

**First Debt-for-Nature Swap between  
United States and Costa Rica  
("TFCA I")**

## **Congressional Report 2019**



**I Canje de Deuda  
por Naturaleza  
EE. UU. – C.R.**



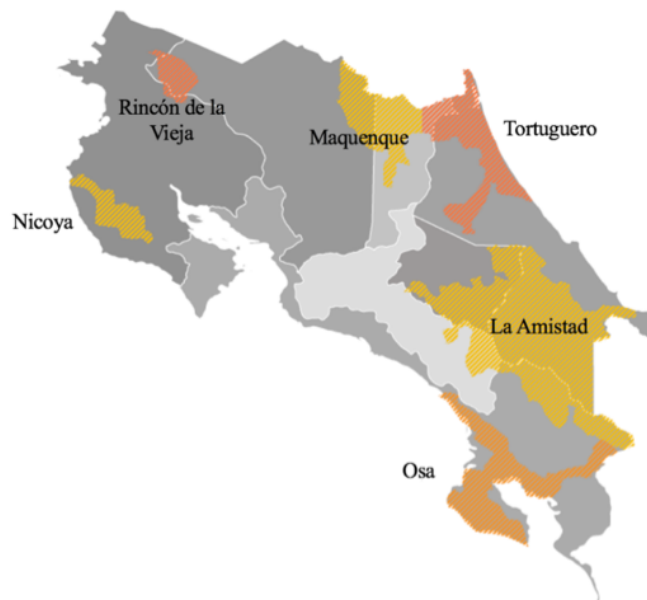
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## 1. Main Achievements

This report summarizes the main achievements of the First Debt-for-Nature Swap between Costa Rica and the United States of America (based on the U.S Tropical Forest Conservation Act and known as “TFCA I”). The Forever Costa Rica Association (FCRA) is the Administrator of TFCA I since 2007, while the Oversight Committee (OC) comprised of representatives of the United States and Costa Rican Governments, The Nature Conservancy, Conservation International and EARTH University provides overall direction and approves disbursements for grantees to implement the TFCA I.

The TFCA I helps conserve six important tropical forest areas in Costa Rica that are exceptional for their biodiversity as well as for the benefits that their natural resources provide to the communities that inhabit the areas. The Fund promotes ecological connectivity by strengthening and consolidating existing biological corridors, developing and supporting the livelihoods of people in a manner consistent with the conservation of forests, and through land purchases when appropriate. The six tropical forest areas eligible for grants are: Osa, La Amistad, Tortuguero, Maquenque, Rincón de la Vieja and Nicoya (Fig. 1).



*Fig. 1. Tropical forest areas eligible for grants prioritized for the TFCA I since 2007.*



During its eight Calls for Proposals (2010 – 2019), the Fund has financed the purchase of two areas and the implementation of 58 conservation projects, of which 38 were successfully completed by 2019. Fund recipients have implemented activities related to agroforestry, reforestation, forest conservation management, environmental education, rural community tourism, strengthening of organizations and biological corridors, awareness on ecosystem services, promotion of payment for environmental services, control of forest fires, sustainable productive alternatives, forest and wildlife monitoring, and green offset financial mechanisms.

The FCRA is the Administrator of this fund since 2017, when it assumed a total of 23 projects from the previous Administrator. Of these, two projects were merged for various reasons, for a total of 21 open projects. Since 2017, 14 projects have been completed and one was rejected due to non-compliance issues.

Additionally, 7 projects were approved to be financed on the Eighth Call for Proposals in 2018 and have completed their first months of execution. In total, 19 projects are developing efforts with TFCA I funding in the six eligible areas.

Significant progress has been made in achieving the TFCA I mandate:

- Since the signing of the agreement, the OC has held 132 meetings, each of which has reached a quorum. In 2019, the OC and the Administrator met a total of 4 times, and had 8 virtual meetings.
- The Fund began to make disbursements for grants in 2011. So far, the Fund has disbursed US \$4,752,805 for 58 selected conservation projects. Additionally, one donation for land acquisition was completed in 2014 (US \$1,305,578.40) and another one was completed in 2018 (US \$548,085.89).
- In 2019, the Ninth Call for Proposals was approved by the OC for a total amount of US \$500,000. It included 2 types of organizations: experienced NGOs and grassroots organizations. A total of 24 proposals were received.
- The TFCA I updated the official guidelines for the Ninth Call for Proposals and standardized them with the other funds managed by the FCRA, including TFCA II.



