

## Annual Portfolio Overview: Southern Mesoamerica Region

March 2010

### Introduction

The Mesoamerica biodiversity hotspot ranks as among the most biologically diverse regions in the world. Encompassing all subtropical and tropical ecosystems from central Mexico to the Panama Canal, the hotspot is home to the highest diversity of reptiles in the world and is second in diversity for amphibians, birds, mammals and non-fish vertebrate diversity. Furthermore, three of the hemisphere's four migratory bird routes converge in the region. This biological diversity is mirrored by high cultural diversity, as the region is home to 32 distinct ethnic and indigenous groups.

Several factors underlie this exceptional diversity. Forming a land bridge between continents, the hotspot features species representative of North and South America. In addition, the Pacific and Caribbean coastal-marine ecosystems and the second largest reef in the world border the region. Inland, extensive mountain chains reach up to 4,211 meters. A series of geologically isolated highlands are considered evolutionary islands encouraging wide speciation. And finally, annual average rainfall varies widely from 500 to 7,000 mm.

Within the hotspot, the southern region of Nicaragua, Costa Rica, and Panama contains the most extensive and best protected cloud and montane forests and many globally threatened species. The Talamanca – Bocas del Toro Corridor along the Costa Rican – Panamanian border is home to an estimated 3 percent of the planet's species and provides habitat to 75 percent of the hemisphere's migratory birds.

The Critical Ecosystem Partnership Fund (CEPF) entered the Southern Mesoamerica region in 2002 at a particularly important time. Several protected areas were in crisis due to rampant hunting, uncontrolled forest fires, colonization, and agricultural encroachment. In addition, major funding agencies such as USAID and the MacArthur Foundation were reducing their biodiversity budgets for the hotspot, leaving large funding gaps.

CEPF is a joint initiative of l'Agence Française de Développement, Conservation International, the Global Environment Facility, the Government of Japan, the John D. and Catherine T. MacArthur Foundation and the World Bank. A fundamental goal is to ensure civil society is engaged in biodiversity conservation.

To address the needs and priorities of the region, CEPF aimed to strengthen management in priority protected areas and to create sustainable livelihoods and land management practices in buffer zone communities to support conservation and connectivity. Through CEPF's investment from 2002 to 2006, significant management gains were achieved, especially in three of the most biologically important protected areas: Indio Maiz Biological Reserve in Nicaragua, Corcovado

National Park in Costa Rica and La Amistad Biosphere Reserve in Costa Rica and Panama. The portfolio benefited 150 communities, many of indigenous and Afro-Caribbean origin, through the introduction of such sustainable development activities as conservation coffee, ecotourism and agroforestry. The program also helped leverage new resources, most notably by funding technical studies, management plans and staff who were instrumental in securing a \$26 million debt swap in Costa Rica.

While CEPF and its partners achieved important gains, challenges to conservation continued and threatened to undermine the sustainability of CEPF achievements, particularly in Nicaragua and Panama. For example, Rama and Kriol indigenous people of the northern buffer zone of Indio Maiz Biological Reserve lacked land tenure, making them powerless to defend themselves against colonization which introduced unsustainable land-use practices that degraded connectivity within the Mesoamerica Biological Corridor. In Panama, the construction of a series of dams in the La Amistad Biosphere Reserve caused significant social tension as the schemes displaced indigenous communities and threatened to cause encroachment into core zones of the reserve. Compounding these problems were general capacity limitations within the Panamanian and Nicaraguan environmental ministries. Under CEPF, local NGOs grew, but they continued to demonstrate organizational and financial management weaknesses. Securing sustainable funding for future conservation activities was a major concern.

Given these challenges, CEPF proposed a consolidation program targeting high priority needs in Nicaragua and Panama aimed at building local capacity within civil society, strengthening environmental governance in strategically located areas, and establishing mechanisms for financial sustainability. Costa Rica was not included in this consolidation program because key sites had access to sustainable funding through the debt swap, management structures were more stable, and threats to biodiversity were less urgent.

This document is the first annual portfolio review for the consolidation program for this region, and covers the period Oct. 1, 2008 to Feb. 28, 2010.

## **Niche for CEPF Investment**

### *Overview*

During its first phase of grantmaking in this region from 2002 to 2006, CEPF awarded 74 grants for \$5.5 million. Grantmaking was guided by the Southern Mesoamerica Ecosystem Profile and centered on priority sites in southeast Nicaragua, Costa Rica and western Panama. Conservation International's Southern Mesoamerica Regional Office served as the coordination unit. CEPF completed its final portfolio assessment in April 2007 and found performance to be very strong.

