call for grant proposals.
- Monitor and evaluate first cycle of grant projects.

**Summary Table (in \$US)**  
November 2008

Fund Data				Total
	2002-6	2007	2008	
No. of proposals submitted	-	*	107	107
No. of proposals approved	-	-	7	7
Total approved funding for grants	-	-	\$ 1,608,446	\$ 1,608,446
Total of counterpart match (grantee cost share)	-	-	\$ 1,510,049	\$ 1,510,049
Total matching funds as % of approved	-	-	94%	94%
Amount spent on administrative costs	\$ 92,098	\$ 162,216	\$ 204,266	\$ 458,580
Administrative costs as % of grants approved	-	-	13%	29%
Interest and capital gained on investments	\$ 8,208	\$ 83,335	\$ 192,663	\$ 284,206
Fund Balance at the end of the year	\$ 830,611	\$ 2,836,213	\$ 4,453,745	n/a

\* The project cycle for the first call for proposals was launched in 2007 – the 107 proposals submitted, however, are listed in 2008 in order to coincide with the other figures provided.

## Jamaica

<b>Debt Agreement signed</b>	September 21, 2004
<b>Type of Agreement</b>	Subsidized debt swap
<b>US budgetary costs</b>	\$6.5 million
<b>Conservation funds generated</b>	\$16 million (over 19 years)
<b>Private funds contributed</b>	\$1.3 million

### Schedule of Deposits to TFCA Accounts through 12/31/08 (U.S. \$)

Date	Forest Conservation Grant Fund (US\$)	Grant Disbursement
2004	\$262,952	0
2005	\$1,004,374	0
2006	\$985,128	0
2007	\$965,883	\$110,053
2008	\$946,636	\$235,043

### Background

The Governments of Jamaica and the United States, together with The Nature Conservancy (TNC), concluded a subsidized debt swap on September 21, 2004, (under the United States' Tropical Forest Conservation Act), to reduce Jamaica's debt to the United States by US\$15,989,527. The agreements were made possible through a grant of \$6.5 million from the United States and a contribution of \$1.3 million from TNC. The payments are slated to be made in scheduled installments over a period of 19 years, into a Fund established for tropical forest conservation in Jamaica. This Fund is known as the *Forest Conservation Fund* (FCF) of Jamaica, and it is managed and administered by the Jamaica Protected Areas Trust (JPAT), a registered Company in Jamaica.<sup>15</sup>

The Oversight Committee, through JPAT, is currently implementing a Five-Year Strategic Plan (2006 – 2011) along with a one-year Work Plan. The five Working Teams<sup>16</sup> established through the 2006 strategic planning process were reduced to four after consolidation and completion of start up functions. Several manuals that were developed in the early stages of the implementation process are being, or have been amended and an evaluation exercise was conducted to assess the effectiveness of the first Call in 2007. Improvements were incorporated in the second Call held in 2008.

Jamaica has unique flora and fauna composed of a high percentage of endemic species, including 28 percent of its flowering plants and 25 breeding bird species. A growing number of plant and animal species are identified as vulnerable to extinction, critically

<sup>15</sup> The original Fund Administrator was the Environmental Foundation of Jamaica (EFJ) - created under the U.S. Enterprise for the Americas Initiative (2005 – 2007).

<sup>16</sup> Monitoring and Evaluation; Priority Setting; Grant Making and Investment Philosophies; Management Mechanisms; and Communications.

imperiled or rare. The Giant Swallowtail Butterfly, endemic orchids and the Jamaican iguana are examples. The aim of this debt-for-nature swap is to help Jamaica in its fight to safeguard the valuable forests and rich biodiversity in several areas. Seven geographic regions were considered “priority areas” by the TFCA agreements, these include:

1. Blue and John Crow Mountains National Park (Blue Mountain Forest Reserve), adjacent National Water Commission lands, plus buffer areas of unprotected closed broadleaf forest in the Rio Grande, Swift River, Buff Bay, Morant, Yallahs, Hope and Wag Water watersheds
2. Cockpit Country Forest Reserve, plus outlying Forest Reserves, and adjacent areas of closed broadleaf forest
3. Litchfield Matheson’s Run and Stepheney-John’s Vale Forest Reserves, adjacent Crown lands, outlying Forest Reserves (Bull Head and Mount Diablo) extending into the upper portions of the Rio Minho, Rio Cobre and Rio Bueno/White River watersheds, Crown lands in the Dunn’s River watershed, and the Dry Harbour Mountains
4. Inland portion of Negril Protected Area, plus the forested area in and around Dolphin Head Mountains (Retirement, Raglan Mtn., Geneva and Bath Mtn., Quasheba Mtn. and Baulk Pen) and Burnt Savannah
5. Portland Bight Protected Area, Terrestrial portion of the Portland Bight Sustainable Development Area located in the lower Rio Minho and Rio Cobre watersheds
6. Other forest reserves and Crown lands managed by the Forestry Department such as Gourie, Ballintoy Forest Reserve, Hellshire and Lowe River Forest Reserves
7. Spring Vale and Bogue Forest Reserves plus the Upper and lower Black River Morasses

### ***Grant-Making 2008***

Following the procedure established in 2007, a request for grant applications (RFAs) was sent out in mid 2008 in which the four priority sites listed below were targeted for long-term (over three years) projects:

- Southern portion of the Blue Mountain Forest Reserve / Blue and John Crow Mountains National Park namely the Yallahs watershed;
- Cockpit Country Forest Reserve;
- Hope watershed; and
- Rio Cobre watershed.

The RFA also requested applications for projects geared towards the establishment of forest cover (reforestation, rehabilitation of denuded land and / or the conservation and protection of existing forest cover). Applications were also sought for shorter term projects to address the lack of scientific data available on the propagation of native forest species and mangroves.



Fewer grants were issued in 2008 due in part to the generally poor quality of grant applications, a shift in the Fund strategic direction, and some nuances in the Call process itself. It is anticipated that the changes will result in the receipt of more viable project applications in the future. At the close of the RFA, thirty-one (31) applications had been received of which five (5) were approved in mid October 2008. Of this number, one to The Forest Conservancy, was a conditional grant contingent on the commitment of matching funds to support a complementary project to that receiving FCF grant funds.

In total grant funding in the amount of US<sup>17</sup> \$324,326 was committed for the four of these five projects. If the grant recipient for the fifth project is able to meet the conditions set by the Oversight Committee then the total grant funding will increase by US \$194,922.

#### FCF Grant Making 2008

GRANT RECIPIENT	OBJECTIVE	FCF GRANT AMOUNT (US\$)	COUNTER-PART AMOUNT (US\$)	TERM (MONTHS)
Port Royal Marine Laboratory	Nursery Propagation of Coastal Forest Plants	\$61,780	\$ 49,244	36
Accompong Maroon Council	The development and marketing of an eco-tourism venture in the Cockpit Country.	\$61,227	\$8,083	36
Natural Products Institute	Propagation Research for Sustainable Management of Bitterwood	\$26,874	\$ 44,284	24
Biotechnology Centre	Identification, Propagation and Dissemination of Native Forest Species	\$174,445	\$ 81,956	36
The Forest Conservancy <sup>18</sup>	Promotion of Expanded Private Forest Management	\$ 194,922.	\$ 23,618	36
<b>Total</b>		<b>\$519,248</b>	<b>\$207,185</b>	<b>168</b>

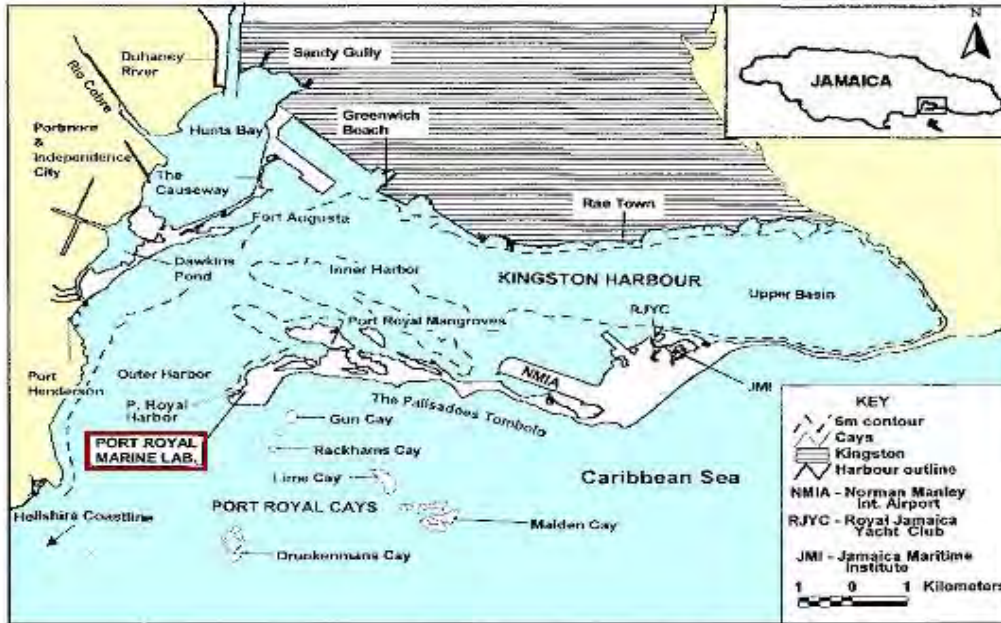
#### Approved Projects 2008

1. The **Port Royal Marine Laboratory** was the recipient of US \$61,780 in grant funding to offset the cost of mangrove seedling propagation and the subsequent reintroduction of these seedlings into denuded coastal areas. The aim of the project is to increase the amount of mangroves in the Port Royal and Palisades areas through the introduction of seedlings into the environment using a defined replanting schedule. This intervention is needed because very few mature parent plants currently exist to provide

<sup>17</sup> The Exchange Rate – Bank of Jamaica Rate January 28, 2009 - J \$84.68: US\$1

<sup>18</sup> Conditional approval was granted by the OC but the grant recipient still has to meet certain conditions before the grant will be made.

seeds for natural regeneration. This is principally due to the destructive impact of hurricanes and man-made activities. It is anticipated that annually 15,000 hardened seedlings / saplings will be introduced to the project sites over a period of three years. The outcome will be a significant increase in the amount of mangrove cover.



Map showing the location of the laboratory

2. The three year project is slated to assist the **Accompong Maroon Council** with the development of an eco-tourism attraction in the Cockpit Country, in the form of a trail and overnight rest stops. The aim is to reduce the dependence of the local people on the forest resources by providing an alternate source of income through tourism. The tour will offer a three day hike during which information on the Cockpit Country will be imparted, and will follow the original trail of the indigenous maroons. The trail should distribute benefits as it will pass through several communities. The overall grant amount is US \$61,227 and the project is being implemented in conjunction with local U.S. Peace Corps participation.



Site preparation for 1 of 2 rest areas on Cockpit Country ecotourism trail.

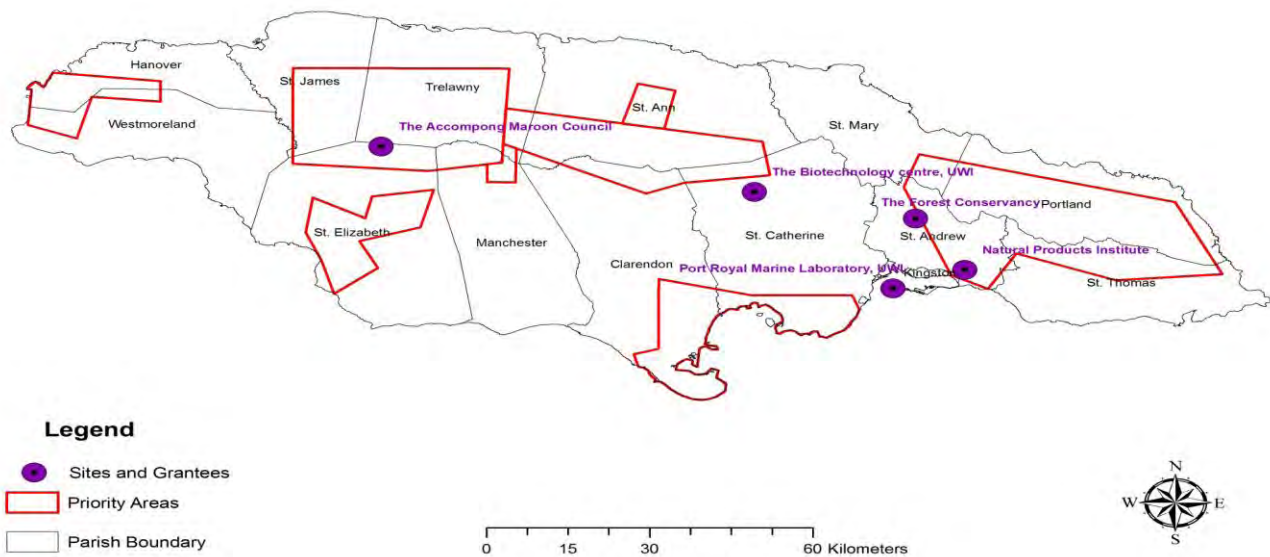


Staff preparing mangrove seedlings for replanting

3. The Bitterwood plant is a native forest species which is valued in Jamaica for its chemical properties, the potential for use as lumber and also its apparent resistance to insects. At its peak, 235 tonnes of Bitterwood chips were exported annually. As a result, the **Natural Products Institute** identified the need for preventing overexploitation of Bitterwood in the wild. The Institute will implement a two-year research grant of US \$26,875 identifying the best methods for propagating the highest yielding Bitterwood varieties, differentiated by product, in order to achieve sustainable management.

