

An Overview of CEPF's Portfolio in the Mesoamerica Hotspot: Southern Mesoamerica

The Mesoamerica Hotspot encompasses some of the most biologically diverse habitat in the world. While it consistently ranks among the top five hotspots for species diversity and endemism across the major taxa, it also ranks among the most threatened. To address these threats, CEPF has targeted its investments since 2002 on the three most biologically rich corridors in Southern Mesoamerica:

- Cerro Silva – Indio Maíz – La Selva Corridor (Costa Rica and Nicaragua),
- Talamanca – Osa Corridor (Costa Rica), and
- Talamanca – Bocas del Toro Corridor (Costa Rica and Panama).

These corridors contain the most extensive and best protected cloud forests in the hotspot, the highest montane forests, and habitat that provide refuge to 34 of the region's 37 globally threatened and endangered species. Despite their biological importance, the three corridors are under heavy pressure. Colonization and agricultural encroachment, new road construction, illegal logging, over-hunting, and forest fires are among the chief drivers leading to habitat and species loss. Governments in the three corridors have declared 33 national parks and reserves that cover over two million hectares, yet virtually all these areas remain weak and highly vulnerable.

At the same time, the Southern Mesoamerica portfolio is located in some of the poorest, most remote, and most underserved areas of Central America. Along the Caribbean, indigenous people have essentially fended for themselves as landless poor and large development interests encroach on their ancestral territories. Throughout the region, migrants have sought to escape poverty by settling in areas that are among the richest for biodiversity, but also among some of the least productive for agriculture, thus perpetuating their plight. Understandably, the challenge for the conservation community throughout Southern Mesoamerica is find ways to safeguard biodiversity while also giving local people economic alternatives that improve their welfare.

Given this milieu, CEPF allocated a budget of \$5.5 million across the four strategic directions listed below, which were developed in consultation with local stakeholders during the preparation phase of the portfolio.

1. *Strengthen key conservation alliances and networks within integral corridors.*
To move beyond a history characterized by fragmented approaches to conservation, CEPF strengthens existing mechanisms for NGO and government coordination within communities, corridors, and regionally, and catalyzes new linkages when necessary.

2. *Connect critical areas through economic alternatives.*
A major thrust, CEPF encourages the sustainable development of natural resources through community-based projects that promote conservation coffee, eco-tourism, and agroforestry in strategic locations outside of officially declared protected areas.
3. *Promote awareness and conservation of flagship species.*
CEPF invests in environmental education and research built around globally threatened species, such as the tapir and manatee, as a tool for buttressing public support for conservation.
4. *Support improved management of key protected areas.*
CEPF helps to address urgent priorities in the various protected areas of the region that otherwise would be unfunded, including declaration of new areas, development of management plans, and strengthening of monitoring and patrolling of borders.

To date, CEPF has awarded 39 grants valued at \$3.49 million (Charts 1 and 2 included at the end of the overview). These grants range in size from \$6,916 to \$1.1 million, with the average equaling \$103,355. (Please see grants list and map). The full status of the portfolio to date and the timeline of grants awarded are illustrated in Charts 3 and 4.

All 39 grants have been selected based on their ability to contribute in a direct and strategic way to the achievement of conservation outcomes presented in Box 1. Maps illustrating the baseline state of the region in 2002 when CEPF initiated its program and the expected state of the region in 2007 when many grants will have concluded are located at the end of this overview. These maps serve as tools for monitoring progress towards outcomes, and as a framework for collaborative implementation between CEPF grantees and partners.

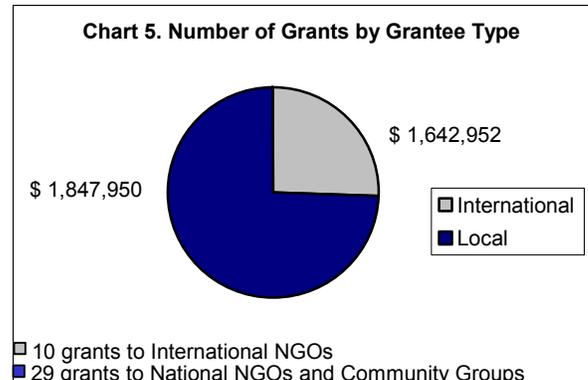
Box 1. CEPF's Outcomes in Southern Mesoamerica, 2002 - 2007

- Improve the management of 22 protected areas covering 1.5 million hectares.
- Create four new protected areas covering 492,000 hectares.*
- Improve connectivity on 1.2 million hectares to promote biological corridors and sustainable development in buffer zones of protected areas.
- Improve scientific understanding of globally threatened and endangered species, and monitor conservation and development trends throughout the hotspot.

Note: Significant opportunities for declaring new protected areas in Southern Mesoamerica are few since a large percentage of the region already is under legal protection.