Given the existing challenges and opportunities in the region, CEPF embarked on a consolidation phase in 2008 with an approved budget of \$1.675. The consolidation strategy aims to address high-priority needs in the Indio Maiz Biosphere Reserve and its buffer zones in Nicaragua, and in La Amistad Biosphere Reserve in Panama. It contains four inter-dependent investment priorities:

1. Support civil society participation in development planning and implementation, focusing on infrastructure development.
2. Strengthen local governance structures and management capacity in critical areas, focusing primarily on indigenous reserves along the Caribbean.
3. Build local capacity within the civil society sector.
4. Support the establishment of sustainable financing mechanisms.

### **Portfolio Status**

Consolidation investment commenced in Southern Mesoamerica with the first grant starting on Oct. 1, 2008. CEPF committed an initial amount of \$1.328 million through five grants, with the remaining consolidation budget of \$346,000 set aside to fund the second phase of consolidation plans developed for Indio Maiz. Grants were awarded based on the specific geographic expertise and ability of each applicant to deliver on all investment priorities presented in the consolidation strategy.

In Nicaragua, Fundación Amigos del Río San Juan (FUNDAR) took responsibility for implementing CEPF’s priorities in Indio Maiz Biological Reserve and its western buffer zone and for establishing a sustainable funding mechanism for southeast Nicaragua. The Universidad de las Regiones Autónomas de la Costa Caribe Nicaragüense (URACCAN) joined in collaboration through a sub-grant to the Asociación de Desarrollo y Promoción Humana de la Costa (ADEPHCA) to focus on the northern buffer of Indio Maiz, which includes Cerro Silva and Punta Gorda nature reserves and the Rama-Kriol indigenous territory. In Panama, Fundación Para el Desarrollo Integral, Comunitario y Conservación de los Ecosistemas en Panamá (FUNDICCEP) assumed responsibility for the Pacific side of La Amistad Biosphere Reserve, while Asociación de Profesionales y Técnicos Ngöbe Bugle (APROTENG) assumed responsibility for the Caribbean side of the reserve, location of the Naso and Ngöbe – Bugle indigenous territories. Conservation International (CI) assumed responsibility for supporting institutional capacity building and policy dialogue throughout the region.

As of the end of February 2010, four grants are in implementation and one grant has been suspended, as presented in Table 1. Further explanation of the grant suspension is provided in the next section.

**Table 1. Southern Mesoamerica Consolidation Grants, March 2010**

<b>Organization</b>	<b>Title</b>	<b>Amount</b>	<b>Active Dates</b>
<i>In Implementation</i>			
Conservation International (CI)	Consolidating Local Conservation Capacity in the Biosphere Reserves of Southeast Nicaragua and La Amistad in Panama	\$303,381	October 2008 – July 2011
Fundación Amigos del Río San Juan (FUNDAR)	Consolidating Key Management Actions in Indio Maiz Biological Reserve, Nicaragua	\$100,000	June 2009 – May 2010
Fundación Para el Desarrollo Integral, Comunitario y Conservación de los Ecosistemas en Panamá (FUNDICCEP)  Sub-grant to Fundación Natura	Consolidating Civil Society Participation in the Conservation of the La Amistad Biosphere Reserve	\$595,000	April 2009 – March 2012
Universidad de las Regiones Autónomas de la Costa Caribe Nicaragüense (URACCAN)  Sub-grant to Asociación de Desarrollo y Promoción Humana de la Costa Atlántica (ADEPHCA)	Consolidation of the Conservation Actions and Management of Biodiversity in Cerro Silva and Punta Gorda Reserves	\$300,000	June 2009 – November 2011
<i>Suspended</i>			
Asociación de Profesionales y Técnicos	Consolidating the Financial, Institutional and Social Sustainability of the La Amistad	\$30,000	April 2009 – October 2009

Organization	Title	Amount	Active Dates
<i>In Implementation</i>			
Ngöbe Bugle (APROTENG)	Biosphere Reserve, With a Focus on the Indigenous Territories of the Caribbean		
<i>Pipeline</i>			
To be determined	Phase II - Consolidating Key Management Actions in Indio Maiz Biological Reserve, Nicaragua	\$346,000	
	<b>Total</b>	<b>\$1,675,000</b>	

### ***Coordinating CEPF Grantmaking***

Consolidation programs do not have formal coordinating entities or regional implementation teams beyond the U.S.-based Grant Director. All CEPF grant management functions are conducted by the CEPF Secretariat.

### ***Performance Assessment***

Four of CEPF's five grants have achieved their 2009 targets as planned, covering CEPF priority sites in Nicaragua and the Pacific side of La Amistad Biosphere Reserve in Panama. Performance targets along the Caribbean coast of La Amistad Reserve were not achieved due to the suspension of a grant to APROTENG. CEPF has since taken remedial measures to address the impacts of the suspension, as explained in detail below, and is confident that all 2010 targets will be achieved as planned.

Because four of the five consolidation grants were signed from April to June 2009, most of the year was dedicated to launching and planning activities for the remainder of the project. Grantees conducted outreach to key stakeholder groups to inform them of the project and to seek their collaboration. They entered into formal cooperative agreements and developed joint work plans and strategies. Even in the early stages of consolidation, several important results were achieved.