4. The **Biotechnology Centre** was the recipient of a US \$174,445 three year grant for the purposes of increasing research on select native hardwood forest species contained within Jamaica’s biodiversity ‘hotspots’. The project entitled “Identification, Dissemination and Propagation of Native Forest Species” will address the threats to forest cover arising from local use (e.g. removal for “yam-sticks”, charcoal and medicinal purposes), and provide seedlings of revenue generating native species for reforestation in the buffer zone communities. Plant propagation will be assisted through research identifying the best propagation methods for species with an existing recognized demand and a shortage of supply. In addition, an ethno-botanical survey will also be carried out to identify the economically important forest biodiversity used by local people. The survey results will aid the prioritization of the native, endemic and endangered plants (especially keystone species used by native fauna) identified for production. These species include but are not limited to the Yacca (Blue Mountain and St. Ann), Juniper, Braziletto, Gold Spoon, West Indian Mahogany, and Breadnut.

**Map showing the locations of the 2008 grants.**



## Status of 2007 Grant Projects

1. A two-year grant of \$92,796 to the **Jamaica Tree Growers Association (JTGA)** is currently being implemented. Its purpose is to develop a biologically and financially sustainable private forest industry sector in Jamaica. It serves to identify viable forest conservation incentives for landowners, to facilitate formalization of the sector, to encourage land stewardship, to promote environmental awareness and to encourage sector support for sustainable forest conservation and alternate livelihood initiatives. In addition, the JTGA is exploring market opportunities for possible participation in carbon markets.
2. A three-year grant of \$188,035 to the **Mona Lions Club** is reforesting 25 Hectares of Degraded Forest Reserve at Cinchona in the Yallahs Watershed. The project purpose is to provide sustainable land stewardship options and to rehabilitate exposed slopes. Six hardwood species are being planted at 650 trees per hectare. To date 11 hectares of tree cover has been established.
3. A four-year grant of \$140,459 is being implemented by the **Jamaica Conservation and Development Trust (JCDT)**. Its purpose is to rehabilitate 28 hectares of degraded forest land within the Blue and John Crow Mountains Forest Reserve and National Park using native forest species (including threatened endemic plants). The project also promotes the removal of invasive plant species. Approximately 10.6 Ha of land have been reforested to date.
4. A two-year \$37,818 grant implemented by the **Dallas Forest Conservation Project** has a goal of stabilizing the soil and restoring vegetative cover to a 3 acre slope in the Dallas Castle Community. Prior to the installation of gabion baskets and terracing, the areas was susceptible to massive soil erosion and land slippage. The project demonstrated great success during Tropical Storm Gustav after which little damage was experienced.



Project site before intervention



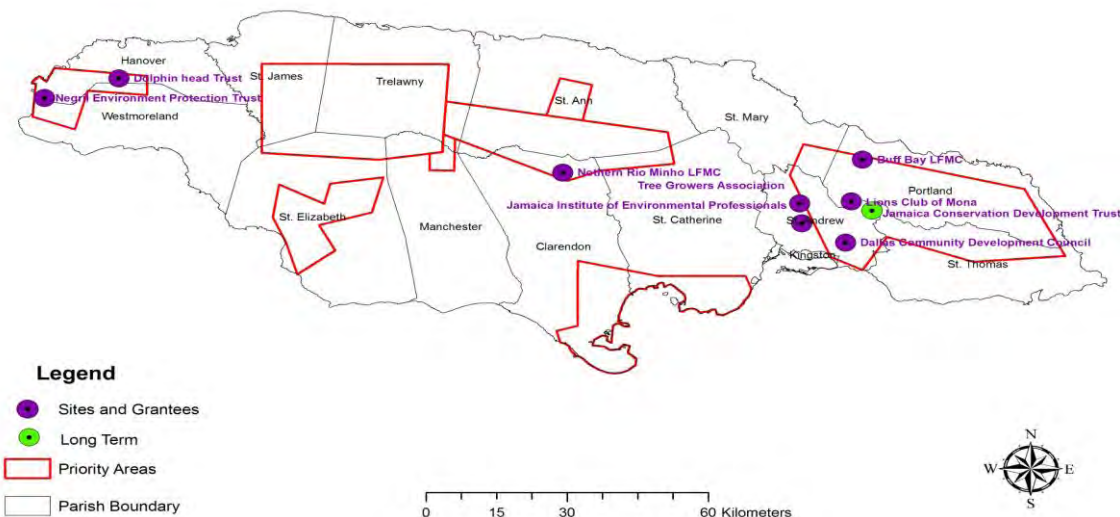
Project site after

5. A grant of \$16,318 to the **Northern Rio Minho Local Forest Management Committee (NRMLFMC)**, whose members are drawn from 23 communities within the environs of the 220.6 hectare forest reserve, was increased to \$28,054 in 2008.

The purpose of this short-term grant is to develop a Plan for the Bull Head Forest Reserve. The management plan will detail measures for sustainable use, conservation and protection of natural resources of the reserve.

6. A three-year grant of \$91,827 was given to the **Buff Bay Local Forest Management Committee** (BBLFMC) to fund soil conservation work in the parish of Portland. The project has a strong agro-forestry component and is intended to enable the BBLFMC to initiate participatory management activities in the Buff Bay sub-watershed. Reforestation efforts are being implemented on a variety of sites that include schools, agricultural land and two forest reserves impacted by hurricanes. Over eight thousand (8,000) seedlings have been planted to date.
7. The **Jamaica Institute of Environmental Professionals** was provided a grant of \$114,785 for the development of the National Protected Areas System Master Plan with particular emphasis on the financial sustainability component. The completion of the Plan will assist the TFCA Forest Conservation Fund in ensuring that its objectives are in line with the national priority and policy.
8. A two-year grant of \$67,051 to the **Negril Area Environmental Protection Trust** (NEPT) is intended to facilitate the conservation of the Negril Royal Palm Reserve. An aggressive invasive alien species, *Ipomoea tiliacea*, threatens the survival of native and endangered plant and animal species in the Negril Great Morass and contributes to a diminished visitor experience at the Reserve. The project is currently suspended due to infractions by the grant recipient.
9. A grant to the Dolphin Head Forest Conservation and Appropriate Resource Utilization Project was terminated. There were several contributing factors contributing to the folding of the implementing organisation. A component of the grant may be resumed under the auspices of a Local Forest Management Committee located within the Dolphin Head Forest Reserve.

**Map showing the locations of the 2007 grants.**



## Governance

The Oversight Committee met on five (5) occasions in 2008. The Committee was supported by working teams and *ad hoc* sub-committees. The Secretariat is currently overseen by the Jamaica Protected Areas Trust (JPAT) using four (4) member staff which includes an Executive Officer, a Program Coordinator and a FCF Program Assistant. The Executive Director, of JPAT oversees its other day to day operations.

## Financial Status

The JPAT Fiscal Year is April through March of each year. Efforts were made accommodate the 2008 calendar year reporting of this Congressional report, based principally upon the yet completed April 1, 2008 to March 31, 2009 fiscal year data. During 2008, the Fund deposits were principally invested in medium to short-term Notes.<sup>19</sup>

Total interest earned in 2008 on the FCA deposits was \$148,420 excluding the sum retained by the Bank in the form of withholding tax. A claim was made to the Taxpayer Audit and Assessment Unit (GOJ) for the reimbursement of withholding tax for the period September 2004 – June 2008 and this was honored in the amount of \$128,652.

**Summary Table (US\$)<sup>20</sup>**

Fund Data	2007 <sup>21</sup>	2008 <sup>22</sup>	Total
No. of proposals submitted	46	31	77
No. of proposals approved	9	5	14
Total approved funding for grants	\$819,053	\$326,267	\$1,145,320
Total of counterpart match (grantee cost-share)	\$143,648	\$145,896	\$289,544
Other leveraged matches (e.g. co-financing)	\$176,426	\$37,671	\$214,097
Total matching funds as % of approved	39 %	56 %	44%
Amount spent on administrative costs	\$98,180	\$119,485	\$217,665
Interest and capital gained on investments	\$168,139	\$395.889	\$564,018
Fund balance at the end of the year (end-of-calendar year, Dec. 31)	\$2,153,240	\$3,377,420 <sup>23</sup>	n/a

Website: [www.jpat-jm.com](http://www.jpat-jm.com)

<sup>19</sup> The 365 day notes are no longer on offer, as such investment has been in the form of 60 to 180 day Notes.

<sup>20</sup> A significant change has occurred in the exchange rate of the Jamaican dollar between 2007 and 2008. In light of this fact, and to facilitate ease of reference in this table, the current rate of J \$84.68: US \$1 has been used for the calculations in the summary table.

<sup>21</sup> April 1, 2007 – March 31, 2008

<sup>22</sup> April 1, 2008 – December 31, 2008

<sup>23</sup> This amount includes the US\$128,652 repaid by the government of Jamaica in the form of withholding tax on investments for the period 2004-2008.

## Panama I

<b>Debt Agreement signed</b>	July 10, 2003
<b>Type of Agreement</b>	subsidized debt swap
<b>US budgetary costs</b>	\$5.6 million
<b>Conservation funds generated</b>	\$10 million (over 14 years)
<b>Private funds contributed</b>	\$1.2 million

**Schedule of Payments to TFCA Account Through 12/31/08 (U.S.\$)**

<b>Date</b>	<b>Forest Grant Fund (a.k.a. Forest Action Fund)</b>	<b>Trust Fund (Endowment)</b>	<b>Grant Disbursements</b>
2003	405,087	405,087	0
2004	400,234	400,234	2,250
2005	389,863	389,863	377,700
2006	379,207	379,207	446,770
2007	368,269	368,269	535,911
2008	359,180	359,180	529,447
<b>TOTAL</b>	<b>2,301,840</b>	<b>2,301,840</b>	<b>1,892,078</b>

### I. BACKGROUND

The TFCA agreements were signed on July 10, 2003 among the Government of Panama (GOP), USAID, The Nature Conservancy (TNC) and Fundación Natura, a Panamanian NGO that functions as the Fund Administrator and Secretariat of the Oversight Committee. Through the agreements, Panama reduced its debt with the U.S. by \$10 million at a cost to the U.S. Government of \$5.6 million, with an additional \$1.16 million provided by TNC. As part of the transaction, Panama agreed to endow a Tropical Forest Conservation Trust with half the total amount, (i.e., \$5 million), and to use the rest to create the Forest Action Fund (the Chagres National Park Fund) to benefit short and long term recipients, after payments have been completed in year 14.

The objective of the Chagres National Park Fund is to improve the management of a critical area known as the Upper Chagres River Basin, which encompasses Chagres National Park (CNP) and important areas outside the Park. This watershed provides 50% of the necessary water for Panama Canal operations and 80% of the water for human consumption in Panama City. Grants are provided to non-profit organizations supporting the conservation of CNP and which contribute to the mitigation of the identified conservation threats in accordance with a Park Management Plan.

### ***Mission Statement of the Forest Action Fund***

The Forest Action Fund promotes activities designed to preserve, protect, and manage the natural and biological resources of the Chagres National Park and its buffer area.

### **MAJOR ACHIEVEMENTS IN 2008**

All disbursements from GOP to the TFCA accounts have been completed in accordance with the payments schedule for a total of \$2,301,840 in each the Grants and Endowment accounts. Approximately \$1,892,078 has been disbursed as grants.

On January 25, the Fund's Oversight Committee approved the Chagres Fund Work Plan (Table 1), although the long-term line item subsequently required some minor adjustments. The long-term line-item (\$367,039) includes roll over commitments from 2007 (\$86,043) and new 2008 activities of \$280,996.

The total 2008 budgeted amount was \$748,186. Note, however, that this total includes a Reserve Account of \$139,085 required to cover the first five months of the following year. A Reserve Account is a corrective mechanism used to compensate for the misalignment of the budgeting cycle with the schedule of deposits from the GOP.

**Table No. 1.**  
**Chagres Fund - 2008 approved budget**  
**(amounts in US\$)**

<b>Components</b>	<b>Budget</b>	<b>%</b>
<b>INVESTMENT January – December 2008</b>		
Co-Administration	97,000	16%
Long-Term Grants <i>(3years or greater)</i>	367,039	60%
Short-Term Grants <i>(less than 3 years)</i>	56,153	9%
“Measures of Success” <i>(Monitoring of Indicator Species)</i>	19,650	3%
Fund Administrador	69,259	11%
<b>Total Investments</b>	<b>609,101</b>	<b>100%</b>
<b>RESERVE January-mid May 2009 *</b>		
Co-Administration	66,667	48%
Long-Term Grants	25,608	18%
Short-Term Grants	17,107	12%
“Measures of Success” <i>(Monitoring of Indicator Species)</i>	8,079	6%
Fund Administrador	21,624	16%
<b>Total Reserve</b>	<b>139,085</b>	<b>100%</b>
<b>GRAN TOTAL</b>	<b>748,186</b>	



### A. *Co-administration Component:*

The Chagres National Park Foundation (a.k.a. Chagres Foundation) was created in June, 2006 as the best option to facilitate co-administration for the management of the Chagres National Park (CNP) in conjunction with the National Environmental Authority (ANAM).

