

FOREVER COSTA RICA

PROJECT DOCUMENT

September 2009

1. Introduction

Costa Rica has 26 percent of its land area under various protection management categories. As in many other developing countries, however, challenges and threats are great. This is mainly due to the fact that development continues to pressure the ecological systems around terrestrial and marine protected areas. Overfishing, legal and illegal fishing, unregulated tourism development, urbanization, logging, and water pollution, sedimentation, the degradation of coral reefs and the depletion of fisheries, are threats that affect protected areas as well as other neighboring lands and waters. Despite the enormous efforts made to date, Costa Rica's protected area system still has conservation gaps that must be addressed if the desired ecological representation is to be achieved.¹ This is why the Government considers it is necessary to create new areas and improve some of the public policies to achieve compatibility between conservation and the management and sustainable use of natural resources.

Programme of Work for Protected Areas (POWPA) the Convention on Biological Diversity (CBD)

The United Nations Convention on Biological Diversity (CBD) is the only global convention dedicated to conservation and sustainable use of biodiversity, as well as to the access and equitable benefit sharing of the use of genetic resources. The CBD was approved in the context of the Conference on Environment and Development of the United Nations, held in Rio Janeiro in 1992, along with the United Nations Convention Framework on Climate Change. So far, 188 countries are signatories of the CBD.

In 2004, at its 7th Conference of Parties (CoP-7), the CBD adopted a set of goals, objectives and suggested activities for the creation, administration and financing of protected area systems in each country. These actions are detailed in the Work Program for Protected Areas (POWPA) that each member country develops and submits to the CBD. The POWPA pursues a dual objective: to contribute to the global target of reducing significantly the current rate of biodiversity loss at global, regional, national and sub national levels for 2010, and contribute to the achievement of the Millennium Development Goals.

The overall object of PTAP is to "establish and maintain, by 2010 for the terrestrial areas and by 2012 for the maritime areas, comprehensive national and regional systems, effectively managed and ecologically representative protected areas", which collectively contribute to achieve the three objectives of the Convention and the goal of significantly reduce, by 2010, the current rate of biodiversity loss.

In practice, many countries have accomplished the legal declaration of extensive protected areas, although improvements are still needed to establish their ecological representativeness.¹ On the other hand, the management of protected areas without permanent financial mechanisms loses its effectiveness, resulting in the widespread phenomenon of "paper parks". As a result, the most common barriers to achieving the goals of the CBD are limited institutional, social and human capacity, and more specifically the lack of permanent and uninterrupted financing.

¹Ecological representativeness is the percentage of an ecosystem that is within or protected by the national system of protected areas, which ensures its long-term, healthy permanence, and resilience to adverse events.

¹ Gap analysis is a planning tool for protected area systems whose main objective is to identify important areas for biodiversity conservation which are not adequately represented in the protected area system of a given country.

The Government of Costa Rica, via the National System of Conservation Areas (SINAC), has defined a strategy to address the above mentioned conservation gaps, and achieve the objectives set by the POWPA. The strategy consists, first of all, of closing the gaps in ecological representation by creating new marine protected areas and a small terrestrial extension. Second, management efficiency will be enhanced, and third, a stable source of sustainable funding will be established for existing and new terrestrial, marine and freshwater protected areas.

Climate change will be addressed by the identification of potential impacts and the adaptive capacity of the more vulnerable ecosystems to global and local climate variability and extreme weather conditions. Moreover, there will be identification and mapping of threats, the collateral impacts of climate change, and adaptation and mitigation activities that are either positive or negative for the biodiversity within the nation's terrestrial and marine protected areas.

The Costa Rican strategy was communicated to several non-governmental organizations who expressed their interest in supporting it. In this way SINAC and its external associates – the Linden Trust for Conservation, the Gordon and Betty Moore Foundation and The Nature Conservancy - formulated the *Forever Costa Rica* project. This project will complement the decades-long efforts of the Costa Rican State, and of SINAC in particular, to conserve biodiversity. This visionary and proactive attitude has placed Costa Rica in a prominent position of global leadership in this area.