Based on grantee financial reports, the portfolio-level spending rate is commensurate with expected expenditures as determined by implementation schedules. Grantees spent a total \$333,774, which equals 25 percent of the \$1.328 million committed to date. As of December 2009, the portfolio was 27 percent into its three-year cycle. (See Annex 1 for details on spending rates.)

Several factors influenced performance in 2009. The grant to APROTENG was suspended in October 2009 and later terminated due to concerns over the use of project funds. As a result, expected targets for the Caribbean coast of La Amistad Biosphere Reserve in Panama were delayed. Because the scope and activities of the APROTENG grant were of high strategic importance within the consolidation strategy, CEPF agreed to a request from FUNDICCEP to integrate remaining activities and objectives from the Caribbean portfolio into its grant, which was originally dedicated to the Pacific side of La Amistad. In March 2010, CEPF signed an amendment with FUNDICCEP to expand its scope to cover the entire La Amistad Biosphere Reserve. CEPF believes this new arrangement will ensure robust performance for the entire area in 2010, as activities in the Caribbean have now resumed.

Another important factor impacting the portfolio was the election in May 2009 of Panama President Martelli, who announced a series of new policies and projects to significantly expand mining, infrastructure and tourism in La Amistad Biosphere Reserve. The entire Panamanian environmental community is alarmed by the administration's heavy emphasis on development and its expected impacts on the nation's protected areas system. The expansion of new

infrastructure and mining projects has underscored the importance of CEPF's programming in Panama.

### **Portfolio Investment Highlights by Investment Priority**

#### ***Investment priority 1: Support civil society participation in development planning and implementation, focusing particularly on infrastructure projects in southeast Nicaragua and La Amistad in Panama***

This investment priority aims to ensure that a series of infrastructure projects planned in Nicaragua and Panama fully integrate measures to mitigate their environmental and social impacts. Components within grants to CI, FUNDAR, FUNDICCEP and URACCAN support this investment priority.

During the early stages of portfolio launch in Panama, FUNDICCEP, CI and APROTENG worked with ADATA (an alliance of 13 community-based environmental groups) to conduct extensive outreach to community leaders, private sector representatives, the Panamanian park service ANAM, and local, provincial and national governmental officials. Discussions introduced the CEPF projects to key stakeholder groups and centered on the construction of highly controversial dams in indigenous territories along the Caribbean and in key watersheds along the Pacific coast.

Soon after the inauguration of Panamanian President Martinelli in July 2009, the administration announced its plans for additional dams and new mining concessions throughout the reserve and its buffer zones. On the Pacific side of the reserve, the new government approved a series of mini-hydro dams without the knowledge of local communities and water users. With this announcement, the total number of new dams or dams currently in construction on the Pacific side of La Amistad is 52. Local stakeholders express serious concern about current policy that allows 90 percent of water volume to be dedicated to power generation and only requires the remaining 10 percent to be reserved for all human and ecological needs. Of equal concern are new mining concessions planned inside core areas of La Amistad and in sites close to reserve boundaries. One new concession inside the territory of the Ngöbe – Bugle Indigenous Reserve is causing particular concern. The new concession is further inflaming tensions that started several years ago when two medium-sized dams were constructed on lands where Naso and Ngöbe – Bugle communities reside and farm. CEPF partners contend that these new schemes are being advanced without adequate environmental and social impact assessments, local consultation or measures to mitigate the negative impacts.

In response to these new threats, FUNDICCEP, CI and APROTENG worked collaboratively to set a series of activities in motion:

- Grantees formed a broad network of local, regional and national civil society organizations to collaborate on finding a more balanced approach to development in La Amistad.
- A lawyer was contracted to analyze several laws that directly impact La Amistad, including the law that requires only 10 percent of river volume to be dedicated to human and ecological uses.
- A consultant was hired to work with local indigenous leaders on a strategy to mitigate the environmental and social impacts of the dams and mining concessions.
- Partners met with hydroelectric companies, government officials, and representatives of The World Bank and Inter-American Development Bank to express the need to conduct

- environmental and social impact assessments and financial feasibility studies prior to approving the dams and mining concessions.
- Partners conducted media outreach to inform the public of the new development plans.

As an immediate result of these efforts, the director of the Panamanian park service, ANAM, has agreed to review the law permitting 90 percent of water flow to be dedicated for hydropower generation.

The situation in Nicaragua regarding the construction of a new port at Monkey Point (which is located just north of Indio Maiz Reserve) and the opening of a road to connect Bluefields on the coast to the rest of the country have not materialized as planned, although they still require monitoring of their progress. The Government of Nicaragua has not been able to secure the \$450 million needed to build the port due to the global financial crisis, although funding has been secured to conduct a feasibility study. The construction of a road to Bluefields has been delayed because The World Bank did not agree to finance the project due to concerns over the ecological and social impacts. As a result, the importance of infrastructure development within the CEPF portfolio in Nicaragua has been reduced. Much still remains to be done in the country, however, particularly in light of threats from agricultural encroachment and the need to build local management capacity and secure sustainable financing for conservation, as described in the next section.