- In May 2019, the OC held a field visit to the La Amistad prioritized area in order to visit 5 projects: 1) tapir's research and conservation program led by ASANA in the Talamanca Mountain Range, 2) agroforestry diversification initiative in La Amistad International Park neighboring communities developed by ASOPROLA, 3) forest fires prevention and fighting in Cabagra Indigenous Territory by FUNDEPREDI, 4) riverside conservation and sustainable production implemented by the local grassroots' organization Red Quercus in the southern sector of La Amistad International Park, and 5) local species reforestation program in an adjacent community of Chirripó National Park by AsoEco.
- A project requested by the OC in 2015, focused on analyzing the threats and investment priority areas for the TFCA I. In December 2018, the OC agreed to finance a second phase for this project that includes the implementation of indicators and evaluation of impacts of the Fund after 10 years of existence. The organization Daket was selected to implement this project and the first product detailing the methodology of work, has already been approved by the OC. It is expected that the final products will be ready by June 2020.
- During 2019, TFCA I carried out a successful cooperation with other initiatives from FCRA and TFCA II. One of them was the second edition of "Synergies", an event that covered over 100 NGOs to present successful experiences in conservation and development in the Pacific of Costa Rica.
- The OC requested the development of a Communication Plan. FCRA identified a group of experienced journalists of the country from which the OC selected one to develop the terms of reference. A workshop was developed in December in order to obtain inputs from the OC. These terms will be announced in February 2020.
- In regard to the TFCA I-OC Strategic Plan 2017-2021, in 2019 there was progress in the following instruments: development of a Communications Plan, a Program for Fiduciary Responsibilities Strengthening, a Conflict of Interest Policy, Procedures Manual and administrative actions for organizations that are not executing their projects according to their proposed work plan.
- The OC and the Administrator are working on a new financial plan. During 2019, the Administrator prepared and presented financial scenarios to the OC, in order



to align the investment strategy with a 2024 vision, which is the year in which the disbursements from the Costa Rican Central Bank end. Further work is focusing on ensuring stronger financial sustainability of the investment.

- FCRA implemented the first year of its “Environmental Leadership Development Plan”. The execution of the Plan includes 16 grassroots organizations from various parts of the country in which we have identified weaknesses in administration, technical and financial topics. The training started with two modules (governance and leadership), and in January 2020, the FCRA will continue with the implementation of year two with the administration and human talent modules. This work complements the efforts of the TFCA I through strengthening of more grassroots organizations. This Plan is founded by FCRA and is important leverage for TFCA II.

## 2. Grant Making Activities

The OC approved a total of US \$500.000 for the Ninth Call for Proposals (for 2019). Although all six TFCA I tropical forest areas could submit their proposals, Rincón de la Vieja and Maquenque were prioritized due to the fact that they have received less projects and financing in the past.

In order to participate, NGOs and grassroots organizations had to submit a short project profile (3 pages) and, if approved by the OC, a full project proposal. This procedure was implemented since the previous call for proposals with excellent results for the OC and the Administrator.

The following strategic lines were defined by the OC and the Administrator for this call for proposals:

- Green business linkage for biodiversity conservation in Rincón de la Vieja prioritized area.
- Implementation of strategies to reduce negative interactions between productive activities and wildlife in Nicoya prioritize area.



- Population and conservation status of Tonka bean tree (*Dipterix panamensis*) in Maquenque prioritized area.
- Groundwater recharge zones protection in Tortuguero prioritized area (Guácimo and Pococí).
- Livelihoods support in communities within Barra del Colorado Wildlife National Refugee that support forest conservation and its biodiversity.
- Local forest conservation in the Caribbean slope of La Amistad prioritized area.
- Forest coverage improvement in La Lucha and La Luchita communities in La Amistad International Park buffer zone.
- Creation and strengthening of forest fire brigades to prevent and mitigate forest fires in Térraba-Sierpe Wetlands, Golfo Dulce Forest Reserve and surrounding areas.
- Ecological restoration, improve in biological connectivity and livelihoods improvement in Sierpe district, Osa Peninsula.
- Local organizations strengthening for the administration and sustainable use of the forest and biodiversity of government properties in Golfo Dulce Forest Reserve.

After an exhaustive promotion of the call for proposals in July 2019, a total of 24 organizations submitted their project profiles and were evaluated by the Administrator and the OC. In November 2019, the OC decided to finance 8 project proposals with the funds allocated for this period (\$500.000). The geographic distribution of this process is summarized in the following table:



Prioritized area	Project profiles received	Proposals to be financed	Organization(s)
La Amistad	9	3	ATEC, Fundación Corcovado and ASADA Gutierrez y Bron
Osa	5	1	Fundación Horizontes
Nicoya	3	1	FUNDECONGO
Rincón de la Vieja	3	1	ACICAFOC
Tortuguero	2	1	CEDECO
Maquenque and Tortuguero	1	1	CCT
Maquenque	1	0	-
<b>Total</b>	<b>24</b>	<b>8</b>	

In December 2019, the Administrator began drafting contract agreements with each of the eight entities (2 grassroots organizations and 6 NGOs) and the projects are expected to start in February and March 2020.