In 2008, the Chagres Foundation, recipient of the long-term line item, strengthened its administration and facilitation of the park activities. It facilitated the procurement of goods and services for the park, including: vehicles (both terrestrial and aquatic), camping and communications equipment, uniforms, fuel, and construction and maintenance of park infrastructure.



New patrolling motorcycle.



A new patrolling vehicle

### B. *Long-Term Component:*

The CNP and its buffer areas are truly a multiple-use zones as there are a number of communities and farms within its borders (a.k.a. ‘inholdings’). Consequently, the CNP management plan integrates social components throughout most of the *programs* used by the Chagres Foundation to facilitate CNP co-administration.

Procurements under the ***Administration Program*** supported construction and/or maintenance of 5 infrastructures used by park guards and administrative personnel in Campo Chagres, Cerro Azul, Alhajuela, Cuango and Boquerón. The presence of park personnel has improved relations with the communities within, and surrounding, the CNP. Plans have been submitted and the bidding process initiated for the construction of another control station in the community of Nuevo Vigía in 2009.



New park sub-station in Cuango community.

***The Patrolling and Surveillance Program*** reported multiple patrols to monitor management impacts and control park incursions. These included: 118 terrestrial patrols, 16 aquatic patrols, four over flights, and 13 requested site inspections.

The ***Land Use Planning Program*** initiated meetings with government land management agencies in an effort to promote consolidation of land tenure in the CNP. This effort is consistent with a USAID and TNC sponsored study of “*Land Use Tenure, Forest, Agricultural and Water Uses in the Chagres National Park*”. Land management complements land tenure initiatives and TFCA funds have allowed for stakeholders meetings to sanction farm planning to guide future development projects affecting the CNP.

***The Environmental Education, Communication and Promotion Program*** continued development of CNP environmental education booklets, thus far used with 16 grade schools within the park. Special focus has been given to the awareness campaign on jaguar conservation using specially developed materials. Communications were also improved by the installation of an Internet Server in the park headquarters.

***The Environmental Monitoring Program’s*** continual implementation of its Measures of Success component provided follow-up to the Montoring Committee of the Upper Chagres. In addition, it developed a promotional document describing scientific research opportunities in the park and aquatic monitoring instruction for students at the University of Panama.



Research is made more effective and efficient through the maintenance of an electronic database with a registry of species found within the park. The database served to support the first phase of an evaluation to assess biological connectivity throughout the park. It was also used to provide information for the park's new booklet on birds to be printed in 2009.

The Chagres Foundation also funds occasional consultancies in support of the CNP. In 2008 one contract was signed for the development of a CNP business plan. Another was signed for reviewing the legal framework and suggesting revisions to Executive Decree 73, which created CNP and provided for its management.

Finally, and quite significantly, as part of ANAM's continued commitment to absorb recurrent costs to avoid institutional jurisdiction conflicts, ANAM hired all park guards and a secretary previously hired through the Chagres Foundation. The transfer both clarifies employment structures and institutional responsibilities.

### C. *Short Term Component:*

A significant trend, as the CBOs become institutionally strengthened, has been the movement of grants away from NGOs and more directly with CBOs themselves. The year 2008 marked the first opportunity the CBOs have been able to administer and implement a Chagres Foundation project directly without the intervention of an NGO. Of the nine (9) Chagres Foundation-funded projects implemented in 2008, eight (8) were implemented by CBOs and only one by a NGO.



Miembros de OMURVI en proceso de selección de plantones

### *Projects Implemented in 2008*

Grant recipients received training in technical and administrative topics as part of their grant package. The Fund Administrator, Fundación Natura, usually provided the trainings. The main 2008 grant deliverables were:

- Twelve training events and workshops in topics such as: management of breeding centers, agricultural production, project administration, basic accounting, project development and strategic planning.

- Eight socio-organizational diagnosis resulting in eight strategic plans.
- Technical assistance provided by implementing NGOs to 16 CBOs.
- Project profiles drafted for eight strengthened CBOs.
- Three iguana breeding centers developed (Peñas Blancas, Nombre de Dios, and Cuango), one breeding center for *Agouti paca* (Peñas Blancas), and a poultry module (Boquerón).
- Agroforestry and silvo-pastoral demonstration plots (Cuango, Costa Arriba de Colon, and Peñas Blancas), including one model domestic farm and farming competition (Boquerón Abajo).
- Comercialization of plantains, peppers and yucas (Cuango, Costa Arriba de Colon).



Chicken module (OBC- CS Boquerón)

A desired result in grant making is that the CBO beneficiary ‚graduates’ from grant status strengthened organizationally. The first of the CBO projects completed in 2008 exemplifies these desired results. The Community-based organization OMURVI established a tree nursery producing 35,000 seedlings of native species per year, with a projection of 50,000 seedlings for 2009. OMURVI drafted a marketing brochure and successfully procured construction of infrastructure and equipment to improve their operations. Implementation of the project allowed the OMURVI to become a leader CBO. The administrative competence demonstrated has resulted in additional project leverage and consideration for an additional grant through the USAID-ACP Incentive Fund to expand and improve their economic activity.

#### **D. Measures of Success Component:**

„Measures of Success’ is a monitoring and evaluation methodology adopted by Fundacion Natura to review the ecosystem impacts of the CNP management plan. For example, an index has been established for the CNP regarding the relative abundance of principal prey species for jaguar and harpy eagles. As part of this effort, a small mammal census was implemented by the community of La Llana. Information from the census has been correlated with a jaguar mortality index. The community of La Llana itself has participated in jaguar sampling using traps and cameras installed thanks to a donation from the Wildlife

Conservation Society. The result has provided some baseline information on jaguar population densities and threats (esp. illegal hunting in cattle ranching zones).

Surveys on the use of wild fauna were completed in three communities of the Upper Chagres. This information complemented the census on diurnal and nocturnal mammals (esp. monkeys) also undertaken by the La Llana community.

The abundance of aquatic insects is a good indicator of the health of lotic (riverine) ecosystems. Data from samples from four CNP rivers that were collected in 2006 were processed. In addition, several field trips to Cerro Azul, Cerro Brewster and Cerro Bruja were conducted to build the *Index on biological diversity for a number of amphibian species* in the creeks located in the CNP rainforest.



A new webpage ([www.somaspa.org](http://www.somaspa.org)) was finalized in 2008, where one can find information on the progress of this monitoring activity. Consequently, the wealth of information on the distribution and abundance of CNP reptiles, mammals, nocturnal monkey and forest habits in the Upper Chagres area is now easily accessible.

#### **E. Fund Administration Component:**

The Oversight Committee is composed of a representative from the U.S. Government (USAID as principal and the U.S. Embassy as alternate), a representative of the Government of Panama (Ministry of Economy and Finance as principal and a representative from the National Environmental Authority –ANAM as alternate), a representative from TNC, and two representatives from non-profit environmental NGOs (Smithsonian Foundation and Panama’s Audubon Society), and Fundación Natura is the secretary and Fund Administrator.

The Oversight Committee met six times in 2008 to review and approve the program’s direction and management, as well as to exercise its fiduciary responsibilities. Three of the meetings were dedicated, in part or in whole, to strategic planning (January) in response to needs identified in a 2007 program evaluation.

As Fund Administrator, Fundación Natura, provided technical and administrative oversight to the different components of the TFCA Fund. In addition, Natura participated in coordination meetings with ANAM and reported 52 technical visits and 21 financial-administrative visits to the projects, including those to the Chagres Foundation and the Chagres National Park. For example, Natura participated in coordination meetings for the Participatory Community Project and Integrated Watershed Management of the Lago-Alhajuela Sub-Watershed (Project JICA-ANAM).

## V. SUMMARY TABLE

TFCA – Chagres National Park Conservation Fund (currency in U.S. dollars)

Fund Data	Fiscal Years					Total
	2003-2004	2005	2006	2007	2008	
No. of proposals submitted	44	9	35	2	2	92
No. of proposals approved	3	3	10	2	1	19
Total GOP deposits to Forest Mgt. Acct. (exclusive of endowment)	805,321	389,863	379,208	368,269	359,180	\$ 2,301,841
Total <i>annual budget approved</i> for grants	359,652	782,904	1,046,225	749,246	539,841	NA*
Total <i>disbursed</i> funding for grants (Chagres)	2,250	377,700	446,770	535,911	529,447	\$ 1,892,078
Total of counterpart match (grantee cost-share)**	26,130	93,047	96,074	7,500	49,979	\$ 272,730
Other leveraged matches (co-finance)	0	43,520	3,800	0	0	\$ 47,320
Total matching funds as % TFCA grants <i>disbursed</i>	-	36%	22%	1%	9%	17%
Amount spent on admin. costs	46,605	36,021	85,659	79,483	69,259	\$ 317,027
Administrative costs as % of GOP deposits into Forest Mgt. Acct.	6%	9%	23%	22%	19%	14%
Interest and capital gained on TFCA investments	802	20,894	21,951	10,432	3,797	\$ 57,875
Fund balance at the end of the year***	757,268	754,304	623,032	386,339	150,610	N.A.

\* The figure provided in this row are annual budget approval figures and can include figures approved, but not expended, from previous years (in other words, roll-over funding).

\*\*This does not apply to all components of the grants distribution. For co-administration and long-term grants, there is not a counterpart requested of the grantee (Chagres Foundation).

\*\*\* Does not include the Endowment Account with a balance of \$2,301,840.

## Panama II

<b>Debt Agreement signed</b>	August 19, 2004
<b>Type of Agreement</b>	subsidized debt swap
<b>US budgetary costs</b>	\$6.5 million
<b>Conservation funds generated</b>	\$10.9 million (over 12 years)
<b>Private funds contributed</b>	\$1.3 million

Schedule of Payments to TFCA Account through 12/31/2008 (U.S. \$)

Date	Forest Grant Fund (a.k.a. Forest Action Fund)	Trust Fund (Endowment)	Grant Disbursements
2004	0	459,128	0
2005	229,565	688,692	5,665
2006	275,477	642,781	219,758
2007	321,390	596,867	377,589
2008	367,302.5	550,954	227,894
<b>TOTAL</b>	<b>1,193,735</b>	<b>2,938,422</b>	<b>830,906</b>

### I. BACKGROUND

This is the second TFCA agreement completed with the country of Panama. The first one was established in 2003, for the Chagres National Park. The TFCA agreements corresponding to Darien National Park were signed on August 19, 2004 among the Government of Panama (GOP), the U.S. Government (USG), The Nature Conservancy (TNC) and Fundación Natura, a Panamanian NGO that functions as the Fund Administrator and Secretariat of the Oversight Committee. Through the agreements, Panama reduced its debt with USG by \$10.93 million at a cost of \$6.5 million, with an additional \$1.3 million provided by TNC. As part of the transaction, Panama agreed to endow a Tropical Forest Conservation Trust with half of the total amount, (i.e., \$5.465 million) and use the remainder to create the Forest Action Fund (the Darien National Park Fund) to benefit recipients in and around Darien National Park, during 12 years.

The two TFCA swaps share management structures, including both the Oversight Committee, composed of USAID, Panamanian Ministry of Economy and Finance, TNC and two Panama-based NGOs, and the Fund Administrator, Fundación NATURA, as the Secretariat. The two TFCA accounts for the Chagres and the Darien regions are managed separately by the Banco General.

**Mission Statement of the Forest Action Fund:** The Forest Action Fund promotes activities designed to preserve, protect, and manage the natural, cultural, and biological resources of the Darien National Park and its buffer area, consistent with the Park Management Plan. It also promotes activities to mitigate major threats to the Park.

The Darien National Park (DNP) is located in the Darien Province and was established in 1980, through Executive Decree No. 21. It covers an area of 579,000 hectares. The Park was designated as a *World Heritage Site* by UNESCO in 1980 upon request by the Government of Panama, and later, in 1983, it was designated as a *Biosphere Reserve* by the Man and Biodiversity Program of UNESCO. The DNP shares borders with Los Katios National Park in Colombia, conforming the most northern zone of the *Mesoamerican Biologic Corridor*.

The population located within and around the Park maintains an ethnic diversity represented by afro-darienites and peasants migrating from the central provinces and three indigenous groups: Kuna, Embera and Wounann, which usually settle along the river banks.

## II. MAJOR ACHIEVEMENTS IN 2008

Disbursements from the GoP to the Forest Action Fund have been completed in accordance to the schedule established in the FCA, resulting in an accumulated total of US\$1,193,735 by the end of 2008. The Oversight Committee approved the 2008 Work Plan and the respective budget for a total of US\$394,266, grouped in four strategic lines, as it is shown in Table 1 below.

**Table N°1 2008**  
APROVED BUDGET (US\$)

Strategic Lines	Budget		%
	Initial	Modified	
<b>Grants and Fund Administration (January - December)</b>			
I. Fund Administration (Natura)	66,123	66,123	17%
<b>GRANTS</b>			
II. Strengthening of ANAM's capacities to manage DNP	248,641	248,641	63%
III. Strengthening of Darien organizations (CBOs)	22,000	25,718*	6%
IV. Small Grants Program	21,000	20,670**	5%
V. Environmental Monitoring Program	36,502	36,502	9%
<b>Sub- total</b>	<b>394,266</b>	<b>397,654</b>	<b>100%</b>
<b>Reserve Account (for January - February 2008) ***</b>			
I. Fund Administration (Natura)	12,803	12,803	26%
<b>GRANTS</b>			
II. Strengthening of ANAM's capacities to manage DNP	33,115	33,115	68%
III. Strengthening Program of the Darien organizations	0	0	0%
IV. Small Grants Program	0	0	0%
V. Environmental Monitoring Program	2,583	2,583	5%
<b>Sub-total</b>	<b>48,501</b>	<b>48,501</b>	<b>100%</b>
<b>TOTAL</b>	<b>442,768</b>	<b>446,155</b>	

\* The modification of Component III was due to a delay in the implementation of a Project that resulted in a payment delay moved to 2009.