2. Objectives and goals of *Forever Costa Rica*

2.1 Objective

Costa Rica will complete the establishment of an ecologically representative, effectively managed system of terrestrial, freshwater and marine protected areas, with a stable source of funding. With the completion of these goals, Costa Rica aspires to become the first developing country to meet its obligations under the Programme of Work on Protected Areas of the United Nations' Convention on Biological Diversity. The Forever Costa Rica Project will ensure a long-term stable funding source to guarantee the achievement of the nation's proposed conservation goals and to provide for their sustainability.

This objective includes three components:

1. The Costa Rican Government will at least double the extension of the existing marine protected areas, with the purpose of improving the representativeness and general ecological integrity of the National System of Conservation Areas. This goal is based on the results of a high-level scientific study called "Analysis of

conservation gaps in Costa Rica”², conducted in the year 2007, which highlights the priority areas to conserve according to the threats to marine biodiversity derived from climate change (temperature increase, rising sea levels and acidification).

2. The Government will improve the effectiveness of management of the protected areas system. For this purpose, administrative efficiency will be increased with tools specifically designed for protected areas, management plans will be updated and revenue collection will be improved.
3. Costa Rica will have identified the potential impacts and the adaptive capacity of the ecosystems that are more vulnerable to global climate change, climate variability and extreme weather events, in relation to the country’s system of terrestrial and marine protected areas. Furthermore, identification and mapping of the threats and collateral impacts of climate change and of the positive and negative activities of adaptation and mitigation on the biodiversity within protected areas will be done.

The external associates of *Forever Costa Rica* will create a stable source of funding for the protected area system by means of a private trust that will be used to fund activities proposed by the government to achieve the goals agreed under the CBD. The fundraising goal is US\$50 million with 66% coming from private sources while the other 33% would come from bilateral and multilateral donors.

2.2 Conservation goals

Based on the obligations acquired under the CBD and specifically under the POWPA, SINAC prepared a technical proposal defining the conservation goals of the country under the POWPA framework, for commitments in terrestrial as well as marine environments. These goals, briefly described below, aim to achieve the objective of a national system of protected areas that is complete, large and ecologically representative.

In the case of Costa Rica, the obligations acquired under the CBD are: the ecological representativeness of the wildlife protected areas (WPA) system, management effectiveness of the WPA, and climate change, and the specific goals are presented below.