### 3. Project Impact

The following project descriptions intend to provide an insight on the impacts that the First Debt for Nature Swap between the United States of America and Costa Rica is having in conservation.

#### Forest restoration and conservation in Río Cañas Biological Corridor

Located in La Amistad International Park buffer zone, Río Cañas Biological Corridor represents a very vulnerable zone due to several threats: forest fragmentation, chemical contamination, forest fires and illegal crops plantations.



Red Quercus, a local and experienced NGO that groups around 10 grassroots organizations, led a project in 2016-2019 that aimed at providing better conditions for forest structure and human livelihoods.

The organization implemented agroforestry systems in 18 small-scale farms along the Cañas river in order to produce local fruits and crops for household consumption and for selling in neighboring communities. Some examples are lemon, cassava, plantain, tangerine, guava, papaya and soursop; some of them processed in a pulping machine acquired by the project and installed by a partner of Red Quercus, ACETUSAMA.



Additionally, the project trained 20 local firefighters in order to combat forest fires that affect the area every year during the dry season. This effort was complemented with the installation of two water reservoirs in the Santa María ridge, part of the Talamanca Mountain Range, the highest in Costa Rica. This infrastructure increases the effectiveness for extinguishing fires using reserved water harvested during the rainy season.

## **Participatory ecological connectivity and water conservation in Potrero-Caimital Biological Corridor**

During 2018 and 2019, the local NGO Nicoyagua reforested a total of 5 hectares in 8 water springs located in the very unique dry forests of the Guanacaste province. A total of 1500 trees of local species will protect important water sources that feed aquifers, highly relevant for human communities and wildlife living in a dry forest area. These activities contribute to soil conservation and provide shade to livestock, as well as refuge and food to wildlife.



In collaboration with the SINAC Tempisque Conservation Area (ACT), Nicoyagua has registered almost 20 species of wild mammals and 23 species of birds in different properties in the biological corridor, thus confirming the importance of connecting forest patches, especially across riparian forests. These results have been shared with students in elementary and high school, festivals and other social activities of the communities.

#### 4. Summary of all Projects in Execution

The following tables summarize the projects managed by the TFCA I in 2019.

**Table 1. Projects in execution 2019 approved by previous Administrator**

No.	Project Title	Grant Recipient	Duration (years)	Amount of the grant (US\$)
1	Promoting ecological restoration and improved livelihoods through diversified production systems of Analog Forestry in the Maquenque geographical area.	FUNDECOR	2	138.815,78
2	Forests, riparian biological corridors and citizen science: A pilot program for forest restoration, ecosystem services, biological corridors and landscape connectivity in regenerating forests of private land.	OTS	3	83.374,90
3	White-lipped peccary conservation and participatory monitoring in the Osa Peninsula as tropical forest connectivity.	Osa Conservation	2	118.181,57

**Table 2. Projects in execution from the Seventh Call for Proposals 2017.**

No.	Project Title	Grant Recipient	Duration (years)	Amount of the grant (US\$)
1	Community forest conservation in the South Caribbean region of Costa Rica.	AOCBTC	2	88.937,38
2	Conserving forest landscapes: ecology, participatory monitoring, human dimensions, genetics and health of Baird's Tapir ( <i>Tapirus bairdii</i> ) as a strategy to improve Talamanca Mountain Range forest conservation.	ASANA	2	158.331,12
3	Nature Guardians: environmental education for sustainable development.	The Voice of Guanacaste	2	73.755,37
4	Dispersers and pollinators monitoring, community development and riparian restoration to improve ecological connectivity between Las Baulas Marine National Park and Diria National Park.	FUNDEPREDI	3	145.798,56
5	Implementing anti-depredatory strategies and farms diversification to reduce poaching and conflicts with big wild cats (jaguars and pumas) in two of the country's cattle depredation hot spots.	Panthera	2	63.680,27
6	MonitoreOsa.	ASCONA	2	22.360,92
7	Community participation for forest sustainable use and conservation between Corcovado National Park and Matapalo.	Integral Development Association of Carate-Corcovado	2	24.473,59

No.	Project Title	Grant Recipient	Duration (years)	Amount of the grant (US\$)
8	Forest connectivity analysis and habitat restoration for biodiversity conservation and sustainable use in Nicoya Peninsula.	FUNDECODES	2	103.356,85
9	Incentives for coexistence: communities sharing forests with jaguars and pumas in two biological corridors: Rincón-Cacao and Rincón Rainforest.	Confraternidad Guanacasteca	2	164.823,91
10	Forest conservation strategies to strengthen green entrepreneurship initiatives in Rancho Quemado community, Corcovado National Park buffer zone.	Osa Birds	2	102.874,80