\*\* The modification of Component IV was due to reprogramming activities in one of the CBOs.

\*\*\* A "Reserve" has to be maintained in order to correct the misalignment of fiscal year and the TFCA payment schedule.



## Grant Making

Four years into the TFCA program, the grant resources are now increasingly targeted toward significant threat mitigation through increased park personnel presence in the protected area and consolidation of different multiple stakeholder processes for conservation. The principal TFCA grant beneficiary and program implementing organization, Fundación PANAMA, had its contract renewed for provision of administrative support to ANAM for park management.

### F. Strengthening of ANAM's capacities to manage DNP

The Park's 2008 Annual Work Plan was implemented principally by ANAM with administrative support from Fundación PANAMA. ANAM staff was strengthened and expanded, including the hiring of technicians charged with natural resource management and community outreach in the Darien.

The "socialization" of the management plan has increased community participation and ownership of conservation initiatives. Socio-economic, cultural and environmental baseline conditions have been established for the park and the capabilities of monitoring CBO implemented projects has improved. Environmental awareness has also improved through the transmission of radio spots and a weekly 30-minute radio program called "*Getting to know the Darien National Park... a place for life to continue.*" In sum, the local network of advocates for the Darien National Park continues to grow.

Formal and informal education continues to be an effective access point with the communities. ANAM, through coordination with the Ministry of Education, has designed environmental education materials and provided training sessions on teachers of pilot education centers in 2009. Two communities, El Real and Boca de Cupe, have supported 21 environmental volunteers from student ecological organizations.

Two new operational centers were established in Chepigana and Boca de Cupe. The latter was remodeled with TFCA Fund's resources. All new centers are designed and constructed to serve the functions of both park protection and community outreach. Additional emphasis on new park signage (12 metal and 26 wood signs) by park guards also contributes to the improved community communications.

ANAM's National Department of Protected Areas drafted patrolling plans with support of Fundación PANAMA. When resources allow, patrolling also includes a rare surveillance over flight, as was conducted over the Tuirá, Balsas, Pirre, and Sambú rivers in 2008. The flight detected illegal timber extraction and a case has now been filed by ANAM's legal department.

Finally, and importantly, the TFCA grants continue to allow park personnel to be equipped to perform the required work. Table 2 (below) provides procurement figures of goods and services.

**Table N°2  
Procurement of Goods and Services for the Darien National Park**

<b>Detail</b>	<b>Description</b>
Personnel	Salaries of 12 park guards and related positions.
Park Guard's Equipment	Uniforms (30), Field equipment (knives, bags, water packs, flashlights, etc.), Binoculars, military style, 10 x50 (6)
Over flight	6 hours surveillance and monitoring
Vehicles	Maintenance/ Repairs/Equipment parts for aquatic vehicles
	Maintenance/ Repairs/Equipment parts for terrestrial vehicles
Office and Educational Equipment	Digital camera Panasonic Lumix Model DMC-LZp19 with bag and cables
	Air Conditioner for the training center in Chepigana's control center
Tools and Materials	Circular chainsaw , copy machine, power center, welding machine, router, drill.
Communications	Internet services contract, reproduction materials for newsletter, etc.
Logistics	Food, fuel, papers and office supplies
Training	<ul style="list-style-type: none"> <li>- Organizational culture, communication and interpersonal relations for efficient teams</li> <li>- Induction to the park's volunteers</li> <li>- Biosphere reserve workshop</li> <li>- Sign construction</li> <li>- First aid and CPR for adults</li> <li>- Time management</li> <li>- Legislation (II Phase)</li> </ul>
Infrastructure	Rehabilitation of control centers (Cruce de Mono, Boca de Cupe, Rancho Frio)
Medicines	Various



Signs for DNP



View of Darien Nacional Park

## G. Strengthening of Darien organizations (community based organizations- CBOs)

The Project *Strengthening of the Community Based Organizations inside the Darien National Park and Buffer Areas* implemented by the CICA-FUNDECO-ANCON Consortium, has the objective of strengthening six (6) community organizations to implement projects that contribute to the management of Darien National Park. This project was extended by three additional months through October 2008 in order to extend the pilot project technical assistance to the CBOs.

All six communities established tree nurseries. Beneficiaries showed a great interest and capacity for the production process to produce seedlings of high quality. A typical community has established 1.5 ha in timber species, distributed in plots of 0.25 ha, and 5 ha with a non-timber species.

Fundación NATURA, with support from the park's technical staff, conducted monitoring and evaluation visits to the six project sites. While all six CBOs made significant progress, additional support is needed to strengthen administrative and accounting skills. The site visits allowed NATURA itself to further develop its database on community organizations within the park and ANAM personnel were trained on its use.



## H. Small Grants Program

The single Small Grant being executed in 2008 was one for a Solid Waste Management Project in the community of Tucutí. The completion and approval of an environmental impact assessment by Panama's National Environmental Authority delayed the effort, and the remaining \$10,908 will be disbursed in 2009. Components of the project completed in 2008 include: construction of the access path to the landfill, remodeling of an office for the Health Committee, trainings on the operations of a waste management system, and collection of a maintenance fee. Fundación NATURA, with resources from the FIDECO Fund, provided the training on solid waste management and administration and basic accounting.

## I. Environmental Monitoring Component:

Fundación Natura invited a short list of organizations to present proposals for the *Analysis of the Forest Cover of Darien National Park*. Legal considerations delayed the project start, which is now scheduled for 2009. This forest cover analysis will be key input to a coincident initiative by TNC to develop a Conservation Area Plan for the Darien region.

## J. Fund Administration:

The Oversight Committee (OC) is the same for both the Chagres and Darien TFCA Accounts. It has one USG representative (USAID as principal and US Embassy as alternate), one Government of Panama representative (Ministry of Finance and Economy as principal and the National Environmental Authority as alternate), one TNC representative, and two local NGOs representatives (Smithsonian Foundation and Panama Audubon Society). The Fund Administrator, Fundación NATURA, serves as the Secretariat.

The TFCA program oversight by Fundación NATURA has included financial accounting and technical review and monitoring, as well as participation in special events and coordination meetings with implementing partners. A significant role for NATURA is the institutional strengthening of new Fundación PANAMA. Because NATURA shares similar functions with the Fundación PANAMA, extensive assistance has been provided in drafting operations and policy manuals, review and amending work plans, re-programming funds, and technical and financial monitoring (e.g. solid waste management of six CBOs). Finally, as part of its fiduciary responsibility, NATURA also contracts external financial audits.

### SUMMARY TABLE

#### TFCA - DARIEN NATIONAL PARK CONSERVATION FUND

U.S. dollars

Fund Data	Fiscal Years				Total
	2005	2006	2007	2008	
No. of proposals submitted	3	17	6	1	27
No. of proposals approved	0	3	8	0	11
Total GOP deposits into Forest Action Fund	229,564	275,477	321,390	367,291	\$ 1,193,722
Total <i>approved</i> annual budget* (TFCA account.)	195,130	341,942	396,422	331,531	\$ 1,265,025
Total <i>disbursed</i> funding for grants	5,665	219,758	377,589	227,894	\$ 830,906
Total of counterpart match (grantee cost-share)	0	25,958	49,823	0	\$ 75,781
Other leveraged matches (e.g. co-financing)	0	9,900	0	0	\$ 9,900
Total matching funds as % TFCA grant disbursed	-	16%	13%	0%	10%
Amount spent on administrative costs	25,035	59,010	73,610	66,128	\$ 223,783
Administrative costs as % of GOP deposits (exclusive of Endowment Account)	11%	21%	23%	18%	18.7%
Interest and capital gained on TFCA investments	2,190	5,832	4,547	2,132	\$ 14,701
Fund balance at the end of the year (exclusive of Endowment Acct.)	201,054	203,595	78,333	153,734	N.A.

\* The figures provided in this row are annual budget approval figures and can include figures approved, but not expended, from previous years (in other words, roll-over funding).

## Paraguay

<b>Debt Agreement signed</b>	June, 2006
<b>Type of Agreement</b>	Debt reduction
<b>US budgetary costs</b>	\$4.8 million
<b>Conservation funds generated</b>	\$7.4 million (over 12 years)

### Schedule of payment to TFCA Account through 12/31/08 (US\$)

<b>Date</b>	<b>Forest Grant Fund</b> (GOP principal deposits)	<b>Forest Grant Fund</b> (GOP interest deposit)	<b>Grant Disbursement</b>
<b>2008</b>	\$ 2,826,949	\$ 364,604	-

- rescheduled payments based upon 47 separate, but consolidated, obligations

### Background

In July 2006, the United States of America and the Republic of Paraguay concluded agreements to reduce Paraguay's debt payments to the United States by nearly \$7.4 million. The agreements were made possible through a U.S. Government contribution of nearly \$ 4.8 million. In return, Paraguay has committed these funds over the next 12 years to support grants to conserve and restore important tropical forest resources in the southern corridor of the Atlantic Forest of Alto Parana. Special attention will be given to consolidate and enhance protected areas and biological corridors, particularly among the following: San Rafael National Park, Caazapá and Ybycuí National Parks, Ybyturuzú Resource Reserve and the Tapytá and Ypetí Private Reserves.

After the compliance of required legal, bureaucratic and administrative process, the Paraguayan Tropical Forest Conservation Fund was finally legally established in February, 2008.

### Governance

Although the Fund was established in February 2008, the Tropical Forest Conservation Board was formulated in September, 2007 with seven members as follows: four representatives from civil society organizations, two representatives from the GOP, and one from the US Government. The Board convened about 23 ordinary and 2 planning meetings with the required quorum as of December 2008. This reflects the high sense of responsibility and commitment of its members.

As established in the Agreement, the Board has prepared the By Laws, Medium and Long-Term Strategic Plans, the Annual Plan and the Budget for 2008, and its internal policies and norms.

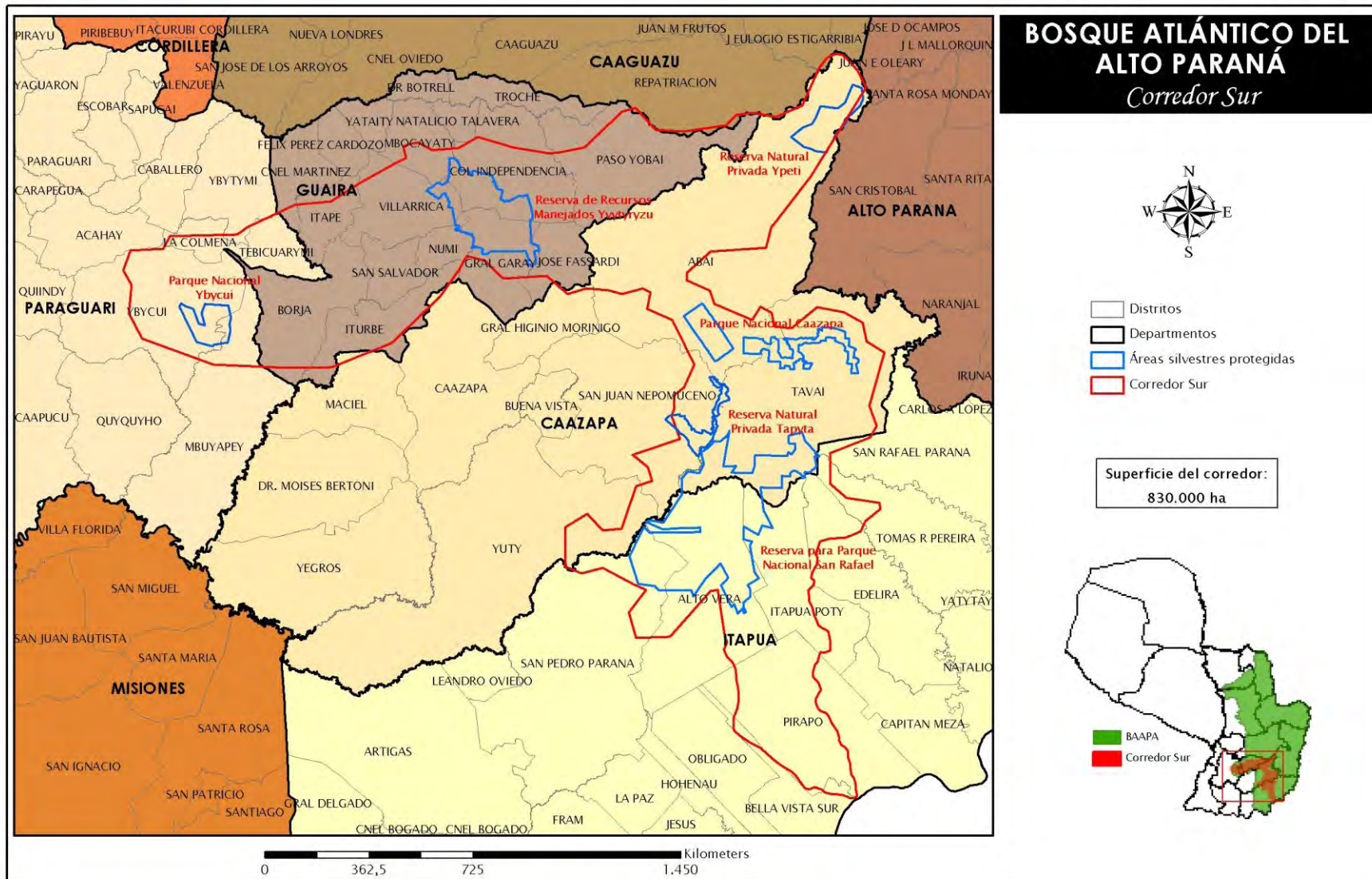
An Executive Director was competitively selected in March 2008. Most of his duties during 2008 were related to the groundwork for internal legal, technical and administrative procedures in close coordination with the Board, in order to make the Fund operational.