***Investment priority 2: Strengthen local governance structures and management capacity in critical areas of the Corridor, focusing primarily on indigenous reserves along the Caribbean***

This strategic direction seeks to encourage more consultative systems of management for La Amistad and Indio Maiz and to build the capacity of local indigenous groups to manage their territories sustainably to support conservation. Grants to CI, FUNDICCEP and URACCAN contain components dedicated to this investment priority.

The portfolio achieved a major milestone in Nicaragua in December 2009 when the Rama and Kriol indigenous people received formal title to 407,000 hectares of their ancestral land. This was a long-sought advance in light of conditions when CEPF first entered the region in 2002, when the Rama ancestral territory, which forms part of the Mesoamerica Biological Corridor, was overrun by colonizers from outside the region. Forest fires and agricultural encroachment went unhindered. The Rama Governing Council lacked basic infrastructure and equipment to manage the territory. With financing from CEPF and DANIDA and the local university, URACCAN worked closely with Rama and Kriol communities to increase their capacity for self-governance. CEPF-supported technical studies required for the land titling declaration, including a detailed census of the large territory. With formal title in hand, the Rama and Kriol people now have legal standing to conserve their lands. During the course of CEPF investment, the region has experienced a significant decrease in forest fires, colonization and agricultural encroachment.

CEPF's grantees in Nicaragua built on this victory through their current projects. URACCAN, CI and FUNDAR worked with the Rama Governing Council and local government agencies to identify capacity-building priorities and to design curricula for a series of training workshops that will be launched in the first quarter of 2010 for more than 30 community leaders of all ethnic backgrounds. Training will be dedicated to promoting the sustainable development and conservation of the Southeast Nicaraguan conservation corridor for Rama, Kriol and mestizo communities. As part of local capacity building and community empowerment efforts, CEPF partners and stakeholders identified community conservation "promoters" who will lead conservation activities in 20 indigenous and mestizo communities. In addition, partners worked

with Nicaraguan environmental authorities to strengthen the system of community park guards that was set up by previous CEPF grants. They held a workshop and developed a work plan to strengthen the volunteer guard system, in collaboration with the Rama Governing Council. Furthermore, designs were completed for a communications strategy to increase awareness of the importance of conservation in the area.

To improve local governance in Panama, FUNDICCEP and CI dedicated their efforts to several priorities. They promoted a proposal to establish the La Amistad Biosphere Reserve Management Committee to serve as the formal vehicle for local consultation on decisions related to the protected area's development and management objectives. In addition, FUNDICCEP worked with national newspapers and television stations to cover a proposal to change the boundaries and zoning of the Volcan Baru National Park based on a request from a private landowner interested in pursuing development interests. These efforts helped convince the Panamanian park service to conduct necessary field work to assess the matter further. The environmental community is concerned that a precedent would be set for all of Panama's protected areas if the boundaries of the national park are changed to meet the interests of individual investors. FUNDICCEP also hired a lawyer to examine the hunting law for La Amistad, which permits open and uncontrolled hunting in the biosphere reserve.

Along the Caribbean coast of Panama, APROTENG developed terms of reference with indigenous representatives from Ngöbe – Bugle and Naso communities to prepare a strategy to build local capacity of indigenous communities to better engage in dialogue and decisionmaking regarding the development of their lands.

***Investment priority 3: Build local capacity within the civil society sector***

This investment priority seeks to build the capacity of four NGOs and three stakeholder alliances in strategic zones of the Southern Mesoamerica Corridor to help them assume true leadership roles as local conservation advocates and practitioners. This investment priority is led by Conservation International in collaboration with CEPF's other grantees.

Several important advances were achieved in 2009 under this investment priority. To assess priorities for institutional strengthening within individual institutions, CI worked with APROTENG, FUNDAR, FUNDICCEP and URACCAN to adapt and complete the institutional strengthening scorecard that was first developed for CEPF's Asian regions. Four partners completed their scorecards, identified priorities to focus their capacity building efforts, and developed working plans accordingly. As an example of progress since then, FUNDAR completed its five-year strategic plan and began implementing a financial management strengthening program.

Partners also worked with local associations of community-based groups to build their capacity. In Panama, the alliance of 13 local groups called ADATA embarked on the development of its long-term strategic plan. ADATA members also attended a series of workshops and meetings led by CI to build capacity for fund raising. Panamanian groups also met with conservation organizations that form part of Quercus, an alliance of Costa Rican NGOs, to discuss how to strengthen their collaboration with respect to bi-national management priorities, improved exchanges, and fostering eco-friendly agriculture along the border area. In Nicaragua, the coalition of local conservation groups known as COCBIO (which CEPF helped to establish) met to discuss how to strengthen the network. They developed a work plan with the Rama Kriol Territorial Government to identify priorities for training and areas for future collaboration.