As CEPF concludes its third year in the hotspot, several general observations are noteworthy to highlight:

1. A major goal of the portfolio is to build the capacity of local and national civil society to effectively engage in conservation. As Chart 5 illustrates, to date \$1.85 million has been committed through signed grants to these groups. Of the remaining funds in the portfolio it is anticipated that approximately 80 percent will be granted to local organizations. Thirty of the most respected community and national NGOs, universities, and research institutes in the region are taking the lead in managing our grants. Within these numbers, CEPF is supporting six coalitions that are made up of an array of NGOs, local and national governments, indigenous rights organizations, and universities. In addition, several grants to international NGOs contain sizable sub-grants to national NGOs. By funding these coalitions, CEPF reaches hundreds of diverse grassroots NGOs and communities that otherwise would have great difficulty accessing donor funding.



2. CEPF's investment of \$5.5 million is expected to leverage at least another \$17 million and potentially an additional \$10 million, for a total potential funds leveraged equaling \$27 million. This leveraging ratio reflects the high premium that CEPF has placed on asking grant recipients and the coordination unit to seek matching contributions from other funding sources and from in-kind services. As a result, the majority of grants in Southern Mesoamerica contain counterpart funding or in-kind contributions, and several grants also receive funds from major donors such as The Nature Conservancy, UNDP, the Costa Rica – US Alliance (CRUSA), and the Government of Costa Rica (see leveraging table). In addition, CEPF grantees are engaged in two opportunities that could yield \$42 million for conservation in Costa Rica. Through the Osa Peninsula Campaign, several donors have already committed \$15 million to reach an overall goal of \$32 million. A GEF proposal for \$10 million is currently in development to strengthen Costa Rica's protected areas system.
3. To date, more than 200 indigenous and non-indigenous rural communities have benefited from CEPF support. Given the importance of working with the indigenous people that live in some of the highest priorities for conservation, CEPF will have channeled an estimated \$590,000 through 12 grants that support indigenous groups by 2007 (see table following this summary). These grants aim to give indigenous people greater wherewithal to manage their lands and earn a livelihood in accordance with traditional customs.

Coordinating CEPF Grantmaking on the Ground

Conservation International's Southern Mesoamerica office in San José serves as the CEPF coordination unit. The three-person unit is organized by corridor and plays an

indispensable role in ensuring that all aspects of the strategy are managed successfully on the ground. The unit assists grantees in all facets of CEPF grantmaking with the understanding that partner projects are critical to achieving CEPF's and CI's ultimate outcomes. The unit has worked closely with virtually all CEPF grant recipients to build their capacity to conceptualize, design, budget, implement, and monitor projects. The unit's active involvement in grant design and implementation, as well as sponsorship of grantee exchange visits to different project sites and general coordinating meetings, ensures that grants move forward in ways that achieve synergies and complementarity.

The coordination unit also is intimately engaged in delivering key outcomes within the portfolio. The unit, for example, works closely with UNDP, TNC, CRUSA, and other donors to identify opportunities to leverage CEPF funding. To date, the unit has helped to secure an additional \$1.7 million in existing commitments. It also played an important role in securing the \$15 million commitment for the Osa Peninsula Campaign, and is working with the Leatherback Trust (another CEPF grantee) on developing the \$10 million proposal to the GEF for Costa Rica.

Working through Alliances

Central to CEPF's approach in Southern Mesoamerica is support to six conservation alliances, which are made up of a variety of stakeholders: local and national environmental and development NGOs, municipal and national governments, other donors, and universities. In Costa Rica, CEPF assists three well-established conservation alliances – the Osa Conservation Area Alliance, the San Juan-La Selva Biological Corridor, and the Association of Organizations of the Talamanca Caribbean Biological Corridor – by financing key elements of conservation strategies that they developed for their particular geographic areas of interest.

In Nicaragua and Panama, where the conservation movement has yet to mature to the level of working through formal alliances, CEPF has facilitated the establishment of new alliances. In Nicaragua, for example, CEPF helped establish a new coalition of 34 NGOs working in the corridor to ensure that they pursue common environmental and development goals in a coordinated way. In Panama, CEPF supported an association of community and national conservation groups surrounding Volcán Barú National Park in their efforts to raise awareness of the potential impacts of a proposed road through the park. CEPF is now financing the legal establishment of the alliance and future activities to consolidate the national park.

Another focus of the CEPF portfolio is supporting innovative private - public alliances. As part of the Conservation Coffee Alliance, a partnership between Starbucks, USAID, and Conservation International, CEPF works with three NGOs in Costa Rica and Panama to promote best practices in conservation coffee in key areas of the Talamanca – Bocas del Toro Corridor. On the Osa Peninsula, CEPF supports Fundación Corcovado in its efforts to work with local hotel operators, communities, and the Costa Rica environment and security ministries. These groups collaborate on patrolling Corcovado National Park.

