

## **Mesoamerica Biodiversity Hotspot Southern Mesoamerica**

### **Program for Consolidation**

June 2008

Mesoamerica ranks among the top three hotspots for species diversity and endemism worldwide. It provides connectivity between North and South America, and is home to three of the four major migratory routes in the hemisphere. Unfortunately, the threats to biodiversity are equally superlative in scale.

To strengthen the hotspot's conservation base, CEPF invested \$5.5 million through 74 grants starting in 2002 in Southern Mesoamerica based on the priorities identified in the ecosystem profile for this region, which covers southeast Nicaragua, Costa Rica and western Panama. The portfolio spanned over 3 million hectares and covered 33 protected areas, 15 municipalities and 11 indigenous territories. The multi-national scope of the portfolio and its diverse cultural heritage added further complexity to the portfolio.

**Achievements:** CEPF assessed impact at the close of the five-year investment period and rated the performance of the portfolio to be very strong. CEPF grantees strengthened 22 existing protected areas covering 1.2 million hectares. Among these areas, significant management gains were achieved in three protected areas considered to be among the highest priorities for biodiversity – Indio Maiz Reserve in Nicaragua, Corcovado National Park in Costa Rica, and La Amistad Biosphere Reserve shared by Costa Rica and Panama. In addition, CEPF helped to create two new protected areas measuring 79,000 hectares. In Costa Rica, legal establishment of Maquenque Wildlife Refuge was widely hailed as a major conservation victory because it consolidated a vital link in the Mesoamerica Biological Corridor.

The portfolio also emphasized the introduction and consolidation of sustainable development activities in areas of strategic value, primarily through conservation coffee, ecotourism, agroforestry and reforestation. Forty-five grants benefited 150 communities – a sizable number of indigenous and Afro-Caribbean origin; these groups had very limited access to conservation or development support previously. A CEPF poverty impact analysis found that Southern Mesoamerica ranked among the highest portfolios in terms of benefits to communities, through projects that promoted the productive use of land, ecotourism, improved food security, maintenance of cultural identity and traditional use of natural resources, and strengthening of local governance. Project staff helped remote communities gain access to government services in health care, education, infrastructure and disaster preparedness. These development benefits helped secure community confidence and trust, and allowed conservation to be viewed as an integral part of the broader sustainable development agenda.

The program also helped leverage new resources. CEPF funded technical studies, management plans and staff which played central roles in securing and designing the recent \$26 million debt swap in Costa Rica. Previously, CEPF investments capitalized on the country's payment for environmental services system to set aside land in the Osa Biological Corridor in Costa Rica, leveraging almost \$1 million from Conservation International's Global Conservation Fund and similar matching funds from foundations.

**Justification for Consolidation:** While CEPF and its partners achieved important gains, challenges to conservation outcomes continue to exist, particularly in Nicaragua and Panama, where development pressures are mounting and impacting the sustainability of CEPF achievements. Poor land-management practices exert strong pressures on forests and biodiversity, particularly in the Nicaraguan and Panamanian sectors of the corridor. Farmers and indigenous people inhabiting buffer zones, corridors and multiple-use reserves often lack clear land tenure. In Indio Maiz and La Amistad, additional investment is required to consolidate stable land tenure for indigenous communities that possess areas of high value for conservation. In particular, the Rama in Nicaragua require continued support in their land tenure claims, including development and implementation of participatory land-use plans, regulations and ordinances to stabilize land use and restore degraded areas.

Juxtaposed to the problem of unsustainable land use are current plans to build large-scale infrastructure works in areas of high biological importance. The governments of Nicaragua, Venezuela and Iran entered into an agreement to build a \$350 million port and road connecting the Atlantic with the Pacific coast in the heart of CEPF's corridor, along the northern border of Indio Maiz. This area includes a large piece of the coastal corridor that runs throughout the Caribbean in the entire hotspot. In Panama, a series of controversial dams in the La Amistad Biosphere Reserve is already under construction. Local communities will be displaced by the network of reservoirs and could encroach on forest lands with high biological value.