In addition, CEPF partners entered into a new model of collaboration among themselves, as the consolidation portfolio requires grantees and partners in each country to jointly plan, implement, and monitor their activities with a corridor-level perspective in mind. This new corridor-level emphasis has enabled grantees to meet quarterly and to jointly plan and monitor their activities with key stakeholder groups. This collaborative approach is a departure from the past when project implementers lacked the funds, contacts, and the mandate to work as part of a broader alliance. As a result, CEPF partners along the Caribbean and Pacific border regions of La Amistad now have an integrated vision of the reserve and are taking a more coherent and unified approach to respond to the challenges. Similarly in Nicaragua, efforts to plan activities inside Indio Maiz and its western border area are now integrated with activities to the north.

CEPF grants are allowing grantees to assume true leadership roles for their corridors. FUNDICCEP reports that its profile has been elevated significantly throughout Panama due to their engagement on policy issues. It is now regarded as the local authority on the conservation of La Amistad's Pacific side.

***Investment priority 4: Support the establishment of sustainable financing mechanisms***

This investment priority aims to establish a variety of sustainable financing mechanisms, including establishment of trust funds, development of payment for environmental services, support for the development of REDD projects, and support to achieve donor diversification. Components within grants to FUNDAR, FUNDICCEP and URACCAN support this investment priority.

The need for stable financing was underscored in 2009 as some of the most prominent environmental organizations and donors to conservation in Panama, most notably The Nature Conservancy, did not fund or implement projects in La Amistad due to the financial crisis.

To initiate efforts under this investment priority, FUNDICCEP entered into an agreement with Fundación Natura to examine the feasibility of establishing a conservation trust fund for La Amistad Reserve. FUNDICCEP also began working with the University of Colorado to assess local community interest in entering into payment for environmental services. Furthermore, a series of workshops and meetings were held to increase local capacity for proposal development, as mentioned in the previous investment priority. Six local NGOs were awarded \$280,000 through nine projects, including three projects financed by the Embassy of Japan and the GEF's Mesoamerica Biological Corridor project (see logical framework for details).

In Nicaragua, CEPF partners also embarked on several activities to build sustainable sources of financing. FUNDAR prepared a proposal to identify options for building a trust fund for the Southeast Nicaragua Biosphere Reserve. At the end of the year, the group held a workshop for local stakeholders to present financing options and to discuss experiences from other Central American trust funds. Through the consultation process, new opportunities for fund raising were identified. Local municipalities and the Rama Governing Council expressed great enthusiasm for the idea. CEPF partners also participated in a national workshop to provide input into the development of a national strategy for climate change mitigation and adaptation. Their presence helped to ensure that the southeast region plays a prominent role in Nicaragua's climate change strategy. In addition, FUNDAR has been developing a stamp of origin certification process to promote sustainably grown agricultural products, particularly organic cocoa produced by farmers located along the western buffer zone of Indio Maiz. Its efforts have been dedicated to expanding European markets for organic cocoa from Indio Maiz, from the 25 tons exported in 2009 to 100 tons by the end of the project.