Corridor Approach to Grantmaking

CEPF maintains vigilance to ensure a tri-national perspective is taken to identify and target grants that meet the highest priorities of the region. The team has also tailored its approach to suit the distinct character of each corridor and country. Indeed, the bi-

national nature of two of the three corridors adds an additional layer of complexity to the portfolio. Each country has distinct cultural, historical, and economic characteristics, and coordination between countries on environmental issues is still nascent. CEPF's program is sited in a large area, covering over three million hectares, of which 2.2 million hectares are protected in 33 national parks and biological reserves, across 15 municipalities and 11 indigenous territories. Dozens of NGOs are dedicated to the environment and rural development. Furthermore, each corridor and country confronts different degrees of threats and varying capacities to deal with these threats. In southeast Nicaragua, the conservation movement and general capacity is still incipient. The most basic elements required to create an effective conservation framework have yet to be put in place. Although Costa Rica has earned a reputation as a conservation leader, gaps in its protected areas system still remain and urgent threats to biodiversity persist. Panama falls in between Nicaragua and Costa Rica on the conservation continuum. Some of the basic elements required for conservation are in place, yet development pressures are considerable. As the corridor descriptions on the following pages illustrate, CEPF has tailored distinct approaches in the three corridors in response to this mosaic.

Cerro Silva – Indio Maíz – La Selva Corridor

The Cerro Silva – Indio Maíz – La Selva corridor is over 840,000 hectares, and consists of coastal, wetland, and lowland forest ecosystems. UNESCO recently declared the Nicaraguan side of the corridor as a biosphere reserve. The Indio Maíz Biological Reserve, with its 263,980 hectares of largely intact lowland and coastal forest, is the crown jewel. To the north lie Punta Gorda and Cerro Silva nature reserves, which are highly fragmented, although important wetlands for migratory birds remain. The two nature reserves function as a buffer zone to Indio Maíz and as areas critical to maintaining connectivity within the Mesoamerican Biological Corridor. To the south of Indio Maíz lies the San Juan Wildlife Refuge, and in Costa Rica, coastal wetlands and the last large remaining stand of unprotected forest with still abundant populations of the almendro tree, which is the primary food and nesting source for a few remaining individuals of the globally threatened green macaw. This area, known as Maquenque, covers nearly 40,000 hectares. Its protection is a high priority to ensure connectivity between the 1.2 million hectares of protected areas that lie to its north and south.

Threats in Nicaragua are the most pressing in all of Southern Mesoamerica. As much as 50 percent of the land that was once officially protected in Punta Gorda and Cerro Silva has been deforested as waves of colonizers introduced extensive agriculture once the civil war ended. The region remains one of the poorest and most remote areas in Nicaragua, if not for all of Central America. Disputes over land have led to social tension and conflict, particularly on territory claimed by Rama indigenous communities, which have been unable to stop colonization on their land. MARENA, Nicaragua's environment ministry, only recently has increased its capacity to manage the region. Management plans have been developed or updated (some with CEPF support), borders redrawn to better reflect conservation priorities on the ground, guard stations have been constructed, and guards contracted for patrolling. Before CEPF, the members of the small and poorly funded environmental NGO sector worked mostly in isolation of each other.

Given these threats and priorities, CEPF has worked closely with government, universities, donors, and NGOs to identify and pursue conservation priorities. In Costa

Rica, CEPF funds the Executive Committee of the San Juan - La Selva Biological Corridor, a partnership of 13 NGOs, universities, and government agencies dedicated to establishing the Maquenque National Park. In southeast Nicaragua, CEPF works with a coordinating group of European donors, the Government of Nicaragua, and leading universities and NGOs. In addition, a project pending approval calls for supporting the newly formed Rama Governing Council, which will provide the basis for establishing a new protected indigenous area of nearly 400,000 hectares.

CEPF has committed \$745,452 in support of 10 grants for the corridor. With additional planned investments of an equal amount, CEPF grants will ultimately benefit 12 NGOs and universities. Based on discussions with governments and the environment community, CEPF pursues the following three outcomes in the corridor:

- *Strengthen management of Indio Maíz Biological Reserve.*
Working closely with MARENA and European donors, CEPF funds the preparation of the reserve's management plan. To date, the plan has involved an exhaustive consultation process with local communities, and the compilation of existing scientific information to identify priorities for conservation. Based on preliminary recommendations to emerge, CEPF is considering funding a biological inventory and monitoring program, rural development projects for Rama communities living legally inside the reserve, a public education campaign for buffer zone communities, and development of a sustainable financing mechanism for the protected area.
- *Improve land management practices in Punta Gorda and Cerro Silva.*
To reduce further encroachment southward, CEPF supports sustainable development projects north of Indio Maíz, concentrating mostly on agroforestry and ecotourism. CEPF supports rural development projects in nearly 70 communities that are strategically located north of Indio Maíz or on wetlands declared as municipal reserves. An important planned grant calls for supporting the Rama indigenous community through assistance in land demarcation, institutional coordination of government agencies and NGOs, equipment to patrol their territory, and general institutional strengthening for the newly formed governing council.
- *Establish Maquenque National Park.*
CEPF funds land tenure surveys, the development of a management plan, community outreach, fund raising, and institutional strengthening to achieve protection status for one of Costa Rica's last large remaining tracts of unprotected land. The creation of this protected area is likely to be the last sizable national park that the Costa Rican Government will be able to establish.