Compounding these problems is that the Panamanian and Nicaraguan environmental ministries are weak, their budgets are meager and they lack personnel. They have demonstrated significant limitations in their ability to manage the region's biological resources. CEPF has helped local civil society organizations to grow significantly over the years in Nicaragua and Panama to help fill the gaps and to enable them to become conservation leaders in their regions. However, several of these nongovernmental organizations (NGOs) continue to demonstrate organizational and financial management weaknesses. These weaknesses could undermine their effectiveness and diminish their ability to assume critically needed local leadership for conservation. It is vital for the future of conservation in the region that CEPF continue to cultivate a critical mass of local, robust NGOs that have the technical and administrative capacity to serve as leaders well into the future.

Another major constraint to conservation is the lack of secure financing. CEPF generated excellent momentum and outstanding results, but civil society partners have not been able to secure sufficient resources to maintain CEPF investments beyond the first phase, except in Costa Rica.

Given these challenges, CEPF proposes to target consolidation funding for high priority needs in Nicaragua and Panama in order to build local capacity within civil society, strengthen environmental governance in strategically located areas and establish mechanisms for financial sustainability.

### **Investment Priorities and Outcomes:**

**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

CEPF will support a network of local NGOs in Nicaragua and Panama to strengthen participatory environmental management and monitoring systems as needed to mitigate the threats emerging from current and future roads and ports in Nicaragua and from dams in Panama. CEPF will support constructive dialogue, information sharing, training, public education and impact monitoring within civil society in areas of influence. In Panama, support will go to local NGOs in conflict resolution efforts between the various stakeholders and in ensuring that the dam project is in compliance with local environmental laws.

**Outcome 1:** 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.

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

CEPF investments in the Rama and Ngöbe – Bugle indigenous territories and in the Pacific corridor of La Amistad – Panama have helped local communities to pursue a plan for development that maintains the health of their forests and preserves their cultural heritage. CEPF will continue to support projects in these areas to ensure the sustainability of CEPF investments. The program will strengthen management for conservation through the stabilization of land tenure and consolidation of tools for sustainable development, particularly the governance structures and a network of volunteer park guards established during the first phase of CEPF funding.

In the Rama Indigenous Territory in Nicaragua, funds will be used to facilitate preparatory efforts required for government-funded land demarcation and to help the Rama develop and implement land-use plans that allow them to successfully manage their lands. CEPF will also facilitate dialogue between the Rama and mestizo populations to find common ground on land management concerns.

In the Ngobe – Bugle Indigenous Reserve in Panama, CEPF has been working with communities and the Reserve governing council to strengthen their environmental policies and practices. This process requires consolidation and expansion to new communities in the reserve and consolidation of existing areas that received support.

**Outcome 2:** Governance and management structures and plans improved in more than 1.4 million hectares in Southeast Nicaragua and La Amistad Biosphere Reserve in Panama.

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

CEPF will seek to solidify the capacity of five NGOs and three stakeholder alliances in strategic zones of the Southern Mesoamerica Corridor to enable them to assume true leadership roles over the long term as local conservation advocates and practitioners. The strategy calls for allowing at least one NGO and alliance in each sector of the corridor to assume a leadership role. Areas of capacity-building needs will be identified within each organization and alliance, to be followed by focused training and mentoring opportunities to address identified weaknesses.

**Outcome 3:** Five 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.

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

To achieve long-term conservation, one of the main challenges remains gaining financial sustainability for protected areas management in Nicaragua and Panama. Under the first phase of funding, CEPF supported the development of a sustainable financing strategy for the biosphere reserve in southeast Nicaragua, which the government has expressed strong interest in pursuing. Potential options for the region include establishing a trust fund, developing payment for environmental services, support for the development of REDD projects and working with donors. In Panama, the challenge also remains how to help other donors working in the region, particularly USAID and the Global Environment Facility, to access grassroots conservation NGOs and efforts so that their programs can be more effective.