### **Collaboration with CEPF Donor Partners**

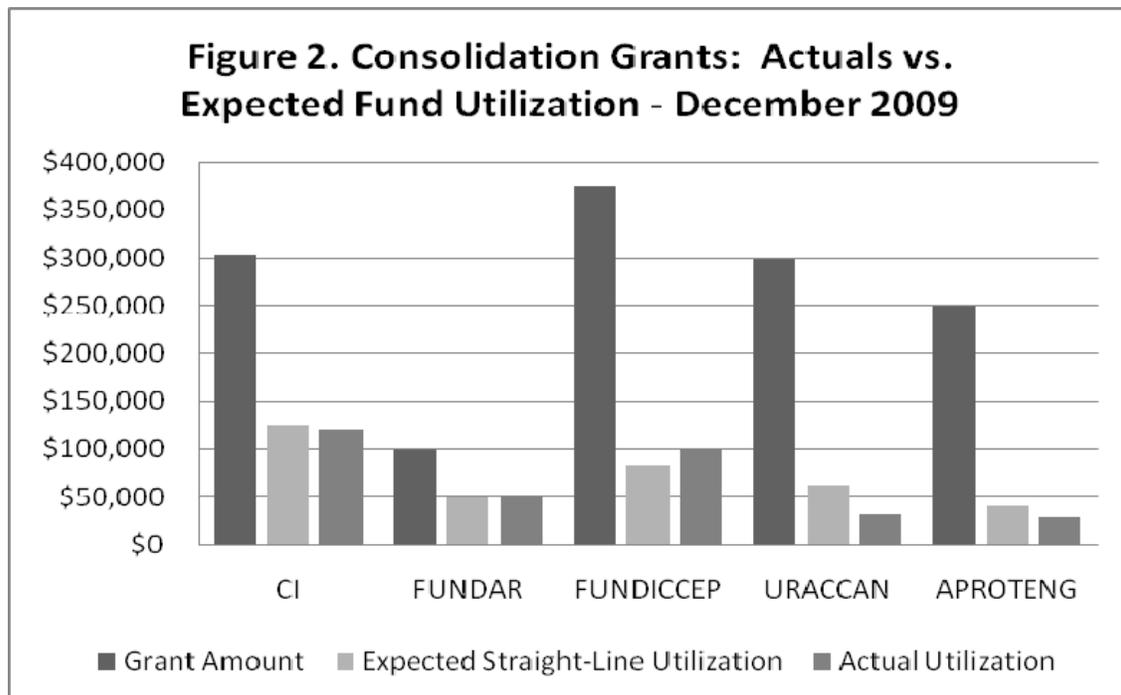
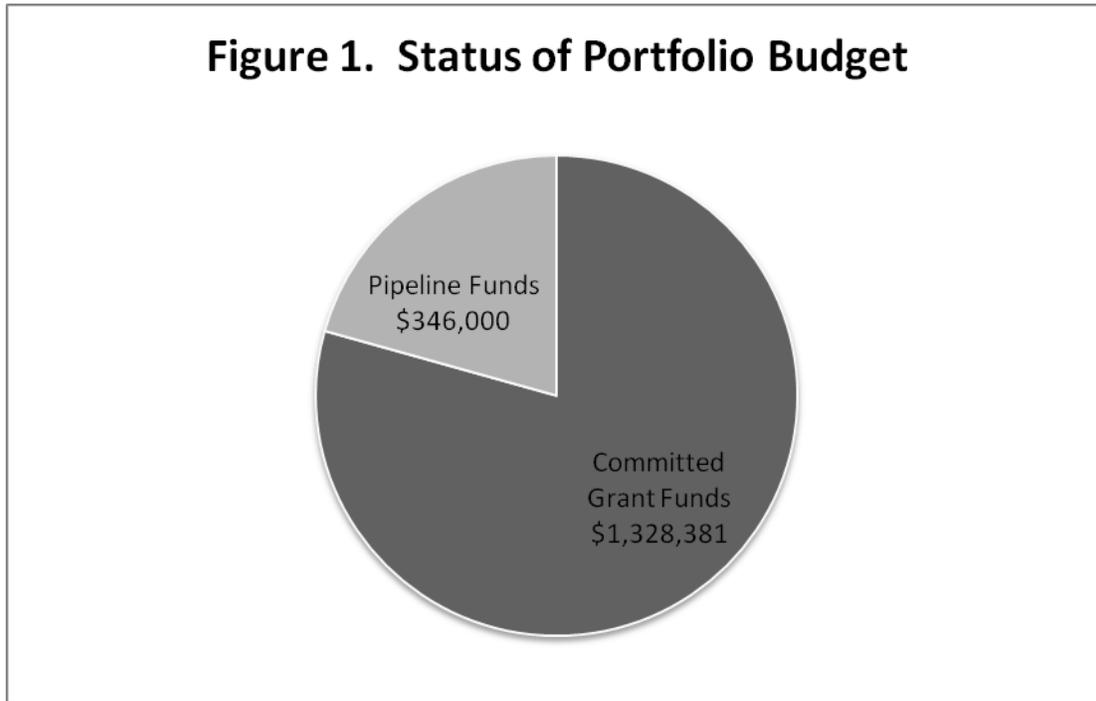
Collaboration with CEPF's donors existed through two avenues. First, CEPF partners in Panama received funding from the GEF's Mesoamerica Biological Corridor Project and the Government of Japan for conservation projects in La Amistad. Second, CEPF partners met with World Bank representatives in Panama to discuss their concerns related to the expansion of dams and new mining concessions in La Amistad.

### **Conclusion**

During the first 16 months of CEPF's consolidation program in Southern Mesoamerica, the overall portfolio achieved most 2009 targets, with the exception of the Caribbean coast of Panama. Grantees conducted extensive outreach to key local stakeholder groups to ensure strong collaborative relationships. They prepared assessments, strategies and work plans that will serve as the basis for implementation for the next two years of the program. The titling of 407,000 hectares to the Rama and Kriol people of Nicaragua was a major milestone this year. Furthermore, the success of Panamanian NGOs to secure new funding demonstrates the effectiveness of capacity building and fund-raising efforts. Due to the suspension of CEPF's grant to APROTENG, performance along the Caribbean side of La Amistad Biosphere Reserve emerged as the one weak point within the portfolio. Fortunately, remedial actions have been taken with the amendment to the agreement for the FUNDICCEP project and activities in the Caribbean have resumed.

For the coming year, CEPF grants will implement the strategies and work plans developed in 2009. Of the greatest concern for the achievement of consolidation objectives is the announcement in Panama of a major expansion of development efforts in La Amistad Biosphere Reserve. CEPF will continue to monitor the situation and seek to support partner efforts to promote development in the region that follows a more socially and environmentally sustainable path.