## **Grant making activities**

Significant progress was made in preparations for grant making. A initial activity was the study of key stakeholders within the beneficiary area with the purpose of supporting the development of the Long-Term Strategic Plan and Annual Work Plan in a manner which complemented activities of those actors.

In order to initiate the first public competitive selection process for grant making activities, two operational tracks were established: Conventional and Small Projects. The Conventional track is for grants in the range of \$10,000 to \$100,000 dollars and Small projects are for grants below \$10,000. The Conventional process includes an initial submission of project profiles (concept papers) for review and screening prior to an invitation of detailed project proposals.

The first public announcement for receiving the Conventional project proposals was launched in September 2008. The entire set of protected areas as well as their buffer zones and biological corridors were included in the request for applications (RFA). Thirty seven project profiles were received. An independent project evaluation committee was specifically established to examine the proposals. The committee is composed of three independent members from outside and two members representing the Board. Of the 37 project profiles, eight were selected for submitted for approval to the Board by mid-December, 2008. The second stage (presentation of full proposals) is programmed for January 2009. The final selection will be completed in February. The first grant awards should occur in March 2009.



## Major achievements 2008

Without doubt, 2008 has been an important year of establishing the Fund and its operational processes. Some of the most significant achievements were:

- Signing of a cooperation agreement with the UNDP office (Jan.).
- Preparation of internal norms and policies for the Fund and the Board. (e.g.: “Organization and Function Handbook” and the “Internal Norms and Procedures”). (Feb.-June)
- Approval of the 2008 Annual Work Plan and Budget (Feb.)
- Approval of Fund By-Laws by the GOP. (March)
- Selection of an Executive Director (March)
- Establishment and equipping the Fund office (April-May)
- Review of the Medium and Long-Term Strategic Plan (2008-2011). (July)
- Drafting of the Investment Policy Statement and Procurement Policy. (July)
- Hiring of an administrative staff (August)
- Development of Grant Making Operational Procedures and supporting documents (e.g. guidelines, profile forms, evaluation criteria) (Sept.)
- Preparation of competitive selection process (Sept.–Oct. 2008)
- Participation in TFCA/EAI and REDLAC meetings in Belize. (Nov.)
- Evaluation and pre-selection of first proposals for grant making activities by the Evaluation Committee and subsequent Board approval. (Nov.-Dec.)
- Design of the Fund’s website (In process).

**Summary Table (\$US)**

<b>Fund Data</b>	<b>2008</b>	<b>Total</b>
No. of proposals submitted	37	37
No. of selected project profiles (concepts)	8*	8
Total approved funding for grants	-	-
Amount spent on administrative costs	33,000	33,000
Administrative costs as % of grants	-	-
Interest and capital gained on investments (US\$)	37,142	37,142
Fund balance at the end of the year (US\$)	2,934,043	

\* Under consideration



## Peru

<b>Debt Agreement signed:</b>	June 26, 2002
<b>Forest Conservation Agreement:</b>	June 26, 2002
<b>Type of Agreement:</b>	subsidized debt swap
<b>US budgetary costs:</b>	\$5.5 million
<b>Conservation funds generated:</b>	\$10.6 million (over 12 years)
<b>Leverage:</b>	1.93: 1
<b>Private funds contributed:</b>	\$1.1 million

**Table N° 1 - Schedule of Payments to TFCA Account Through 12/31/08 (U.S. \$)**

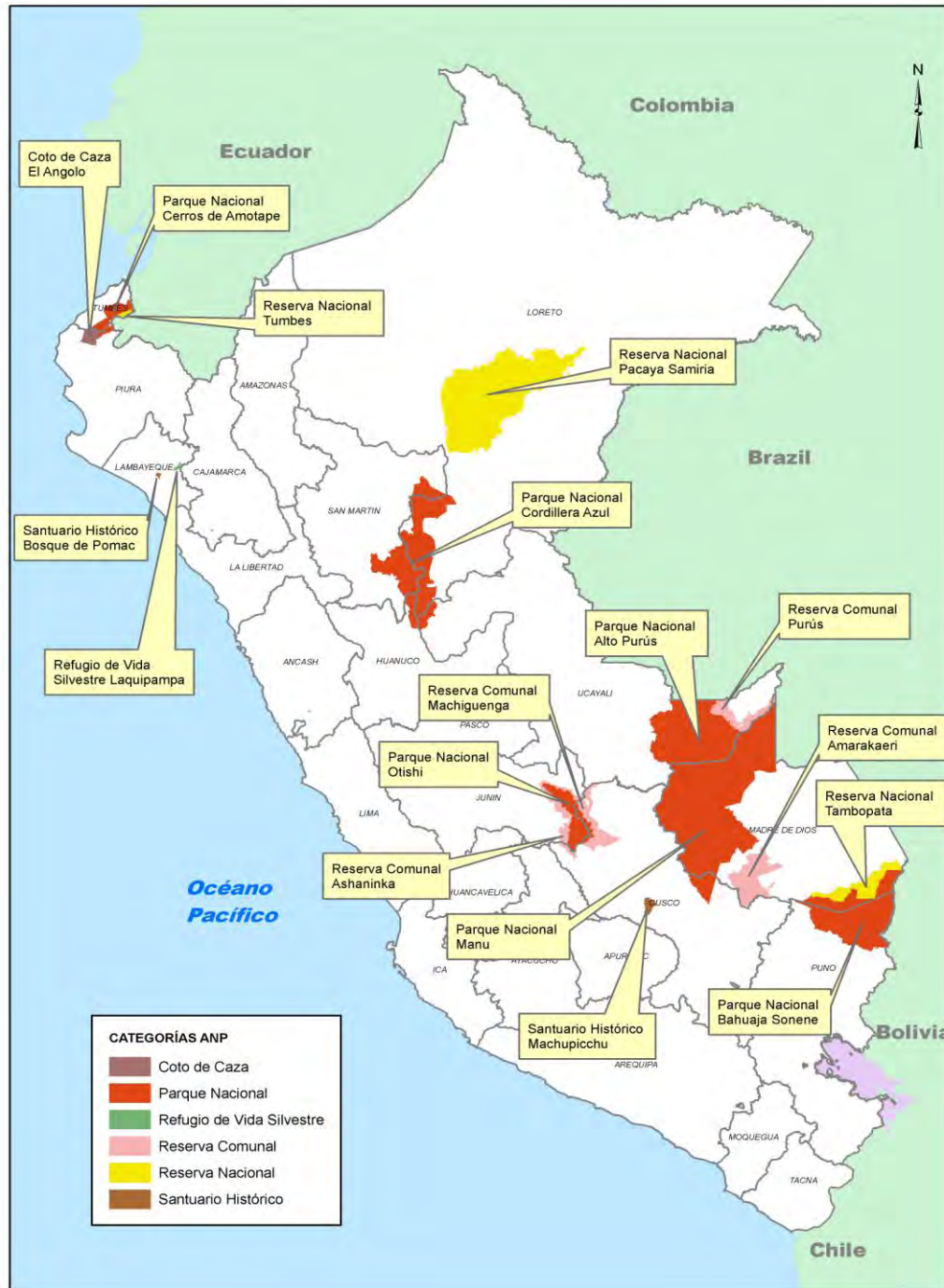
<b>Date</b>	<b>Accrued Deposits</b>	<b>S-T &amp; M-T Grant Disbursements</b>	<b>L-T Disbursements to ProNaturaleza</b>
2002-2007	3,554,845	1,722,495	1,125,766
2008	1,073,350	362,155	169,947
Total	4,628,195	2,084,650	1,295,713

### Background

The Peru agreement represents the second time conservation groups have joined the U.S. Government in financing a TFCA subsidized debt swap. Under the agreement, The Nature Conservancy, Conservation International and the World Wildlife Fund each committed approximately \$370,000 for a total of \$1.1 million. The USG allocated \$5.5 million to cancel a portion of Peru's debt to the United States. The Government of Peru committed to providing the local currency equivalent of approximately \$10.6 million for tropical forest conservation over the next 12 years. Thus for every \$1 of U.S. funds, almost \$2 will be spent on conservation activities in Peru.

The agreements specify 10 forested protected areas within the Peruvian National System of Protected Areas (SINANPE) as priority conservation areas. These 10 areas are: Pacaya Samiria National Reserve, Apurimac Reserved Zone (since January 2003: Matsiguenga and Atshaninka Communal Reserves and Otishi National Park), Manu National Park, Machu Picchu Historical Sanctuary, Bahuaja Sonene National Park, Tambopata-Candamo Reserved Zone (since September 2000: Tambopata National Reserve), Amarakaeri Reserved Zone (since May 2002 a Communal Reserve), Alto Purús Reserved Zone (since November 2004: Alto Purus Communal Reserve and Purus National Park), and the Cordillera Azul National Park. In addition to ten protected areas, other forest land in Perú can receive grant funding by a majority vote of the Oversight Committee (OC) in accordance with the terms of the Forest Conservation Agreement. Within this frame, in March 2004 the OC approved to include in the list of priority conservation areas the

following protected areas form the tropical dry forest ecosystems of northwest Peru: Cerros de Amotape National Park, Tumbes National Reserve, El Angolo Hunting Ground, Bosque de Pomac Historical Sanctuary and Laquipampa Reserved Zone. Together these areas cover more than 19.0 million of hectares (55.4% of SINANPE).



All grants are short-to medium-term with the exception of one long-term grant recipient explicitly identified as a beneficiary in the FCA. This grantee, the Peruvian Foundation for Nature Conservation, "ProNaturaleza," is designated to receive \$3.3 million over a 12-year period. The remaining \$7.2 million is to be allocated to short-to medium term grants.

## **Governance**

The Peru TFCA agreement is a "subsidized debt swap," meaning the agreement utilized both appropriated and private funds. The Debt Swap Agreement directs the generated cash flows to a TFCA account managed by a Fund Administrator, the Peruvian Trust Fund for National Parks and Protected Areas (Profonanpe). The Forest Conservation Agreement (FCA) identifies a local Oversight Committee for the TFCA account within Profonanpe that includes one representative each from the USG and the Peruvian Government, and one from the local branch of each contributing NGO (TNC, CI, WWF). The Oversight Committee serves to ensure that the terms of the agreement are observed and to review grant applications. The committee met seven times in 2008.

In January 2008, the Monitoring and Evaluation Unit (MEU), an operational arm of the TFCA Fund in Peru functioning under the Oversight Committee and managed by PROFONANPE, reinitiated grant-making after a brief hiatus in 2007. An amendment to the Forest Conservation Agreement (FCA) required the creation of the MEU in order to implement competitive grant-making.

## **Major Achievements 2008**

Seven new short-term grant projects were selected through two tenders. The new projects promote synergy and complement other initiatives. The first call for proposals (January 2008) resulted in the approval of six projects out of 27 proposals submitted for a total \$1,235,553. A second special call for proposals occurred in April 2008 for the purpose of selecting an institution charged with managing a Grants Fund for training and capacity building for personnel in the natural protected areas (\$143,449).

Also in 2008, PROFONANPE redrafted and adapted the Debt-for-Conservation Swap for the Pacaya Samiria National Reserve in conjunction with the single dedicated long-term TFCA grant recipient, ProNaturaleza. In April, the newly established MEU initiated an evaluation of the project in Pacaya Samiria Natural Reserve. The MEU recommended a comprehensive analysis of the project with a review of the logical framework with the hope of clarifying objectives, results, goals and indicators.

The MEU also recognized the need to improve management of all existing grant projects by preparing agreements to ensure compliance with the Fund's new Operations Manual's. Technical and financial support to grantees from PROFONANPE would also be improved in the process. In sum, the MEU is fully engaging field activities and grantees to implement the new operations guidelines.