**Outcome 4:** Stable funding mechanisms are operational in support of priority management needs.

**Table 1. Investment Priorities and Activities**

<p><b>Investment priority:</b> Support civil society participation in development planning and implementation, focusing particularly on infrastructure projects in southeast Nicaragua and La Amistad in Panama</p> <p><b>Implementing Partners:</b> Fundación para el Desarrollo Integral, Comunitario, y Conservación de los Ecosistemas en Panamá (FUNDICCEP), Fundación Amigos del Río San Juan (FUNDAR)</p> <p><b>Potential leverage:</b> The Nature Conservancy (\$200,000)</p>		
<p><b>Outcome 1: 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</b></p>		
<b>Objective</b>	<b>Activity</b>	<b>CEPF Budget:</b> <b>\$300,000</b>
Facilitate effective participation of civil society in Nicaragua and Panama in development planning and implementation.	<p>Strengthen civil society participation in dialogue on infrastructure projects. Support training and technical assistance for analysis and policy influence.</p> <p>Support conflict resolution in Panama regarding dams.</p> <p>Facilitate information exchange within civil society to maintain stakeholders informed of developments.</p>	
<p><b>Investment priority:</b> <b>Strengthen local governance structures and management capacity in critical areas of the Corridor, focusing primarily on indigenous reserves along the Caribbean</b></p> <p><b>Implementing Partners:</b> Universidad de las Regiones Autónomas de la Costa Caribe Nicaragüense (URACCAN), Fundación para el Desarrollo Integral, Comunitario, y Conservación de los Ecosistemas en Panamá (FUNDICCEP), Conservation International (CI)</p> <p><b>Potential leverage:</b> US Agency for International Development, The Nature Conservancy, Danish Agency for International Development, The Ford Foundation, The Global Environment Facility, Fundación Natura (\$1.2 million)</p>		
<p><b>Outcome 2: Governance and management structures and plans improved in more than 1.4 million hectares in Southeast Nicaragua and La Amistad Biosphere Reserve in Panama</b></p>		
<b>Objective</b>	<b>Activity</b>	<b>CEPF Budget:</b> <b>\$771,700</b>
Vital links in the Mesoamerica Biological Corridor that lie in indigenous reserves and highly threatened areas in La Amistad - Pacific are managed to achieve	<p>Ensure secure land tenure and management of Rama territory through:</p> <ul style="list-style-type: none"> <li>• Development of land-use and zoning plans for Rama, with increased capacity building.</li> <li>• Improve collaboration for development between mestizos and Rama.</li> <li>• Facilitate cooperation for sustainable development in key mestizo communities to reduce pressure for expansion.</li> </ul>	

<p>conservation and sustainable development.</p>	<p>Consolidate the network of volunteer park guards through:</p> <ul style="list-style-type: none"> <li>• support for their legal establishment as an association (to enable them to do their own fund raising).</li> <li>• Expansion in other communities that have requested support for volunteer park guards.</li> </ul> <p>Consolidate the capacity of the Ngobe and Naso to manage their territories for sustainability, including further strengthening the governance structures and policies, scaling up sustainable development projects (ecotourism, agroforestry, carbon sequestration), and consolidating volunteer park guards.</p> <p>Scale up sustainable agriculture in the highly threatened Pacific side of La Amistad - Panama, particularly conservation coffee, which currently sells to Japanese markets.</p> <p>Ensure compliance with CEPF safeguard policies, particularly those regarding indigenous people.</p>	
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**Investment priority: Build local capacity within the civil society sector**

**Implementing Partners: Conservation International (CI)**

**Potential leverage: DANIDA, Ford Foundation, USAID**

**Outcome 3: Five 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**

Objective	Activity	CEPF Budget: \$303,300
<p>Local civil society and alliances possess the capacity to serve as conservation leaders in their respective corridors</p>	<p>Provide training, mentoring, information exchange and technical assistance on organizational development and project and financial management to focal NGOs, based on a needs assessment and consultation with partners.</p> <p>Facilitate information exchange and mechanisms for collaboration and sustainability in the three alliances supported in CEPF 1.</p>	