**Table 3. Projects in execution from the Eight Call for Proposals 2018**

No.	Project Title	Grant Recipient	Duration (years)	Amount of the grant (US\$)
1	Capacity building in Las Baulas Marine National Park buffer zone communities for the improvement sanitation conditions improvement and other threats decrease.	ACEPESA	2	75.787,66
2	Riverside restoration for forest connectivity in Parismina, Destierro and Dos Novillos rivers located in Rio Parismina Biological Corridor.	ASIREA	2	87.657,89
3	Landscape holistic management at El Gavilán and Buenos Aires communities in Rincón de la Vieja prioritized area.	CEDARENA	1,5	87.421,05



No.	Project Title	Grant Recipient	Duration (years)	Amount of the grant (US\$)
4	Grassroots' organizations strengthening program for sustainable forest management in La Amistad prioritized area.	Daket	1,5	35.057,47
5	Forest connectivity between Piedras Blancas National Park and Las Tablas Protected Zone, Amistosa Biological Corridor.	National Parks Foundation	1,5	87.712,45
6	Grassroots' organizations strengthening program for a sustainable forest management in Maquenque and Tortuguero prioritized areas.	Fundación Acción Joven	1	34.606,02
7	Great Green Macaw reintroduction in La Amistad prioritized area.	Ara Project	24	20.977,19

## 5. Leveraging TFCA Resources

In order to promote synergies, and given the Forever Costa Rica Association has been the Administrator of the TFCA II since its creation in 2010, in 2019 several field visits, workshops and meetings, were carried out between both TFCA efforts to increase the impact of actions of both Funds. The TFCA II works for the benefit of public protected areas and the TFCA I works in buffer areas around these public protected areas. Hence, it is important to coordinate current and future actions, as well as financing.

TFCA I and II also funded the “NGO Synergies” workshop organized by FCRA in July 2019. Convened partners from the Pacific drainage of the country were invited to hold an event with participatory talks about three topics: 1. Project monitoring and evaluation, 2. Fundraising mechanisms, and 3. Resources management for organization’s sustainability.

Government representatives from the Ministry of Environment (MINAE), the National System for Conservation Areas (SINAC), the National Commission for Biodiversity



Management (CONAGEBIO), the Rural Development Institute (INDER), Ministry of Security (National Coast Guard Service) and several universities participated in this event. More than 100 people from NGOs, grassroots organizations, consultants and conservation leaders had the opportunity to share criteria and debate on current issues, strategies and policies to seek forest and wildlife conservation throughout the country.

Finally, throughout 2019, the Administrator coordinated with the National Program for Biological Corridors and other departments of MINAE as well as seven directors of Conservation Areas (ACT, ACG, ACAHN, ACTo, ACLAP, ACLAC and ACOSA) in order to ensure that the common interests are considered during the development of the Guidelines for the Ninth Call for Proposals.





## 6. Summary Table

The following table summarizes performance data for the TFCA I during 2019:

Data	2000-2014	2015	2016	2017	2018	2019	TOTAL
<b>No. of proposals submitted</b>	192	25	0	58	31	24	330
<b>No. of proposals approved</b>	31	7	0	12	7	8	65
<b>Total approved funding for grants (1)</b>	\$3,488,703	\$858,444	\$0	\$1,000,000	\$500,000	\$500,000	\$6,347,147
<b>Total disbursed funding for grants</b>	\$2,573,582	\$339,737	\$456,157	\$291,328	\$662,785	\$438,618	\$4,762,207
<b>Total of counterpart match (grantee cost-share)</b>	\$1,434,253	\$357,471	\$0	\$100,000	\$50,000	\$50,000	\$1,991,724
<b>Other leveraged matches (e.g. co-financing)</b>	\$0	\$0	\$0	\$0	\$0	\$7237	\$0
<b>Total matching funds as % of approved grants</b>	41.1%	41.6%	0%	10%	10%	10%	31%
<b>Amount spent on management costs</b>	\$764,032	\$247,899	\$153,400	\$277,910	\$153,388	\$153,387	\$1,903,403
<b>Investment Income</b>	\$938,101	\$398,394	\$431,216	\$459,983	\$453,953	\$732,250	\$3,413,897
<b>Fund balance at the end of the year</b>	\$8,157,057	\$813,845	\$1,797,023	\$11,710,220	\$12,057,147	\$13,723,610	n/a