### TFCA Account Grant-Making 2003-2008

#	Year	Grantee	Title/Purpose	Amount Approved en US\$	Status
1	2003	Pro-Naturaleza	Pacaya Samiria National Reserve	3,300,000	active
2	2003	Peruvian Association for Nature Conservation (APECO)	Implementation and Management of Blue Corridor National Park	98,707	expired
3	2003	Assoc.for Conservation of the Cutivireni Patrimony (ACPC)	Construction of Forestry Control Stations in Alto Purús	206,423	expired
4	2003	Andean Ecosystems Association (ECOAN)	Polylepsis Forest Communal Reserve in the Vilcanota Mountain Range: Conserving and Restoring Forest Fragments in the Cusco Department	102,530.00	expired
5	2004	Machu Picchu Institute (IMAPI)	Inter-district Municipal Conservation Areas between San Jerónimo-Oropesa-San Salvador, Acopio-Pomacanchi and Machu Picchu: Vilcabamba-Amboró Transborder Conservation Corridor	81,660	expired
6	2004	Association of Childhood and the Environment (ANIA)	Development of the Center for the Forest of the Children in Madre de Dios	188,525	expired
7	2004	Racimos de Ungurahui Workgroup	Institutional Strengthening and capacity development for indigenous participation in conservation, enforcement and management of biodiversity in the Amarakaeri Communal Reserve of Isolated Indians of Madre de Dios	148,485	expired
8	2004	Association for the Conservation of the Cutivireni Patrimony (ACPC)	Conservation of Forest Resources in the Rio Sepahua Watershed. (incl. creation for Forest Management Committees)	244,232	expired
9	2004	Cayetano Heredia Foundation (FCH)	Habitat and Forest Structure Mapping, Evaluating and Analyzing in La Nube Biological Station Area.	120,518	expired
10	2005	Forest Society and Development (BSD)	Strengthening the Scientific and Administrative Authority of CITES-Perú for the Implementation of CITES Appendix II – Cedar and Mahogany.	169,281	expired
11	2005	Law, Enforcement and Natural Resources (DAR)	Capacity Building for National Park Administration Staff (SINANPE)	8,167	expired
12	2006	Forest Society and Development (BSD)	Implementation of Activities in Alto Purús National Park. (incl. reduction of illegal logging)	120,261	expired
13	2005	Endangered Wildlife Help- Frankfurt Zoological Soc.	Broadcasting of Manu-Biodiversity Documentary.	5,993	expired
14	2006	Pro-Naturaleza	Reduction of Pressure in the Historical Sanctuary and Improvement of Livelihoods in the Buffer Zone	101,006	expired

15	2008	ProNaturaleza	Participatory management for conservation and sustainable development of the dry forest at the Pomac Forest Historical Sanctuary and buffer zone. II Stage.	191,265.54	Active
16	2008	Endangered Wildlife Help- Frankfurt Zoological Soc.	Strengthening and consolidation of the protection, control, oversight and operations continuity of the Las Piedras River control post, Alto Purus National Park	190,525.98	Active
17	2008	Machu Picchu Institute (IMAPI)	Strengthening environmental management and ecological remediation in the Apu Pachatusan Municipal Conservation Area and the Macchu Picchu Historical Sanctuary buffer zone	160,835.19	Active
18	2008	Assoc.for Conservation of the Cutivireni Patrimony (ACPC)	Participatory management of the Ashaninka Community Reserve and the Otishi National Park and buffer zone	191,265.54	Active
19	2008	AIDER - Asociación para la Investigación y Desarrollo Integral	Building management skills at the Tumbes National Reserve. Organizing livestock herding and awareness raising.	166,946.13	Active
20	2008	Endangered Wildlife Help- Frankfurt Zoological Soc.	Training plan for personnel and stakeholders involved in managing the Natural Protected Areas System of Peru (SINANPE).	191,265.54	Active
21	2008	Law, Enforcement and Natural Resources (DAR)	Grant fund management proposal – ACBT.	143,449.16	Active

### Active Grants 2008

*No. 1. Pacaya Samiria National Reserve 2002-2014 (2008 budget: \$169,947)*  
ProNaturaleza is encouraging sustained management of the main natural resources used by the indigenous peoples within the National Reserve. Since 2007, it contributes to improve their marketing skills. It also supports the Pacaya Samiria Reserve's management in their oversight and control strategy and to put in place a financial sustainability plan.

*No. 15. Participatory management for conservation and sustainable development of the dry forest at the Pomac Forest Historical Sanctuary and buffer zone. II Stage. May 2008-. May 2010 (2008 budget: \$ 43 327)* ProNaturaleza supports the Sanctuary's Head Office in publishing a master plan prepared during the first stage of the project (2006). It also supports the Management Committee and encourages economic activities in line with the natural area's protection for the benefit of the residents in the buffer zone.

*No. 16 Strengthening and consolidation of the protection, control, oversight and operations continuity of the Las Piedras River control post, Alto Purus National Park, May 2008 to May 2011. (2008 budget: \$ 55 299)* AVISA-SZF supports control and oversight initiatives in the Las Piedras River basin in Madre de Dios to prevent and avoid accidental damage to the Park's conservation and harm to the indigenous peoples in voluntary isolation.



Pacaya Samaria Photographs: (1) 20 de Enero Community. Drying Yarina or Tagua seeds (*Phytelphas macrocarpa*); (2) Handicrafts made with Yarina seeds by 20 de Enero Community women; (3) Tourist lodging at 20 de Enero Community; (4) Gathering Aguaje (*Mauritia flexuosa*); (5) Meeting with members of the Yarina community palm management teams; (6) Meeting with members of Paiche (*Arapaima gigas*) and Arahuana (*Osteoglossum bicirrhosum*) management groups at Varadero Achong check point; (7) View of Natural Protected Area. / Photos by ProNaturaleza.

*No. 17 Strengthening environmental management and ecological remediation in the Apu Pachatusan Municipal Conservation Area and the Macchu Picchu Historical Sanctuary buffer zone. June 2008 to June 2010. (2008 budget: \$ 27 134)* IMAPI encourages local governments in the Machu Picchu buffer zone and its area of influence to establish municipal conservation areas, undertake planting initiatives, and anticipate and prevent forest fires.

*No. 18 Participatory management of the Ashaninka Community Reserve and the Otishi National Park and buffer zone. August 2008 to July 2010. (2008 budget: \$ 88 818)* The Association to Preserve Cutivireni's Heritage (ACPC) is building capacities among the indigenous organizations to involve them in the NPAs' management and forest conservation. It provides training and supports the process to draft the Ashaninka Community Reserve's master plan.

No. 19 *Building management skills at the Tumbes National Reserve. Organizing livestock herding and raising awareness. August 2008 to July 2010. (2008 budget: \$ 28 332)* AIDER encourages organizing and improving management of livestock herding to mitigate deforestation in the Reserve. It also supports the local head office in preparing the Reserve's master plan.

No. 20 *Training plan for personnel and stakeholders involved in managing the Natural Protected Areas System of Peru (SINANPE). May 2008 to May 2011. (2008 budget: \$ 42 815)* AVISA-SZF is preparing the SINANPE training plan and will help to implement it. Activities include local and regional conservation-driven, capacity building events for ANPs with TFCA funding.

No. 21 *Grant fund management TFCA. July 2008 to June 2011. (2008 budget: \$ 47 816)* Law, environment and natural resources – DAR is the Spanish acronym – provides training grants to build capacities in forest conservation among technical and administrative staff at government and private organizations.

**Peru TFCA Account - Summary Table US\$**

<b>Fund Data</b>	<b>2002-2006</b>	<b>2007</b>	<b>2008</b>	<b>Total</b>
No. of proposals submitted	15	0	32	47
No. of proposals approved	15	0	7	22
Total <u>approved</u> funding for grants	\$4,658,033	\$197,566	\$1,235,553	\$6,091,152
Total disbursed funding for grants*	\$2,625,946	\$255,406	\$503,488	\$3,384,840
Total of counterpart match (grantee cost-share)	-	-	\$55,778	\$55,778
Other leveraged matches (e.g. co-financing)	-	-	\$154,606	\$154,606
Total matching funds as % TFCA grant approved	-	-	17%	3.4%
Amount spent on administrative costs and the operation of an TFCA M&E Unit	\$149,171	\$31,195	\$149,984	\$330,350
Administrative costs (plus TFCA M&E Unit) as % of GOP deposits to Acct.	5%	5%	13.97%	n/a
Interest and capital gained on TFCA investments	-	\$46,677	\$27,092	\$73,769
Fund balance at the end of the year	\$208,300	\$545,591	\$968,347	n/a

\* Because the single long-term grant to ProNaturaleza of \$3.3 million was approved in 2002, but is only disbursed periodically, the disbursement figures actually provide a more accurate assessment of cash flows.

\*\* Exchange rate: 3.137 Nuevos Soles per 1 USD – Date: Dec/31/2008

**Website:** [www.tfcaperu.org](http://www.tfcaperu.org) and [www.profonanpe.org.pe](http://www.profonanpe.org.pe)

## Peru II

<b>Debt Agreement signed:</b>	September, 2008
<b>Forest Agreement signed:</b>	September 2008
<b>Type of Agreement:</b>	reduction/rescheduling
<b>US budgetary costs:</b>	\$19.6 million
<b>Conservation funds generated:</b>	\$25 million (over 7 years)

**Table N° 1**  
**Schedule of Payments to TFCA Account Through 12/31/08 (U.S. \$)**

Date	Accrued Deposits to Grants Account
2008	\$ 1,297,813
Total	\$ 1,297,813

### Background

The Governments of the United States of America and the Republic of Peru signed agreements in September 2008 to reduce Peru's debt payments to the U.S. by over \$19.6 million. In return, the Government of Peru has committed these funds, which will generate \$25 million over the next seven years, to support grants to protect the country's tropical forests.

Peru is one of the most biologically rich countries on earth. Funds generated by the debt-for-nature program will help Peru protect tropical rain forests of the southwestern Amazon Basin and dry forests of the Central Andes. These areas are home to dense concentrations of endemic birds such as the Andean Condor and Parakeet; primates including the Peruvian Yellow-tailed Woolly Monkey and Howler Monkey; other mammals such as the Jaguar, Amazonian Manatee, Giant Otter, Spectacled Bear and Amazon River Dolphin; as well as unique plants. Rivers supplying water to downstream settlements originate in many of these forests, and people living in and around the forests depend on them for their livelihood and survival.

This agreement with Peru *will complement an existing TFCA debt-for-nature program in Peru dating from 2002*, a 1997 debt swap under the Enterprise for the Americas Initiative, and the United States-Peru Trade Promotion Agreement, which includes a number of forest protection provisions. With this agreement, Peru will be the largest beneficiary country under the Tropical Forest Conservation Act, with more than \$35 million generated for conservation [*\$25 M in 2008 and \$10 M in 2002*]



## **Major Activities 2008**

Good momentum has been sustained since the actual in-country signing of the agreement in October 2008. The Fund Administrator, the America's Fund (FONDAM), having been quite familiar with grant making under the Enterprise for the Americas Initiative (EAI), launched an early participatory process to engage Peruvian civil society in brainstorming the strategic direction of the TFCA program. Nevertheless, a formal planning process could not be initiated until the full complement of a Board provided its oversight and guidance to the process.

In early 2009, two „Term’ members to the Board were nominated from the ranks of civil society and the new complete Board is now constituted. Its rules and governance procedures were developed and the strategic plan is currently under review and revision. Grant making can be expected from the grants account by mid-2009.

## Republic of the Philippines

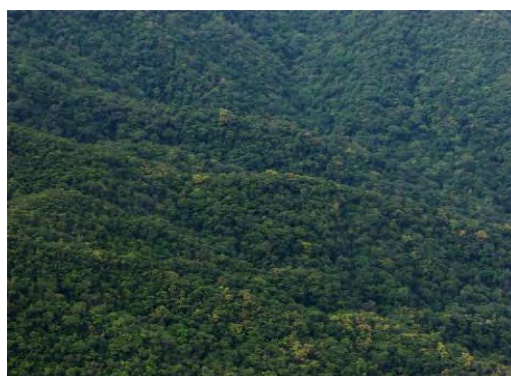
<b>Debt Agreement signed:</b>	September 19, 2002
<b>Forest Agreement signed:</b>	September 19, 2002
<b>Type of Agreement:</b>	reduction/rescheduling
<b>GOT debt service saving:</b>	approximately \$ 8.3 million
<b>US budgetary costs:</b>	\$5.5 million
<b>Conservation funds generated:</b>	\$ 8.2 million (over 14 years)



### Background

On September 19, 2002, the U.S. Government and the Government of the Republic of the Philippines (GRP) signed the necessary agreements to establish the Philippines Tropical Forest Conservation Foundation (PTFCF). The Debt Reduction Agreement will cancel the interest accruing on loans from the U.S. government with a total outstanding principal of \$41,377,000. The amount of interest reduced (\$8.2 million) will be paid into a local currency account to provide for forest conservation activities.

PTFCF provides grants to projects implemented by civil society organizations, research institutions and individuals whose activities aim to conserve, maintain or restore tropical forests in the Philippines. These projects may consist of one or more of the following eligible types of activities: (1) protection; (2) natural resource management; (3) capacity building; (4) restoration or sustainable use; (5) research on medicinal uses; (6) livelihood of forest dwellers, and; (7) coastal forest management and protection.



Sierra Madre Mountain Range

### II. Major Achievements in 2008

PTFCF continued to expand the coverage and scope of forests under improved resource management systems through the current and newly approved projects. Activities supported include mapping and forest inventory; restoration and enrichment planting; local forest policy development; pursuit of co-management agreements among local government units (LGUs), the local Department of the Environment and Natural Resources (DENR) and forest communities and law enforcement.

At the end of 2008, PTFCF projects strove to improve management on 282, 661 hectares of dipterocarp forest lands and 1, 621 hectares of mangrove forest lands in key biodiversity areas across the Philippines. Below is an inventory of forest coverage of PTFCF projects.