Highlights to date

- Through a grant to the Nicaraguan NGO FUNDAR, the management plan for the Indio Maíz Biological Reserve will be completed in early 2005. Plan preparation took one year and is regarded as the most participatory management plan in the Nicaraguan protected areas system. The plan will serve as the basis for determining future investments for CEPF and DANIDA, among other donors.
- Local environmental management plans developed with five communities along the northern border of Indio Maiz through a grant to ADEPHCA will be completed in early 2005 and ready for implementation by CEPF and other donors. The goal is to increase connectivity between forest fragments and stop encroachment into Indio Maíz, while also introducing agroforestry to improve the livelihoods of local communities.
- With leadership from CI-Southern Mesoamerica, 34 Nicaraguan NGOs working in the southeast have formed a new coalition geared toward improving coordination and joint planning. The coalition has developed a strategic plan and coordination mechanism. As a result, several grantees are coordinating their efforts for the first time.

Osa - Talamanca Corridor

Scientists consider the Osa Peninsula to be a true biological gem. The area's unique climate, geography, and physical isolation from the mainland have converged to create one of the highest concentrations of species diversity and endemism in the Western Hemisphere. Scientists estimate that between two to three percent of the Osa's flora exists nowhere else on Earth. Large cats such as jaguar, puma and ocelots roam the Osa, as well as other wide-ranging mammals such as tapir and white-lipped peccaries. Peccaries have all but disappeared from the rest of Central America's Pacific Coast, but packs of up to 100 individuals still move through the forest, serving as the jaguar's primary prey. In just the last 15 years, biologists and botanists have identified 105 new species to science on the Osa.

Despite its importance, Osa's biodiversity is under significant threat. Only a fraction of the area is under legal protection in Corcovado and Piedras Blancas National Parks, although important sites for conservation are scattered throughout the Peninsula. These unprotected areas are under threat from illegal logging, subsistence agriculture, cattle grazing, and poorly planned tourism. Many of the Osa's 7,500 residents, who are among the poorest in Costa Rica, eke out a living on land with low agricultural productivity. In recent years, Corcovado National Park, where the largest populations of large mammals can be found, has come under siege from hunting. Steady budget cuts in the 1990s led to the park's essential abandonment to commercial, recreational, and subsistent hunters and fishermen. Populations of some animals are now at a critical stage, where biologists believe their long-term viability is at stake.

To reverse these trends, CEPF works closely with the Osa Conservation Coalition Alliance, a group of six well-established national and local conservation groups working with local conservation authorities and communities. CEPF helps to implement priorities that the Osa Conservation Area (ACOSA), under the Ministry of the Environment (MINAE), identified in its conservation strategy. The CEPF portfolio of approved grants, currently \$317,026 for four projects, which reach 20 communities, is geared toward addressing emergency needs while also putting in place a longer-term trajectory for conservation:

- *Ensure biological connectivity between Corcovado and Piedras Blanca National Parks.* Through a grant to Inbio, CEPF funds the collection and analysis of biological and ecological data required to define the corridor's boundaries and to identify unprotected habitats that are priorities for conservation. A grant to Fundación Neotropica works with strategically located farms to reduce pressure on nearby forest fragments by introducing more sustainable forms of agriculture, assisting with reforestation, and increasing environmental awareness.
- *Reduce hunting pressure in Corcovado National Park.* Through bridge funding to the Fundación Corcovado, CEPF provides operational support to a private – public partnership comprised of the Fundación, the Costa Rica Environment and Security Ministries, local hotel operators, and communities. CEPF pays for equipment and operational support, while the ministries provide personnel and vehicles. Local hotels help pay for park guards. The Fundación's efforts also include education and awareness-raising activities in local communities near the parks.
- *Create a mechanism to sustainably finance conservation on Osa.* Through a grant for the coordination unit, CEPF supports a unique fundraising effort led by CI, TNC, The Costa Rica-USA Foundation (CRUSA) and the Government of Costa Rica to conserve Osa's biodiversity. The newly created endowment fund aims to strengthen the Peninsula's protected areas, establish biological corridors, and engage local communities in conservation. The joint campaign goal is to raise \$32 million by 2007.

Highlights to date

- With assistance from community rangers and the Ministry of Security, the Costa Rica park service has regained control over Corcovado National Park for the first time in years. The number of patrols rose from 70 in 2002 to 152 in 2003. As a result, 25 hunter's camps were destroyed, up from three the year before.
- The Osa Campaign has raised over \$15 million in pledges to date. The Campaign is the first time that CI and TNC have joined with the Costa Rican Government and local environmental groups on a major private-public fundraising initiative.
- Scientists and NGOs joined together to complete a rigorous scientifically based threats assessment of the Osa Biological Corridor. The exercise is critical for defining the boundaries of the biological corridor between Corcovado and Piedras Blanca national parks, and for developing a management plan for the area.