2.2.1 Ecological representativeness of the WPA system

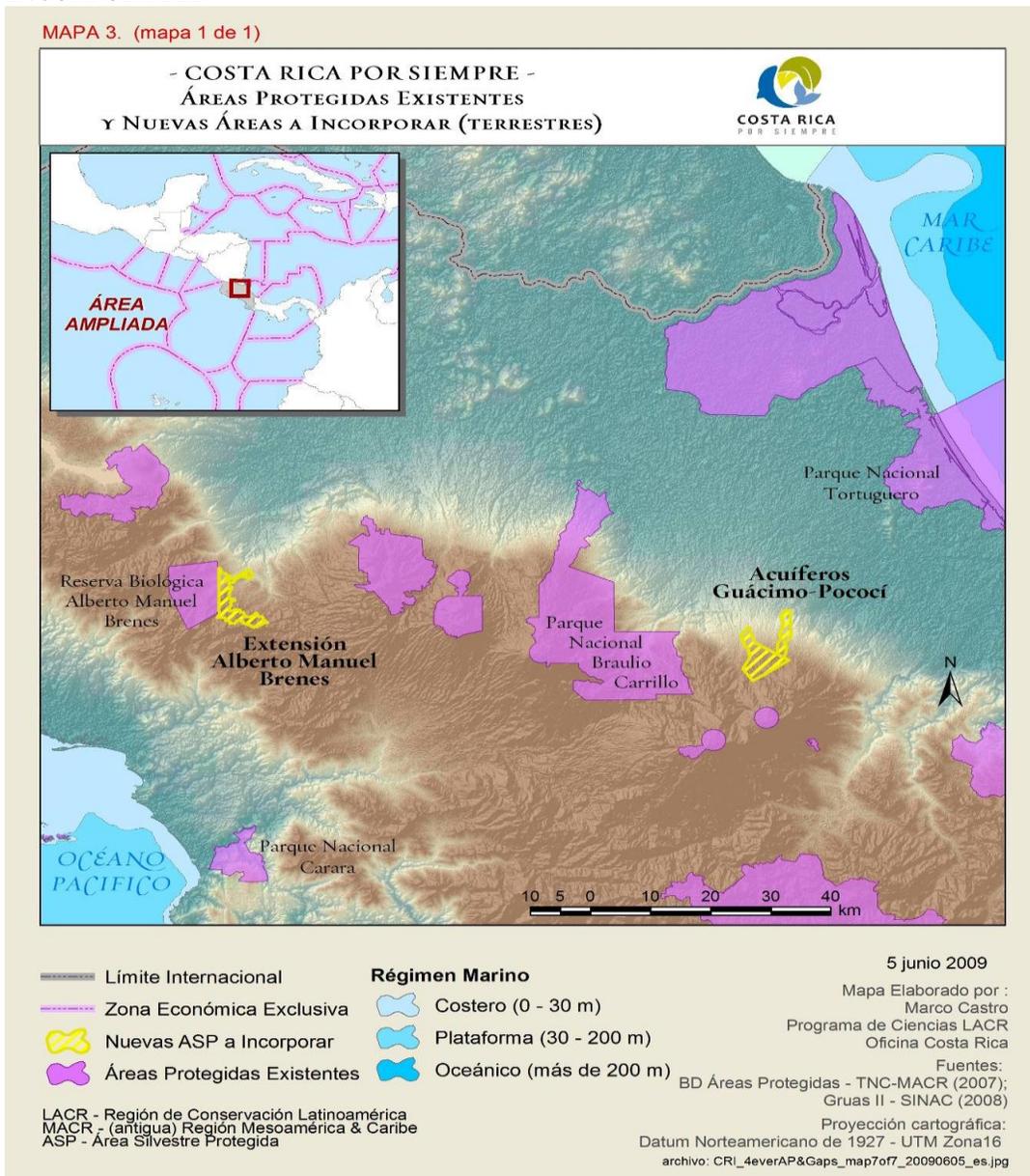
The activities addressed in the POWPA objective referring to “*creating and strengthening national and regional protected area systems that are integrated into the global network, as a contribution to globally agreed goals*” include, in the case of Costa Rica, nine kinds of management categories, as established Article 70 of the Regulations for the Biodiversity Law (Decree No. 34433). The goals of the country are as follows:

²Sistema Nacional de Áreas de Conservación (SINAC). 2007. “Gruas II. Territorial Management Proposal for biodiversity conservation in Costa Rica. Vol.1. Gap analysis in the representation and integrity of terrestrial biodiversity.” San José, Costa Rica, MINAE.

By 2010

- Conserve up to 26% of the continental territory under the national wildlife protected areas system.
- Identify and map the conservation gaps in terrestrial areas along with the respective conservation strategies, and begin the process of consolidation of a system of protected terrestrial areas.

MAP 1: EXISTING PROTECTED AREAS AND NEW TERRESTRIAL AREAS TO BE INCORPORATED



By 2012

- Identify and map the conservation gaps in marine areas along with the respective conservation strategies, and begin the process of consolidation of the protected marine areas.
- Because of its uniqueness, 100% of the surface area of a globally important oceanic site is consolidated: Cocos Island National Park World Heritage and Ramsar Site.