**Annex 1. Figures Illustrating CEPF Investments in Southern Mesoamerica, December 2009**



**Annex 2 – Logical Framework Reporting for CEPF Investment in Southern Mesoamerica**

Objective	Targets	Progress
<p>Reinforce and sustain the conservation gains achieved as a result of previous CEPF investment in the Southern Mesoamerica Conservation Corridor, specifically in the biosphere reserves of Southeast Nicaragua and La Amistad in Panama</p>	<p>609,980 hectares located in key biodiversity areas with strengthened protection and management.</p>	<p>Planned targets in Indio Maiz Reserve in Nicaragua achieved. No illegal invasions in Indio Maiz experienced during project period.</p> <p>In Panama, plans to expand dam construction, mining concessions, and tourism pose new threats to La Amistad, Palo Seco, and Volcan Baru, jeopardizing CEPF targets.</p>
	<p>1,014,300 hectares in production landscapes with improved management for biodiversity conservation</p>	<p>407,000 hectares in Rama Kriol indigenous territory officially titled, providing an important enabling condition for improved land management.</p>
	<p>\$750,000 leveraged</p>	<p>\$280,000 leveraged in Panama from seven donors:</p> <ul style="list-style-type: none"> <li>• Embassy of Japan: \$96,000 for organic agriculture.</li> <li>• Ford Motor Company: \$5,000 for general conservation support.</li> <li>• Fundacion Natura:</li> <li>• \$65,000 for conservation coffee.</li> <li>• \$40,000 for environmental education</li> <li>• Mesoamerica Biological Corridor: \$20,000 for ecotourism and \$30,000 for organic agriculture.</li> <li>• Sharp Foundation: \$10,000 for ecotourism and conservation coffee.</li> <li>• UNITAR: \$9,000 for integrated pest management.</li> <li>• Anonymous: \$5,000 for reforestation.</li> </ul>

Intermediate Outcomes	Targets	Progress
<p><b>Outcome 1.</b> Conservation and human welfare considerations are fully incorporated into infrastructure and development plans for areas in the corridor under immediate threat in southeast Nicaragua and the La Amistad Biosphere Reserve in Panama.</p> <p>\$300,000</p>	<p>Four policies influenced as a result of CEPF grant consolidation, including six individual infrastructure projects and development plans.</p>	<p>In Panama, several advances made:</p> <ul style="list-style-type: none"> <li>- National network of civil society organizations established to collaborate on environmental and social mitigation of new dam and mining concession.</li> <li>- Outreach to key decision makers conducted.</li> <li>- Legal analysis initiated.</li> </ul> <p>In Nicaragua, financing of a major port at Monkey Point and the opening of a road to Bluefields on the coast has not been secured due to the global economic downturn. As a result, grants are not focused on infrastructure projects.</p>
	<p>Four projects enable effective stewardship by indigenous and local communities for biodiversity and ecosystem conservation.</p>	<p>Three projects achieved 2009 targets to enable effective stewardship by indigenous and local communities:</p> <ol style="list-style-type: none"> <li>i. URACCAN - developed training and conflict resolution modules. 30 community leaders selected for training.</li> <li>ii. FUNDAR – Agreement with the Rio San Juan Cocoa Commission to undertake training for organic cacao production and to adopt special certification process to improve cacao marketing.</li> <li>iii. FUNDICCEP – New funds secured for sustainable agriculture and ecotourism for La Amistad buffer zone communities.</li> </ol>
	<p>Three sub-corridors under improved governance for sustainable development through achievement of key conservation milestones.</p>	<p>In Nicaragua, collaborative work programs developed and capacity building efforts planned for Rama, Kriol, and mestizo leaders.</p>

		<p>In Panama, proposal developed to establish a formal management committee to enable stakeholder consultation for La Amistad.</p> <p>Delayed achievement of expected targets in the Caribbean of Panama due to suspension of grant to APROTENG.</p>
<p><b>Outcome 2.</b> Governance and management structures and plans improved in over 1.4 million hectares in Southeast Nicaragua and La Amistad Biosphere Reserve in Panama. \$775,000</p>	<p>Four KBAs demonstrate improvements in their protection and management</p> <ol style="list-style-type: none"> <li>1. Indio Maiz Biological Reserve (263,980 hectares)</li> <li>2. La Amistad International Park, Panamá (207,000 hectares)</li> <li>3. Palo Seco Forest Reserve (125,000 hectares)</li> <li>4. Volcan Baru National Park (14,000 hectares)</li> </ol>	<p>Planned targets in Indio Maiz Reserve achieved.</p> <p>New threats from mining, hydropower and protected area degazetting jeopardize achievement of targets in Panama.</p>
	<p>Over 1million hectares in production landscapes with improved management for biodiversity conservation.</p> <ol style="list-style-type: none"> <li>1. 54,900 hectares – Punta Gorda Nature Reserve</li> <li>2. 339,400 hectares – Cerro Silva Nature Reserve</li> <li>3. 10,000 hectares – Naso indigenous territory</li> <li>4. 600,000 hectares – Ngobe – Bugle indigenous territory</li> <li>5. 10,000 hectares – La Amistad Pacific Buffer Zone</li> </ol>	<p>407,000 hectares in Rama-Kriol indigenous territory, which overlap with Punta Gorda and Cerro Silva nature reserves, officially titled. Capacity building targets achieved.</p> <p>CEPF partners participate in consultations to prepare management plans for Punta Gorda and Cerro Silva Nature Reserve.</p>
	<p>100% of targeted communities involved in sustainable use projects demonstrate tangible socioeconomic benefits.</p>	<p>Planned targets achieved as expected.</p> <p>In Nicaragua, community promoters selected to serve as local conservation leaders, capacity building modules for sustainable development designed, and community park guards develop action plan.</p> <p>In Panama, funding secured</p>