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

**Implementing Partners: Fundación para el Desarrollo Integral, Comunitario, y Conservación de los Ecosistemas en Panamá (FUNDICCEP), Fundación Amigos del Río San Juan (FUNDAR)**

**Potential leverage: Fundacion Natura (\$300,000)**

**Outcome 4: Stable funding mechanisms are operational in support of priority management needs in southeast Nicaragua and La Amistad – Panama**

<b>Objective</b>	<b>Activity</b>	<b>CEPF Budget: \$300,000</b>
<b>Foster financial sustainability in priority protected areas</b>	Develop long-term conservation funding mechanisms for conservation, including payment for environmental services, preparation for REDD projects, tourism fees, local climate change certification and establishment of trust funds.	

**Total consolidation: \$1,675,000**

**Table 2. Southern Mesoamerica Logical Framework for Consolidation**

<b>Objective</b>	<b>Targets</b>	<b>Means of Verification</b>
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	609,980 hectares located in key biodiversity areas with strengthened protection and management.	Grantee performance reports and Protected Areas Tracking Tool (SP1 METT)
	1,014,300 hectares in production landscapes with improved management for biodiversity conservation	Grantee performance reports and Productive Landscape Tracking Tool (SP2 METT)
	\$750,000 leveraged	Final project reports
<b>Intermediate Outcomes</b>	<b>Targets</b>	<b>Means of Verification</b>
<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.  \$300,000	Four policies influenced as a result of CEPF grant consolidation, including six individual infrastructure projects and development plans.	Grantee performance reports and Annual Portfolio Overview Reports
	Four projects enable effective stewardship by indigenous and local communities for biodiversity and ecosystem conservation.	Grantee performance reports
	Three sub-corridors under improved governance for sustainable development through achievement of key conservation milestones.	Grantee performance reports

<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 ha)</li> <li>2. La Amistad International Park, Panamá (207,000 ha)</li> <li>3. Palo Seco Forest Reserve (125,000 ha)</li> <li>4. Volcan Baru National Park (14,000 ha)</li> </ol>	<p>Grantee performance reports and Protected Areas Tracking Tool (SP1 METT) Annual Portfolio Overview Reports</p>
	<p>Over one million hectares in production landscapes with improved management for biodiversity conservation.</p> <ol style="list-style-type: none"> <li>1. 54,900 ha – Punta Gorda Nature Reserve</li> <li>2. 339,400 ha – Cerro Silva Nature Reserve</li> <li>3. 10,000 ha – Naso indigenous territory</li> <li>4. 600,000 ha – Ngobe – Bugle indigenous territory</li> <li>5. 10,000 ha – La Amistad Pacific Buffer Zone</li> </ol>	<p>Grantee performance reports and Productive Landscape Tracking Tool (SP2 METT)</p>
	<p>100% of targeted communities involved in sustainable use projects demonstrate tangible socioeconomic benefits.</p>	<p>Grantee performance reports</p>
	<p>Four projects located outside protected areas integrate biodiversity conservation in management practices.</p>	<p>Grantee performance reports</p>
<p><b>Outcome 3.</b> Five 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>Five local civil society groups demonstrate improved institutional capacity to foster sustainability</p>	<p>Institutional strengthening scorecard</p>

\$300,000		
	Eight stakeholder networks strengthened to support long-term conservation action by replicating and scaling up CEPF successes.	Grantee performance reports and Annual Portfolio Overview Reports
<b>Outcome 4:</b> Stable funding mechanisms are operational in support of priority management needs in southeast Nicaragua and La Amistad – Panama.	Three sustainable financing mechanisms established and/or strengthened with initial capital secured.	Grantee performance reports
\$300,000		