### Forest Coverage of PTFCF assisted projects (2005-2008)

#### I. Dipterocarp

Location	Area of forest (hectares)	Tenurial Instrument
<i>Luzon</i>		
Municipality of Kibungan, Benguet	30	Tax declaration/timberland
Municipality of Quezon, Nueva Viscaya	4,995	Co-management between Municipal LGU and DENR
Municipality of Maddela, Quirino	3,618	Community Based Forest Management Agreement (CBFMA)
Municipality of Kasibu, Nueva Viscaya	776	Community Based Forest Management Agreement (CBFMA)
Municipality of La Trinidad, Benguet	66	Communal Forest
Municipality of Morong, Bataan	869	Agta Reservation
Municipality of Labo, Camarines Norte	100	Protected Area (Abasig-Matogdon-Mananap-Natural Biotic Area) and timberland
Municipality of Sablayan, Occidental Mindoro	84	Sablayan Prison and penal Farm; CSC, CADC (Alangan Mangyan)
Mt. Palay-palay, Maragondon, Cavite	15	Protected Area
Sta. Margarita, Bagbao, Cagayan *	26,000	Certificate of Ancestral Domain Claim (CADC)
	261	Community Based Forest Management Agreement (CBFMA) - Individual Property Rights
Baguio Village, Diffun, Quirino		Local Conservation Area
Municipalities of Polilio, Burdeos and Panukulan in the Polilio Group of Islands, Quezon Province	7,444	
Eastern portion of Northern Sierra Madre Natural Park - Ilagan and San Mariano, Isabela	80,745	Protected Area
Municipality of Sta Fe, Nueva Viscaya	15,000	Ancestral Domain
	<b>140,003</b>	
<i>Visayas</i>		
Rajah Sikatuna Protected Landscape, Bohol	40	Protected area (assisted Natural Regeneration)
Cauayan, Negros Occidental	669	Southern Cauayan Municipal Forest and Watershed Reserve
Corella/Sikatuna, Bohol	167	Timberland, proposed wildlife sanctuary

Dauin, Bacong, Valencia and Siaton, Negros Oriental	82,431	Geothermal Reservation area – proposed declaration of Mt. Talinis as critical watershed and wildlife habitat
San Carlos City, Negros Occidental	100	Watershed area – within North Negros National Park
Murcia; Bago City; La Carlota City; La Carlota and La Castellana, adjacent to Mt. Kanlaon Natural Park, Negros Occidental	89	Certificate of Land Ownership Agreement (CLOA) and titled lands- buffer zone of Mt. Kanlaon Natural Park
Isabel, Merida, Matalom, Province of Leyte and Maasin, Macrohon, Malitbog, Tomas Oppus, Libagon, St. Bernard. Liloan, and San Francisco, Province of Southern Leyte	4,484	Community Based Forest Management Agreement (CBFMA)
Rajah Sikatuna Protected Landscape and Loboc Watershed Forest Reserve, Bilar, Bohol	20,839	Protected Area
Brgy. Buenavista, Himamaylan City and Brgys. Tan-awan and Carol-an, City of Kabankalan	25	Ilog-Hilabangan Watershed Forest Reserve
	<b>108,844</b>	
<i>Mindanao</i>		
Municipality of Claveria, Misamis Oriental	388	CBFMA/barangay biodiversity conservation zone
Municipality of San Francisco, Agusan del Sur	1,658	Mt. Magdiwata Watershed Forest Reserve Area
Marilog District, Davao City	111	Co-Management agreement to be worked-out
Municipality of Nabunturan, Compostela Valley	5	Protected Area - Mainit National Park (Assisted Natural Regeneration)
Ganatan, Arakan, North Cotabato	35	Certificate of Ancestral Domain Claim (CADC)
Municipality of Maragusan, Compostela Valley Province	28,447	Certificate of Ancestral Domain Title (CADT)
Brgy. Salaysay, Marilog District, Davao City	200	Certificate of Ancestral Domain Title (CADT)
Municipality of Maragusan, Compostela Valley Province	150	Timberland – MOA with LGU
Barangays Datal Dlanag, Laconon, Salacafe, Afus and Tbolok, Tboli, South Cotabato	80	Allah Valley Forest Reserve – PD 2455
	<b>31,074</b>	
<i>Palawan</i>		
Sitio Napsan, Puerto Princesa	210	Certificate of Forest Management Agreement (CBFMA)
Municipalities of Espanola and Quezon, Palawan	2,530	Community Forest Stewardship Agreement (CFSA)
	<b>2,740</b>	
<b>TOTAL DIPTEROCARP</b>	<b>282,661</b>	

## II. Mangrove Forest

### Luzon

Municipality of Bolinao, Pangasinan	41	Certificate of Forest Management Agreement (CBFMA)
Municipalities of Iba and Sual in Zambales	23	Co-Management agreement to be worked-out
Municipality of Anda, Pangasinan	17	Certificate of Forest Management Agreement (CBFMA)
Barangays Sapang Kawayan, Nigui, Sagrada, Bagang, Balibago, and Alauli, all in coastal areas of Masantol, Pampanga	1	Barangay Ordinance
Barangays Libjo & Tamulaya in Polillo, Amot & Palasan in Burdeos, Cawayan in Real and Dinahican in Infanta; Quezon	8	Municipal Development Plan
Talim Bay, Lian, Batangas	50	LGU Ordinance implementing the Lian-Talim Bay Coastal Resources Management Plan
	<b>140</b>	

### Visayas

Biri, Northern Samar	546	Certificate of Forest Management Agreement (CBFMA)
Coastal Municipalities of Cebu	448	MOA with LGU and DENR; others with CBFMA
Getafe, Carlos P. Garcia and Ubay, Bohol *	21	To apply for CBFMA/co-management agreement
	<b>1,015</b>	

### Mindanao

Vincenzo Sagun, Zamboanga Del Sur	162	Abandoned fishponds with tax declaration but being re-claimed by the LGU
Ipil, Zamboanga Sibugay	153	Co-management agreement between local community, DENR and LGU; will be converted to a CBFMA
Kolambugan, Tubod and Baroy, Lanao del Norte	20	Public land, MOA among PO and LGU
Barangay Nazareth and Tihim-tihim Island, Barangay Lumbayao, Kabasalan, Zamboanga Sibugay Province	111	Co-management agreement between the local community, DENR and the LGU
	<b>445</b>	

### Palawan

Taburi, Rizal, Palawan	20	Public land - MOA among PO, LGU and DENR
	<b>20</b>	
<b>TOTAL MANGROVE</b>	<b>1,621</b>	



**Mangroves in Cebu**

To support the restoration and reforestation projects of PTFCF, operations of project nurseries were enhanced. Multiple and site-appropriate species of indigenous trees, dipterocarp species, and mangroves species were grown and nurtured at project nurseries. As of the end of December 2008, 401,030 seedlings and wildlings of various dipterocarp species were in stock at project nurseries. For mangrove species, 1,514,035 seedlings and propagules were stocked throughout the mangrove conservation project sites.

### **3. Illegal Logging and Law Enforcement**

Building on the success and experiences from the past year's law enforcement support, PTFCF Grantee Tanggol Kalikasan in partnership with the Isabela Province Anti-Illegal Logging Task Force conducted law enforcement activities to curb illegal logging in the Northern Sierra Madre Natural Park. The Sierra Madre Mountain Range, in which the park is found, has the largest block of old growth dipterocarp forests in the Philippines, accounting for approximately 45% of the country's remaining primary forests.

The project established a checkpoint along the Abuan River, a major waterway used for transporting wood cut from the Sierra Madre. The 6-month operation resulted in the confiscation of approximately 800,000 board feet of illegally cut hard wood and illegal logging equipment and supplies.

Other project activities resulted in the revitalization of the Anti-Illegal Logging Task Force, capacity enhancement of local authorities, and local civil society organizations, and an increased commitment from the Governor of Isabela Province to forest conservation. In addition, the project activities, particularly the large volume of confiscations brought the attention of the public and the authorities to the large scale impact syndicated illegal logging. The Philippine DENR replaced key personnel who were ineffective in combating illegal logging in their area and created a Task Force to strictly enforce forestry laws. Civil society organizations, including some corporations have also taken up the call for to

conserve the forests of Sierra Madre and are implementing conservation projects aimed at conservation as well as livelihoods for communities living near the Sierra Madre.

### III. Grant-Making Activities

The Foundation issued its 2008 Call for Proposals on February 17, 2008, and received 165 concept proposals. Staff reviewed the proposals based on Program Committee criteria, which resulted in a shortlist of 70 proposals for evaluation by a subcommittee of the Program Committee. After the subcommittee's evaluation, 23 concept proposal submitters were asked to submit full proposals. The Program Committee assessed full proposals and the Board approved 16 new grants. In addition, the Foundation also approved three projects as part of its partnership with the Foundation for Philippine Environment and 11 small grants.

Below is a table of proposals that were approved in 2008 as well as six other projects that were approved in 2007, but whose financial support was provided in 2008.

<b>PTFCF 2008 Projects</b>					
No.	Name of Grantee	Project Title	Amount Requested	Counterparts	Duration
08-01	Tara Illenberger	Brutus: A Digital Film	10,447		April 11, - August 31, 2008
08-02	Dr. Emmanuel Rodantes G. Abraham	Rapid assessment of selected watershed areas of Namuac Dam, Sanchez Mira, Cagayan, as habitat of the critically endangered Narek, <i>Hopea cagayanensis</i> (Foxw.) Sloot.	1,463		April 10 - September 30, 2008
08-03	International Institute of Rural Reconstruction (IIRR)	Technical Support on Proposal Development to Short-listed Institutions and Organizations of PTFCF	11,450		June 9 - July 31, 2008
08-04	Xavier Science Foundation, Inc./Xavier Agricultural Extension Service (XAES)	Participatory Rehabilitation of Over-exploited mangroves Thru Environment friendly, Community driven and Technically sound Strategies in Sibuguey Bay (PROTECT SIBUGUEY BAY), Zamboanga Sibugay	41,763	30,738	June 16, 2008 - June 15, 2009
08-05	Community Services for Education and Economic Development, Inc (CoSEED)	Expansion of Mangrove Reforestation and Protection Management Programme in Vincenzo Sagun, Zamboanga del Sur	36,054	11,918	June 16, 2008 - June 15, 2009
08-06	Lasallian Institute for the Environment (LIFE)	Green For LIFE: One Million Trees and Beyond (Ten Hectare Reforestation Project in Mt. Palay-Palay, Marigondon, Cavite)	2,925	4,597	July 15, 2008 - Dec. 31, 2008
08-07	Atty Robert Chan	Operation Quick Fix (Support for Law Enforcement in Palawan)	1,045		

08-08	Alternative Law Groups, Inc. (ALG)	Environmental Defense (EnDefense) Program	43,878	59,778	July 1, 08 - June 30, 09
08-09	Pilipina Legal Resources Center	Mindanao Regional Launching of the EnDefense Program	2,089	4,837	July 1-31, 2008
08-10	Women's Legal Education, Advocacy and Defense Foundation	Luzon Regional Launching of the EnDefense Program	2,089	4,847	July 1-31, 2008
08-11	Participatory Research Organization of Communities and Education Towards Struggle for Self-Reliance(PROCESS) - Panay	Visayas Regional Launching of the EnDefense Program	2,089	4,837	July 1-31, 2008
08-12	Concerned Citizens Against Pollution (COCAP)	Policy Advocacy on JPEPA and SONA on the State of Nature	648	6,247	July 28-Aug 28, 2008
08-13	Center for Biomolecular Science Foundation (CBMSF)	Establishment of an Integrated Reforestation, Conservation, and Sustainable Livelihood Program for the Kanawan Aytas at the Bataan National Park (Year 2)	41,788	37,066	Aug. 1-08 - July 31, 2009
08-14	Soil and Water Conservation Foundation, Inc. (SWCF)	Dipterocarp Tree Domestication and Use on Public and Private Lands in selected sites to expand and conserve Phil. Forests (Year 2)	39,509	26,632	June 1, 2008 - May 31, 2009
08-15	Tanggol Kalikasan	Operation Plan Northern Sierra Madre (OPLAN SIMA) Northern Sierra Madre Natural Park, Isabela	26,870	186,414	July 15-Oct 15, 2008
08-16	Broad Initiatives for Negros Development (BIND)	Expanding and connecting rainforestation in Mt. Kanlaon National Park	27,137	32,459	Sept 1, 08 - Aug. 31, 2009
08-17	Save Davao Gulf Foundation, Inc.	Save the Uplands, Save Davao Gulf (Reforestation in Marilog District, Davao)	7,313	6,206	Sept 1, 08 - Aug. 31, 2009
08-18	Baguio Village Inter-Cultural Association (BICAS)	Community-Based Management and Development of Critical Watershed of Diffun, Quirino Province	36,685	4,757	Sept 1, 08 - Aug. 31, 2009
08-19	Palawan NGO Network, Inc	Developing a Plan to Enhance Current Efforts to Protect Palawan's Biodiversity	2,089	2,716	Sept 15,08 - March 15, 2009
08-20	Kasilak Development Foundation, Inc.	Community Protection Forest Conservation in Maragusan, Compostela Valley	35,655	19,508	Oct 1, 08 - Sept. 30, 09
08-21	Tribal Leaders Development Foundation Inc. (TLDFI)	Enhancing Capacity in Local Management as an Integrated Approach in Biodiversity Conservation of Allah Valley Watershed, Tiboli, South Cotabato	41,559	13,916	Oct. 15, 2008 - Oct. 14, 2009