Talamanca – Bocas del Toro Corridor

The Talamanca - Bocas del Toro Corridor sits on the narrow land bridge between North and South America, where two distinct biota, combined with extreme ranges of temperature, rainfall, altitude, slope, and exposure, make the area one of the most biologically diverse protected regions in the Western Hemisphere. This diversity is evident not only in the high levels of endemism – 21 percent of the 12,000 species of vascular plants are endemic, as are 40 percent of the 521 species of mammals – but

also by the total numbers of species present in the corridor. An estimated three percent of the planet's species can be found in the corridor's 1.3 million hectares. In addition, the reserve is the convergence point for 75 percent of all migratory birds in the hemisphere.

Twenty-six national parks, indigenous reserves, forest reserves, and biological reserves are located in the corridor. La Amistad International Park, the only bi-national park in Southern Mesoamerica, is the corridor nucleus; UNESCO declared it a natural heritage site. The area still contains great expanses of pristine forest, including the largest tract of cloud forest in Central America. Populations of large mammals and nearly 70 percent of Costa Rica's and Panama's bird species thrive in the corridor. Insect diversity is particularly impressive, with La Amistad containing the second most diverse butterfly fauna in the world.

Despite its biological importance, several parts of the corridor are at risk of fragmentation, particularly as the region's high poverty indices drive unsustainable land-use practices. In Panama, an estimated 10,000 hectares inside La Amistad's nucleus have been converted to cattle pasture. La Amistad's buffer zone has been particularly hard hit by cattle grazing, drug cultivation, forest fires, hunting, and illegal logging. Roads and dams on the drawing board in Panama could introduce a host of new threats. On the Naso's territory, a plan to build a large dam is causing great controversy and internal conflict. As a result of habitat loss and hunting, populations of tapirs, jaguars, amphibians, salamanders, and many bird species – while still sizable – are declining.

Given the corridor's large extension and bi-national character, CEPF works with numerous NGOs and government agencies on both sides of the border. TNC is a major partner on several projects. In addition, CEPF supports the efforts of the Association of Organizations of the Talamanca Caribbean Biological Corridor, an alliance of 16 grassroots environmental, agricultural and indigenous group located on Costa Rica's Caribbean coast. CEPF also supports the participation of local NGOs in the Conservation Coffee Alliance, which aims to create incentives for small-scale coffee growers to adopt best conservation practices while increasing their incomes. CEPF is helping to introduce the adoption of conservation coffee best practices in Costa Rica and Panama.

In Panama, CEPF supported a coalition of 16 local and national NGOs to launch a public education campaign to raise awareness of the potential impacts of a road to be constructed through the Volcan Baru National Park. The campaign was highly successful, and CEPF is now facilitating the group's formal incorporation.

Through a commitment of \$927,897 for 17 approved grants, CEPF supports 17 NGOs, universities, and coalitions to achieve two principal outcomes:

- *Reduce threats in critical areas of the La Amistad buffer zone.*
CEPF works with over 115 communities throughout the corridor, many of which are indigenous in origin, to introduce sources of income that are environmentally sound. Five grants are devoted to introducing conservation coffee and sustainable agriculture along the Pacific side of La Amistad in Costa Rica and Panama. Seven projects support indigenous communities along the Caribbean side. In the Naso Territory of Panama, for example, CEPF supports a tourism project that combines

ecological with cultural tourism. Several education projects are designed to increase awareness in local communities about the importance of conserving biodiversity.

- *Improve management of key protected areas.*
CEPF aims to support the Costa Rican and Panamanian governments to improve management of core areas of the La Amistad protected area complex. In Costa Rica, a planned grant to Fundación Parques Nacionales is designed to strengthen control over the park by supporting the collection of baseline and monitoring data on threats, increase local capacity to control forest fires and conduct patrols, and set up voluntary committees of members from local indigenous and non-indigenous communities to patrol the park perimeter. In Panama, CEPF aims to work with ANCON and ANAM (the Panamanian environmental authority) to patrol the park and stop further encroachment into its core area. The grant also monitors threats and works with local farmers to improve their awareness of the park's importance. Also in Panama, CEPF strengthens the capacity of an Ngobe community to achieve formal protection and official co-management of the Damani International Wetlands.

Highlights to date

- CEPF assistance to an association of 16 local and national Panamanian NGOs was instrumental in creating public sentiment that led to the cancellation of a road sited to cut directly through Volcán Barú National Park. Grants helped raise community and national awareness of the potential impacts of the planned road. The victory represented the first time that the Government of Panama backed down from building a road across a protected area and one of the very few times that the Panamanian environmental movement united for a common cause.
- CEPF supported two strategic planning exercises with major partners in Costa Rica and Panama to launch the Conservation Coffee Alliance, a partnership between Starbucks, USAID, and CI. A total of 48 representatives participated from local environmental NGOs, coffee growers' associations and industry, local bankers, agriculture ministries, and the park service to develop detailed strategies for promoting conservation coffee in the corridor.
- Research on the Baird's tapir in La Amistad International Park - Costa Rica examined the species' status, mobility within the protected area, and threats such as hunting. The findings revealed that populations of Mesoamerica's largest mammal are still sizable in the park. This information is being used to launch a public awareness campaign in strategically located communities.