By 2014

- To declare, under some management category - including more participatory categories such as marine reserves and managed marine reserves - up to 25% of the surface area corresponding to total marine and coastal-marine gaps identified by the Gruas II study (1,855,014 ha). This surface area is disaggregated as follows:
 - 59% of the surface area of the gaps identified in the terrestrial portion of the coastal zone
 - 40.6% of the surface area of the gaps identified in the marine portion of the coastal zone (0-30 m deep)
 - 19.9% of the surface area of the gaps identified in the neritic zone (30-200 m deep)
 - 2.5% of the surface area of the gaps identified in the oceanic zone (>200 m deep)

By 2015

- Conserve up to 26.5% of the continental territory under the national wildlife protected areas system.
- Promote other conservation strategies besides the WPA, such as payment for environmental services, the establishment of biological corridors, and community involvement to secure the other identified gaps.

2.2.2 Management effectiveness of the WPA

The POWPA objective that states “*to evaluate and improve the management effectiveness of protected areas*” represents the highest priority for Costa Rica and is the first area where the standards established by the program are hoped to be achieved.

Costa Rica has developed the management assessment tool to evaluate the wildlife protected areas (WPA) management effectiveness, and during the last five-year period, it has been applied in almost 15% of the total existing protected areas. Based on the

experience gained, the Costa Rican government will try to improve such indicator to achieve the levels proposed in the POWPA. The following is expected:

By 2010

- Consolidate a permanent and functioning unit to monitor management effectiveness.

By 2011

- Have Management Plans for 75% (18 terrestrial protected areas - TPA) of the WPA that existed in 2009 with a national park or biological reserve management category.
- Have Management Plans for 75% (52 terrestrial protected areas – TPA) of the WPA that that existed in 2009 with a national wildlife refuge management category (government, mixed or private).
- Apply the monitoring tool for management effectiveness for 35% (56 TPA) of the WPA protected areas of the nation's, under the terrestrial categories of *national park*, *biological reserve*, *state-owned wildlife refuge* and *mixed wildlife refuge*. Toward this end, the management categories for wetlands, national monuments and natural monuments will not be considered.
- Apply the monitoring tool for management effectiveness in 100% (21 WPA) of the marine protected areas existing in 2009, including the creation of specific indicators for such areas.

By 2012

- Have Management Plans for 85% (18 marine protected areas – MPA) of the marine WPA existing in 2009.
- The monitoring tool for management effectiveness is applied in 75% (126 WPA) of the WPA existing in 2009 that have forest reserve, protection zone or private wildlife refuge management categories. Toward this end, the management categories for wetlands, national monuments and natural monuments will not be considered.
- Management effectiveness is improved in the terrestrial protected areas existing in 2009 with national park, biological reserve, government national wildlife refuge and mixed wildlife refuge categories. 50% (27 TPA) of these areas show acceptable or better performance in the results obtained from the management effectiveness monitoring tool.

By 2013

- 100% (24 WPA) of the terrestrial protected areas existing in 2009 with national park or biological reserve status have Management Plans.

- 85% (70 WPA) of the terrestrial protected areas existing in 2009 with national wildlife refuge management categories (government, mixed or private) have Management Plans.
- 100% of the MPA (21 MPA) existing in 2009 have Management Plans.
- Management effectiveness is improved in the MPA. 50% (11 MPA) of the MPA existing in 2009 show an acceptable or better evaluation in results obtained from the management effectiveness monitoring tool.

By 2014

- 100% of the WPA created after 2009 have control and protection tools.

By 2015

- 100% of the WPA created after 2009 have Management Plans.
- 20% (8 protected areas) protected areas of the terrestrial WPA existing in 2009 with forest reserve or protection zone management categories have Management Plans.
- Have a strengthened institutional supervision and evaluation capacity for the National System of Protected Areas in both the terrestrial and the marine protected areas.
- Management effectiveness is improved in terrestrial protected areas existing in 2009 with national park, biological reserve, national wildlife refuge and mixed wildlife refuge categories. Performance in 65% (36 TPA) is evaluated as acceptable or better, according to the management effectiveness monitoring tool.
- Management effectiveness in TPA with forest reserve and protection zone categories is improved. Performance for 20% (8 PTA) of these TPA existing in 2009 is acceptable or better, according to the management effectiveness monitoring tool.
- Management effectiveness is improved in MPA. Performance in 65% (14 MPA) of the MPA existing in 2009 is acceptable or better, according to the management effectiveness monitoring tool.