08-22	Kuhugpungan sa Gagmay'ng Mangingisda sa Concepcion (KGMC)	Concepcion and Nazareth Fisherfolk Organizations for the Rehabilitation of Mangrove Ecosystems of Kabasalan (CONFORME-Kabasalan) , Zamboanga Sibugay	30,873	17,911	
08-23	Fostering People's Education, Empowerment and Enterprise	A Review of Isabela Province's Competitiveness for Development to Benefit Communities of Isabela	1,880		
08-24	Environmental Science for Social Change (ESSC)	Assisted Regeneration of Mangrove and Beach Forests in San Juan, Batangas	2,089		August 1, 2008 - January 31, 2008
08-25	Paglilingkod Batas Pangkapatiran Foundation (PBPF)	Conduct of Sub-Watershed and Micro-Watershed Management Planning in Maragusan, Compostella Valley	2,089		November 3 - December 3, 2008
08-26	Center for Emergency Aid and Rehabilitation (CONCERN)	Mangrove Reforestation and Protection in Six Coastal Barangays of Masantol, Pampanga	2,089	1,872	November 6, 2008 - April 5, 2009
08-27	Bagobuk Community Multi-Purpose Cooperative (BCMPC)	Strengthening BCMPC's Capacity on Environmental Management and Economic Development (Phase II), Brgy. Napsan, Puerto Princesa, Palawan	24,640	4,486	November 10 2008 - November 9, 2009
08-28	University of Bohol Community Development Foundation, Inc. (UBCDFI)	Protecting the Forest by Conserving the Wild Honeybees of Bilar, Bohol Project (Proforestbees) Project	6,269	7,202	November 10 2008 - September 9, 2009
08-29	Institute of Social Order (ISO)	Managing Common Resources, Sustaining the Livelihood of Coastal Communities through Mangrove Management in the Municipalities of Real and Polilio, in Polilio Island Group, Quezon	25,261	12,963	
08-30	DISOP Philippines	3 Year Leyte Island Watershed Conservation and 15 Pos Capability Building Project in select municipalities in the Provinces of Leyte and Southern Leyte	41,580	29,336	November 3, 2008 - October 31, 2009
08-31	Kalahan Educational Foundation, Inc.	Kalahan Indigenous Seedling Development Project in Santa Fe, Nueva Vizcaya	2,089	710	
08-32	UPLB Foundation, Inc (UPLBFI)	Forest Charges: Boon or Bane to Forest Protection and Conservation in the Philippines	2,023	627	
08-33	Polilio Islands Biodiversity Conservation Foundation, Inc. (PIBCFI)	ISLAND Forest Project (Integrated Support for Lowland Forest Conservation Project) in the Municipalities of Polilio, Burdeos and Panukulan in the Polilio Island	35,078	41,667	

		Group, Quezon			
08-34	Center for Social Concern and Action (COSCA)	Mangrove Forest Rehabilitation Project for Talim Bay, Batangas	10,447	8,859	
08-35	Negros Economic Development Foundation, Inc. (NEDF)	Community-Based, Co-Management of Resources Towards a Sustainable Ecosystem for Ilog-Hilabangan Watershed Forest Reserve (CoMareSE) of Kabangkalan City, Negros	5,653	1,584	
08-36	Kapulungan para sa Lupaing Ninuno (KPLN)	Pagsasaayos ng 3D na mapa batay sa kasalukuyang sitwasyon ng gubat sa Mansalay at Bulacao (Tribong Hanunuo; Socorro at Victoria (Tribong Tadyawan at Bongabong at Bansud (Tribong Buhid), Oriental Mindoro	1,045		
08-37	Legal Rights and Natural Resource Center	Resource Valuation Training For Mining-Affected Communities	2,069	3,845	3 Months
	<b>TOTAL</b>		<b>609,723</b>	<b>588,535</b>	

\*\$1= 47.8601

#### **PTFCF 2007 Projects**

No.	Name of Grantee	Project Title	Amount Requested	Counterparts	Duration
07-11	Friends of the Environment for Development and Sustainability, Inc (FRENDS)	Co-management Agreement Implementation for the Restoration of the Buliwao-Maasin Subwatershed for Sustainable Water Supply and Biodiversity Conservation, Municipality of Quezon Nueva Vizcaya	39,327	24,265	Jan. 1 - Dec. 31, 2008
07-13	PROCESS Luzon	Tabogan River Watershed Project, Baggao, Cagayan Province	40,097	17,167	Feb 1, 2008 - Jan. 31. 2009
07-16	San Carlos Development Board, Inc.	San Carlos Upland Reforestation Project, San Carlos City, Negros Occidental	24,990	33,201	March 2008 - Feb 2009
07-17	Soil and Water Conservation Foundation (SWCF)	Development and Support for Dipterocarp Information Materials	23,882	4,764	April 1 - Nov 30, 08
07-14	Bangsa Palawan - Philippines	Conserving Mangrove Resources through Rehabilitation and Livelihood Development Project, Municipality of Rizal, Palawan	22,065	7,406	Feb 2008 - Feb 2009
07-15	Environmental Science for Social Change, Inc (ESSC)	Philippine Forest Land: Where Are We Going? An Updated Approach to the Philippine Uplands for Action	40,951	36,983	May 1, 2008 - April 31, 2009

	<b>TOTAL</b>		<b>191,312</b>	<b>123,785</b>	
	<b>GRAND TOTAL</b>		<b>801,035</b>	<b>712,321</b>	

In addition to the approved 2008 grants, the PTFCF continued to manage 24 other projects which had been approved in previous years. Project management includes monitoring project implementation and the provision of technical assistance by PTFCF staff.

In an effort to increase the quality of proposals submitted by potential partners, PTFCF engaged the services of the International Institute for Rural Reconstruction to provide technical support in proposal development to short-listed institutions and organizations. To this end a Project Concept Development Writeshop was conducted with 25 participating civil society organizations from Luzon.

As earlier mention, PTFCF entered into a Memorandum of Understanding (MOU) with the Foundation for Philippine Environment to provide resources for enhanced forest conservation and sustainable development activities in the Philippines by supporting direct conservation activities and capacity building for local stakeholders. The MOU allowed for collaboration between the PTFCF and the Foundation for the Philippine Environment, as well as its partner organizations, in areas and activities of mutual interest in the Philippines.

#### **IV. Project Administration**

Aside from sustained growth in forest area coverage, forest protection activities and partnerships, 2008 was also a year of consolidation for the Foundation’s guidelines and processes. Additional proposal evaluation criteria and processes were adopted in an effort to streamline proposal evaluation and project implementation. For example, a revised score sheet and evaluation matrix was applied differentially to disparate categories of projects supported by the Foundation.

The Foundation also underwent an independent evaluation sponsored by the EAI/TFCA Secretariat. The evaluators undertook a thorough process of document review, interviews, field visits, surveys and even participation in a PTFCF board meeting. The team visited grant project sites and/or met with grantee representatives and focus groups on Luzon, Palawan, Bohol, and Cebu and in two regions of Mindanao. Substantive evaluation findings include:

1. The PTFCF has a very strong “founding” Board, with no major problems with By-Laws and Operations Manual.
2. PTFCF started well by clearly identifying priorities and focusing grants on those priorities. Nevertheless, the 2005 Strategic Plan needed to be revisited.
3. The grants management system is able to bring on board generally reliable partners and launch relevant projects.

4. Finance Manual and procedures are good and are being followed. No adverse audit opinions have been given to date.
5. Operations Manuals are also of good quality, realistic and used. Administrative expenses are kept roughly within the established guidelines.
6. PTFCF has an effective Executive Director and a dedicated and professional staff.

The U.S. State Department provided a U.S. Department of Agriculture forester through the Science Fellow to PTFCF for two months in 2008. She worked in the PTFCF office and assisted with sight evaluations and project selection. She evaluated PTFCF in five areas, and concluded that the staff was exceptional, but overstretched and could use another program officer. This report is available through Embassy Manila, and was also provided to the independent evaluators sponsored by the EAI/TFCA Secretariat.

## **V. FINANCIAL MANAGEMENT**

### **1. Expenses**

In 2008, the number of grants approvals increased by 100% over 2007 figures. This year a total of 37 grants were issued. The Foundation approved grant expenditures in the amount of \$801,035 (*figure includes 37 grants from 2008 plus 6 from 2007 -see Table above*). Counterpart contributions and leveraging, primarily as a result of the partnership with the Foundation for the Philippine Environment, amounted to US\$712,321 (*see Table above*).

Expenses associated with program support (exclusive of administrative support) in 2008 amounted to \$106,000, an increase of \$31,000 from the \$75,000 expended in 2007. A significant portion of this increase is attributable to higher costs of monitoring existing projects (2006-2008), program committee activities (e.g. contracted services), capacity building, networking, regional meetings and the hiring of an additional program staff.

Administrative expenses totaled \$127,432 in 2008, a decrease of \$17,048 from \$144,480 in 2007. Increased costs for communication, utilities and rent, were partially offset by lower cost of bank management fees.

### **2. Interest Income**

Interest income (2008) increased by \$158,000. This was about 15% higher than 2007 figures. This was primarily due to higher interest rates provided by Special Deposit Accounts of the „Banko Central’ or Central Bank of the Philippines.

### 3. Losses

The following table shows the Foundation's fund balance and selected financial data as of December 31, 2008 together with data from 2007:

	2007	2008	Increase/ (Decrease)
<i>Capitalization</i>			
Due to Projects	\$240,455	\$412,728	72%
Accounts Payable	\$1,149	\$4,116	258.2%
Fund Balance	\$5,031,475	\$4,816,102	(4.28%)
<i>Other Financial Data</i>			
Total Assets	\$5,273,079	\$5,232,946	(.76%)
Cash and Cash equivalents	\$18,844	\$254,282	1,249%
Short term investments	\$2,705,299	\$2,752,494	1.74%
Furniture and Equipment	\$13,204	\$18,120	37%
Available for sale – financial assets	\$2,517,777	\$2,190,138 <b>(FMV as of 12/30/08 - \$1,212,155)</b>	(13%)
Other Assets	\$17,955	\$17,912	-

As of December 31, 2008, cash and cash equivalents and short-term investments amounted to \$3 million, up by 14% compared to last year's figures. Principal sources of cash and cash equivalents were cash flows from the semi-annual remittance from the Philippine government and the interest received from investments. These funds were used principally for the quarterly disbursements of the Foundation's grantee projects and administration expenses.

However, dispersed project funds increased by 72% since 37 projects were approved in 2008 compared to the 18 projects last 2007. A decrease in fund balance of 4% was due to a substantial increase in grants released, program support expenses and a realized loss on the sale of financial assets in the amount of \$111,571.

### 4. Summary Result of Operations

The table below shows the Foundation's total revenues, expenses and losses (realized and unrealized) for the years ended December 31, 2008 and 2007. Primary source of support is derived from the semi-annual payments of the Philippine government. All figures for 2008 are unaudited amounts since the annual audit will be conducted on the first quarter of 2009.

For the years ended December 31		2007	2008
<i>Total Revenues</i>	Funds Received from RP Government	\$838,405	\$738,312
	Interest Income	\$137,702	\$158,123
<i>Expenses</i>	Grants From 2007 Cycle 2008 Call	\$463,635	\$191,312 \$609,723
	Program Support Expenses	\$75,173	\$106,129
	Administrative Expenses	\$144,480	\$127,432
<i>Losses</i>	Unrealized Loss from ING Funds		\$977,982
	Loss from Dec. 16 Redemption		\$111,571

## 5. Investment Strategy

PTFCF operations are exposed to various risks, including foreign exchange risk, interest rate risk, and investment management risk. The importance of managing these risks has significantly increased in light of considerable change and continuing volatility in both the Philippine and international financial markets. With a view to managing these risks, we have incorporated financial risk management functions in our Foundation, particularly in managing our investments, a result of the engagement of an investment consultant in December. The consultant assisted in the formulation of an investment strategy. Details of the Foundation's investments are as follows:

### PNB Trust Fund (short term placements)

Special Deposit Accounts (SDA) - \$2,229,391

Certificate of Deposit (CD) - \$315,882

Total - \$2,545,273

### Citibank ING Fund (book values)

Peso Equity Fund - \$849,307

Diversified Balanced Fund - \$1,340,831

Total - \$2,190,138

FMV 12/30/08 - \$1,212,155

### Citibank NA

Certificate of Deposit (CD) - \$207,222

Based on the Consultant's recommendation, the Foundation will convert all funds in the Diversified Balanced portfolio (50% equities, 50% t-bills) initially to the Peso Equity, then to off shore investments in an effort to produce positive yields. Such a program is consistent with the grant expenditure scenario of \$842,353 annually for the next five years, with sufficient coverage for administrative and program support expenses.

**Summary Table (\$US)**

					<b>Total</b>
<b>Fund Data</b>	<b>2002-2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	
No. of proposals submitted	50	143	263	177	633
No. of proposals approved	11	24	18	37	90
Total approved funding for grants	\$114,540	\$685,464	\$463,635	\$609,723	\$1,873,362
Total of counterpart match (grantee cost-share)	\$58,621	\$372,246	\$240,442	\$588,535	\$1,259,844
Other leveraged matches (e.g. co-financing)	0	0	0	\$47,815	\$47,815
Total matching funds as % of approved	51%	54%	51%	104%	70%
Amount spent on administrative costs	\$40,031	\$70,671	\$144,480	\$127,432	\$382,614
Administrative costs as % of grants	35%	10%	31%	21%	20%
Interest and capital gained on investments	\$22,809	\$215,282	\$137,702	\$158,123	\$533,916
Fund balance at the end of the year	\$4,004,120	\$4,938,862	\$5,031,475	\$4,816,102	-

Website: [www.ptfcf.org](http://www.ptfcf.org)