Regional Grants

In addition to site- and corridor-level activities, CEPF also supports projects to promote NGO participation in several high-level initiatives that impact the three corridors. CEPF has committed \$1.5 million for seven approved regional grants, two of which are jointly financed with CEPF's Northern Mesoamerica portfolio to ensure their integration across the hotspot. Four main objectives are pursued in this category:

- *Ensure CEPF runs smoothly in the field to achieve outcomes.*
The CEPF Coordination Unit provides day-to-day technical and project management support to grant applicants and recipients. The coordination unit supports grantees in their submission of letters of interest and full proposals, grant implementation, and

performance and impact monitoring. In addition, the coordination unit ensures integration among CEPF grants, and engages partners and donor agencies in opportunities for co-financing and leveraging.

- *Foster greater communication and coordination of conservation efforts.*
CEPF promotes the exchange of in-depth information on hundreds of conservation projects and NGOs throughout Latin America through a grant to the Rainforest Alliance's Eco-Index project. Furthermore, CEPF has financed the participation of various NGOs at regional conservation meetings.
- *Ensure that the CCAD and PPP integrate conservation objectives into their plans and operations.*
CEPF aims to ensure that NGOs have a voice in regional-level decision-making bodies that have the potential to impact the future direction of the hotspot. A grant to CI helps to ensure that the perspectives of different conservation NGOs are considered at key regional fora, including the CCAD, particularly with respect to PPP and SICA. A grant to the Conservation Strategy Fund aims to ensure major infrastructure projects on the drawing board incorporate measures to accommodate biodiversity concerns.
- *Support hotspot monitoring of conservation trends and parameters.*
CEPF will support CI and partners in the collection and analysis of baseline information required to monitor the impact of current conservation projects and to identify future priorities for the hotspot. As part of this initiative, CEPF will promote strategic alliances to coordinate universities, governments, and NGOs on national and regional efforts geared to exchange of tools and data for decision-making.

Highlights to date

- Under the coordination unit grant, 70 NGOs across the region have increased their capacity to strategically design, implement, and monitor their projects. Recipients of this assistance range in size from small community-based organizations to major urban-based conservation groups.
- Monthly visitation increased dramatically after CEPF supported the expansion of the Eco-Index website to all of Latin America. From October 2002 to March 2004, visitation to Eco-Index grew from 9,066 to 29,918, a 230 percent increase. One report on Maquenque National Park was downloaded 3,017 times from June 2003 through March 2004.
- The Conservation Strategy Fund is currently conducting field trips throughout the hotspot to inventory infrastructure projects that are being proposed under Plan Puebla - Panama. The inventory will help prioritize which infrastructure schemes require additional analysis and support from CEPF to ensure they consider biodiversity priorities.
- CEPF provided critical funding to the Regional Congress of the Mesoamerican Society of Conservation Biology in 2002 and 2003. In addition, CI, in partnership with TNC, PROARCA, and Mesoamerican Biological Corridor, has produced a detailed analysis of protected areas of the region. The products, including a report and CD with extensive maps and data, were distributed widely to the Mesoamerica Congress on Protected Area in Nicaragua and the World Congress on Protected Areas in Durban.

Collaboration with The World Bank and GEF

CEPF has collaborated in several ways with conservation projects funded by The World Bank and GEF in Costa Rica, Nicaragua, and Panama, particularly with the Mesoamerican Biological Corridor (MBC) Project. This collaboration has included funding initiatives of mutual interest. For example in Panama, CEPF funded three grants that the Mesoamerican Biological Corridor initially identified as a priority. Likewise, in Costa Rica, UNDP and CEPF have co-funded three grants. In Nicaragua, several CEPF grantees previously benefited from MBC support.

In addition, several CEPF grantees have worked with Bank-funded projects on a more technical level. The CEPF Coordination Unit played an instrumental role in concluding the Ecoregional Plan for the Talamanca-Osa-Bocas ecoregion, which provides an action plan for all the major conservation agencies working in the area. The Bank's Mesoamerican Biological Corridor Project (Costa Rica and Panama's chapters) was an active partner in the effort. In addition, CEPF provided critical funding to the Regional Congress of the Mesoamerican Society of Conservation Biology in 2002 and 2003, which created support among the major conservation organizations (including WWF, IUCN, CCAD, WCS, and TNC) for the continuation of the Bank's Mesoamerican Biological Corridor Project.

More recently, the coordination unit and the Leatherback Trust have worked with a group of NGOs and government agencies to draft a \$10-million GEF block grant proposal to strengthen Costa Rica's protected areas. The proposed project received official approval to be entered into the GEF pipeline.

Conclusion

As CEPF concludes its third year in Southern Mesoamerica, it has developed a reputation for supporting civil society at all levels to constructively engage in result-oriented conservation and sustainable development. With our flexible and accessible funds and our network of partnerships, CEPF has been able to reach down to the grassroots to meet the realities of working in remote areas and to address daunting challenges. Equally important, CEPF's partners have engaged at higher political levels to ensure important conservation objectives and policies are reached within our corridors.