		for environmentally compatible agriculture and ecotourism in buffer zone communities.
	Four projects located outside protected areas integrate biodiversity conservation in management practices.	<p>Progress on three projects as planned.</p> <p>FUNDAR – Support to cacao farmers to improve corridor-level connectivity,</p> <p>FUNDICCEP – Support conservation coffee and ecotourism for connectivity. Analysis to ensure that more than 10% of water flows from dams are dedicated to maintain ecosystem health.</p> <p>URACCAN – Capacity building of Rama and Kriol peoples to ensure the sustainable development of their territory for maintaining hotspot-level connectivity.</p>
<p><b>Outcome 3.</b> Four civil society partners and three stakeholder alliances demonstrate requisite organizational and program management capacity in order to undertake effective, well coordinated conservation actions in the future.</p> <p>\$300,000</p>	Four local civil society groups demonstrate improved institutional capacity to foster sustainability	<p>Institutional scorecards completed to determine baselines and identify capacity building priorities. Strategies and work plans developed, and training in progress.</p> <p>FUNDAR completes its strategic plan and undertakes financial management strengthening.</p> <p>ADATA begins its strategic planning.</p>
	Eight stakeholder networks strengthened to support long-term conservation action by replicating and scaling up CEPF successes.	ADATA, COCBIO, Quercus, La Amistad network, and SE Nicaragua network initiate efforts for various institutional strengthening efforts, including development of collaborative work plans, training sessions, strategy development.
<p><b>Outcome 4:</b> Stable funding mechanisms are operational in support of priority management needs in southeast Nicaragua and La Amistad – Panama.</p> <p>\$300,000</p>	Three sustainable financing mechanisms established and/or strengthened with initial capital secured.	In Nicaragua, options for sustainable financing mechanisms assessed and consultations with stakeholders. Partners engage in consultations on Nicaragua climate change strategy. Cacao certification program in

		<p>design to promote products from Indio Maiz.</p> <p>In Panama, agreement signed with Fundación Natura to design sustainable financing mechanism.</p>
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### **Annex 3. Articles in English from International Media**

“Chiquita Announces Expanded Partnership for San San Pond Sak Biodiversity Project,” PR Newswire. March 5, 2010. [www.prnewswire.com/news-releases/chiquita-announces-expanded-partnership-for-san-san-pond-sak-biodiversity-project-86628357.html](http://www.prnewswire.com/news-releases/chiquita-announces-expanded-partnership-for-san-san-pond-sak-biodiversity-project-86628357.html)

“Citizen Participation in Conservation of the La Amistad Biosphere Reserve, Panama,” Eco-Index, [www.eco-index.org/search/results.cfm?ProjectID=1376](http://www.eco-index.org/search/results.cfm?ProjectID=1376)

“Consolidation of Prioritized Activities in the Management Plan for the Indio-Maíz Biological Reserve of the Southeastern Nicaragua Biosphere Reserve,” Eco-Index, [www.eco-index.org/search/results.cfm?ProjectID=1377](http://www.eco-index.org/search/results.cfm?ProjectID=1377)

“Consolidation of Conservation Actions and Biodiversity Management in the Cerro Silva and Punta Gorda Reserves, Nicaragua,” Eco-Index, <http://www.eco-index.org/search/results.cfm?ProjectID=1374>

“Nicaraguan government grants titles for indigenous communal lands.” Nicaragua Network Hotline December 29, 2009. [www.nicanet.org/?p=897](http://www.nicanet.org/?p=897)

“Rescue of the San San Pond Sak,” GTZ. [www.tropenprojekt-panama.de](http://www.tropenprojekt-panama.de)

“Trees to be removed from the Banks of Rio Caldera.” La Prensa.com July 22, 2009. <http://mensual.prensa.com/mensual/contenido/2009/07/22/hoy/nacionales/1861502.asp>