Climate change

By 2011

Identify and map potential impacts to ecosystem services and biodiversity, their adaptive capacity and the necessary management tools for those ecosystems most vulnerable to global climate change and extreme weather events,

By 2014

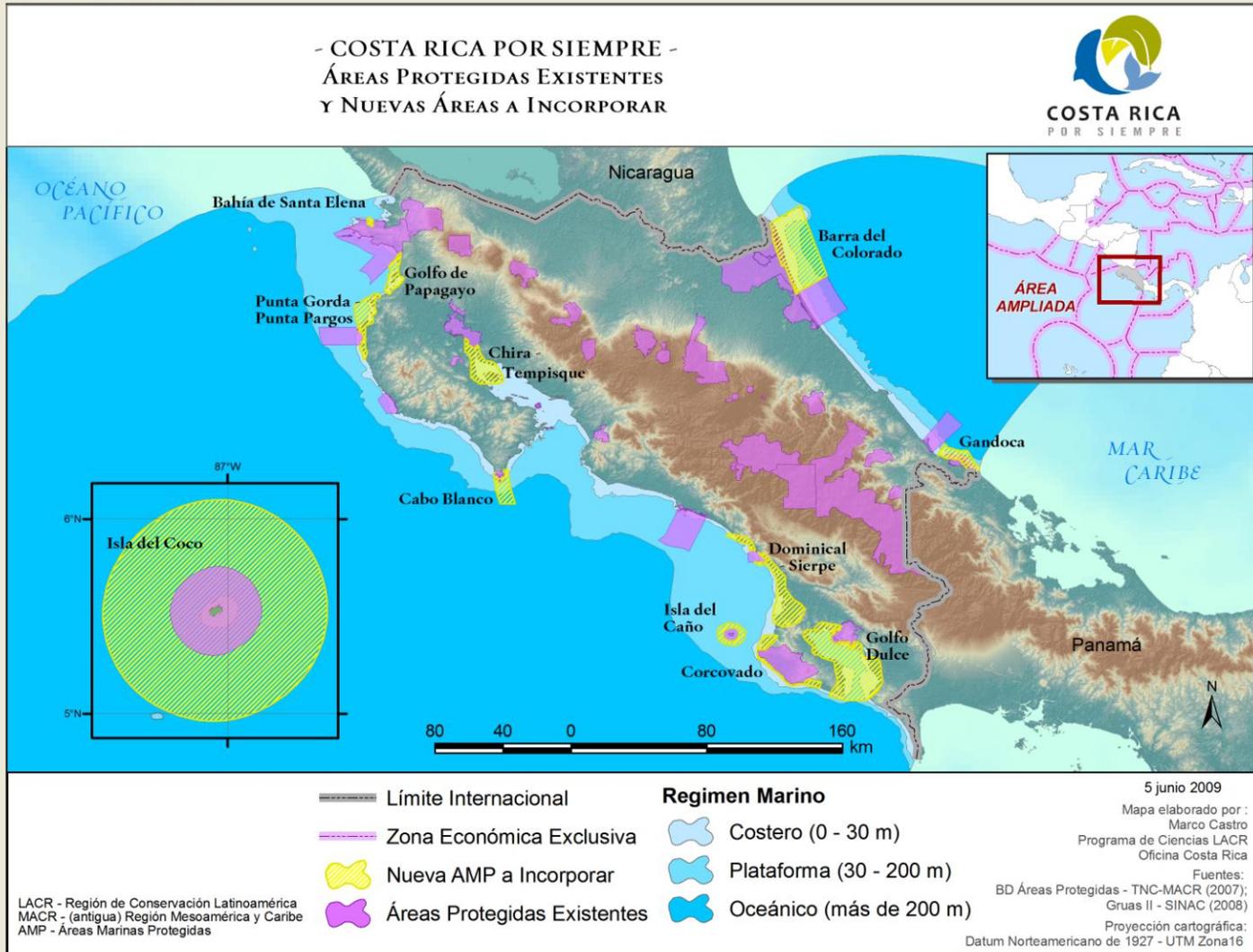
- Identify and map threats and collateral impacts to ecosystem services and biodiversity, potentially caused by the adaptation and mitigation activities assumed