Our experience indicates that we are filling critical gaps that otherwise would remain unfunded. Without CEPF support, major priorities – development and implementation of a management plan for Indio Maíz, saving threatened species from certain local extinction in Corcovado National Park, and working with over 200 communities on economic development and conservation projects – would go unfulfilled, with the real potential of leading to further habitat degradation and a heightened risk of extinction for globally threatened species.

CEPF aspires to leave a strong foundation in Mesoamerica to safeguard some of the world's most important areas for biodiversity. We realize that we cannot do it alone, and that much work still remains for the future. The downward trends of degradation in Mesoamerica pose challenges that will take years to overcome. In Southern Mesoamerica, CEPF grantees have collaborated on several major World Bank and GEF projects, particularly with the Mesoamerican Biological Corridor Project. Our team looks forward to exploring ways how we can strengthen our cooperation and collectively benefit from each other's experiences, capabilities, and programs. We are all partners

pursuing the same imperative – to promote workable approaches for conserving Mesoamerica’s biological legacy while improving the standard of living of its citizens. We look forward to exploring more fully how we can collaborate systematically toward fulfilling this imperative.

- January 2005

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Table 1. CEPF'S INVESTMENTS IN INDIGENOUS INITIATIVES IN SOUTHERN MESOAMERICA

ORGANIZATION	PROJECT TITLE	CORRIDOR	AMOUNT	DURATION	STATUS	FOCUS ON INDIGENOUS ISSUES
ACADECHI:Asociación Comercial y Agropecuaria de Chiriqui Grande	<i>Natural Resource Conservation and Recovery of Degraded Areas of Palo Seco Reserve - Chiriqui Grande, Panama</i>	Talamanca-Bocas del Toro	\$10,000	Six months	Approved	Remediation of degraded lands and conservation of existing natural resources within the Ngobe indigenous territories.
Asociación IXACAVAA de Desarrollo e Información Indígena	<i>Promoting Traditional Conservation Practices in the Cabecares Indigenous Communities of Bajo Chirripo and Nairi Awari, La Amistad Biosphere Reserve.</i>	Talamanca-Bocas del Toro	\$20,000	One year	Approved	Strengthening ecosystem conservation activities within the Bajo Chirippó and Nairi Awari indigenous territories through traditional natural resource use and management practices.
ASOMETRAN: Asociación de Practicantes de Medicina Tradicional Naso	Conserving the Forests of La Amistad International Park Through the Promotion of Traditional Medicine in Three Communities of Naso Ethnicity	Talamanca-Bocas del Toro	\$20,000	Six months	Approved	Maintain traditional knowledge on the cultivation and use of medicinal plants within Naso indigenous communities as a means of offering an incentive to maintain forest cover.
CEASPA: Centro de Estudios y Acción Social Panameño	<i>Conserving Biodiversity in Damani Wetlands Reserve, Ngobe Buglé Indigenous Territory</i>	Talamanca-Bocas del Toro	\$80,000	One and one half years	Approved	Building local capacity to manage and sustainably use natural resources in a 10,500 ha wetland in Ngobe Bugle.
ELI: Environmental Law Institute	<i>Indigenous Peoples and Biodiversity Conservation in the Northern and Southern Mesoamerican Hotspot</i>	Regional	\$90,000	One year	Approved	Support indigenous groups to prepare CEPF proposals and plan a Mesoamerica-wide meeting of indigenous peoples.
MOCELVA: Modelo de Comunidad Ecológica Los Valles	<i>Promoting Environmental Education in Selected Ngobe-Bugle Communities of the Palo Seco Forest Reserve, La Amistad International Park.</i>	Talamanca-Bocas del Toro	\$20,000	Two years	Approved	Establish the MOCELVA environmental education center and train the Alto Valle and Bajo Valle communities in sustainable development practices.
ODESEN: Organización para el Desarrollo Sostenible del Pueblo Naso	<i>Promoting Sustainable Development in the Buffer Zone of La Amistad Biosphere Reserve Through Ecotourism in the Naso Indigenous Community Territory</i>	Talamanca-Bocas del Toro	\$20,000	Six months	Approved	Build the Naso community's capacity to manage ecotourism and biodiversity conservation initiatives.
FPN: Fundación de Parques Nacionales	<i>Capacity Building to Implement the Protection and Control Component of the Management Plan for La Amistad International Park in Costa Rica.</i>	Talamanca-Bocas del Toro	Regular Grant	Two years	Pending Phase II	Strengthening capacity to protect and conserve La Amistad International Park - Costa Rica. Focus on training indigenous community members in conservation.
URACCAN: Universidad de las Regiones Autonomas de la Costa Caribe Nicaraguense, Recinto de Bluefields-Raas	<i>Sustainable Management of the Rama Indigenous Territory Protected Area, Nicaragua</i>	Cerro Silva-Indio Maiz-La Selva	Regular Grant	One and one half years	Pending Phase II	Support the Rama indigenous community through assistance in land demarcation, institutional coordination of government agencies and NGOs, equipment to patrol their territory, and general institutional strengthening to the newly formed governing council.
ACD: Alianza Para La Conservacion y El Desarrollo	<i>Capacity-Building for Local Management of the Naso-Teribe Region</i>	Talamanca-Bocas del Toro	Small Grant	Six months	Pending Phase II	Integrate the various capacity building initiatives of organizations working in El Teribe to resolve conflicts between the Naso indigenous community and planned hydroelectric projects for the region.
TOTAL*			\$260,000			

*NB: Pending Phase II project budgets have not been finalized and are not guaranteed to be approved. They have therefore been excluded from the investment totals, but have been included to illustrate potential additional synergies with indigenous groups.

Charts: Mesoamerica Hotspot: Southern Mesoamerica

Chart 1. Approved Grants by Corridor

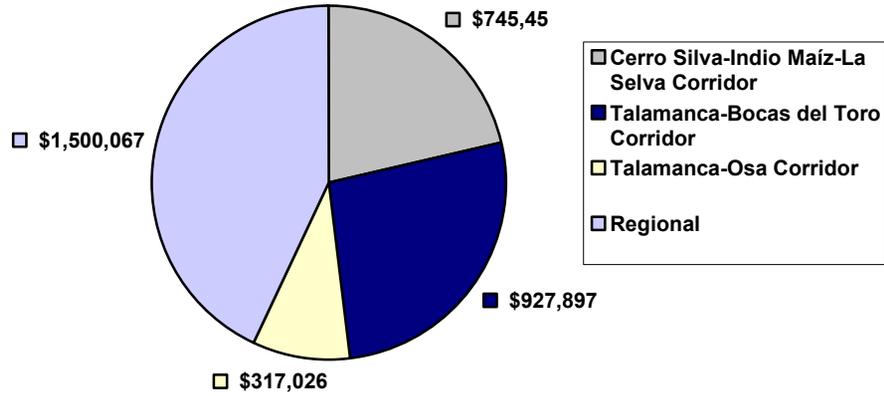


Chart 2. Approved Grants by Corridor and Strategic Direction

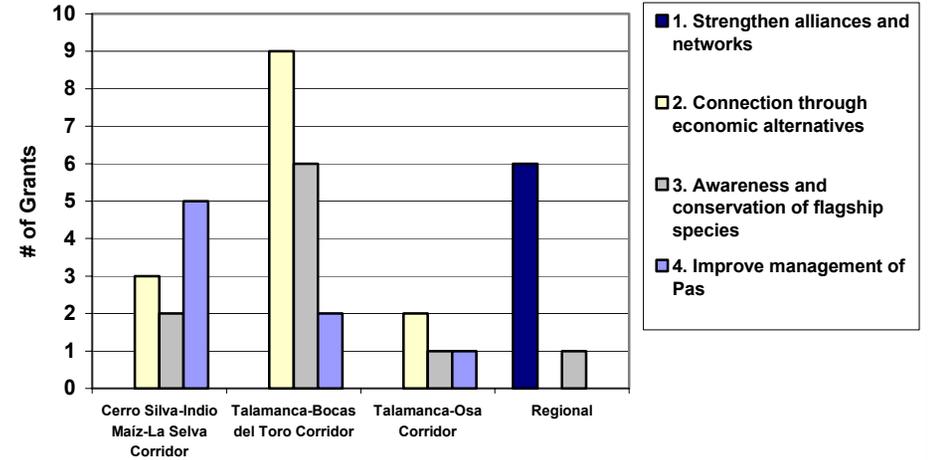


Chart 3. Portfolio Status by Strategic Direction

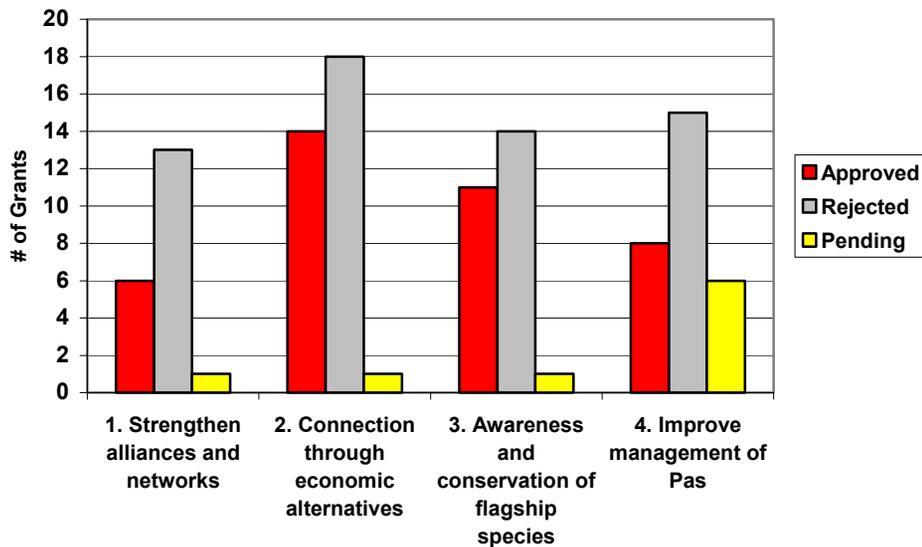


Chart 4. Combined Value of Grants Awarded