by the country to confront climate change and extreme weather events, as well as the necessary management tools for the protected areas.

By 2015

- The nation possesses a strategy developed for the adaptation of protected areas to the expected impacts on biodiversity and ecosystem services of climate change, extreme weather events and adaptation and mitigation activities assumed by the country. This strategy is being implemented in one pilot area.
- Implement the National Program for Ecological Monitoring in Protected Areas and Biological Corridors of Costa Rica (PROMEC-CR) as a monitoring and evaluation mechanism of the state of conservation of the biodiversity and ecosystem services, and as a mechanism of dynamic and adaptive planning to confront global climate change and extreme weather events.

MAPA 1. (mapa 1 de 1)



3. Stable funding for protected areas

The focal point of the *Forever Costa Rica* project consists of stable funding to achieve the nation's goals under the CBD and to cover recurring associated expenses. *Forever Costa Rica* follows a model that was successfully implemented to fund long-term conservation in the *Great Bear Rainforest* in British Columbia, Canada. Constant funding sources, public and private, were established to support conservation and the neighboring human communities. Public and private associates accepted financial and conservation commitments to comply by a single deadline. This single deadline produces the leveraging needed to ensure the project is totally funded and that certain specific conservation commitments are met by the date when the operation is formalized.

In the case of Costa Rica, a private trust will be established on the basis of certain principles: perpetuity, independence, simplicity, flexibility and transparency. The trustees will be the three founding partners: The Nature Conservancy, the Linden Trust for Conservation and the Gordon and Betty Moore Foundation. The beneficiary is defined as "the public protected areas of Costa Rica," and the fiduciary will be the *Asociación Costa Rica por Siempre*, a civil, private, nonprofit association domiciled in Costa Rica.

This association, whose statutes are still in preparation, has the objective of channeling goods and services that will allow Costa Rica's execution of its national and international commitments for the conservation of biodiversity, especially those included in the Work Program for the Protected Areas under the Convention on Biological Diversity. The association's board of directors will include seven individuals with high individual and professional profiles, and will have an executive director who will direct the operations. Professional investment managers will be contracted, and it is anticipated that the funds will be kept outside Costa Rica to diversify the investments at a global level.

The fundraising goal is US\$50 million, which would be invested in high-quality, low-risk instruments. Interest earnings from the US\$42 million will be used to fund recurrent costs originated by the project. Furthermore, a sinking fund of US\$8 million is expected for expanding and improving the marine protected area system during the first three years.

The Nature Conservancy, the Linden Trust for Conservation and the Gordon and Betty Moore Foundation will raise at least US\$34 million from individual donors and nonprofit foundations, and the project will raise at least US\$17 million from bilateral and multilateral donors that wish to channel their resources into achieving the goals of the POWPA for Costa Rica, using the private mechanism previously described.

The legal documents that regulate the functioning, operations and inter-institutional relations of *Forever Costa Rica* are:

- The Trust contract.
- The statutes and regulations of the *Asociación Costa Rica por Siempre*.

- The cooperative agreement between SINAC and the *Asociación Costa Rica por Siempre*.

These documents are now being drafted with consultations between the parties and corresponding legal counsel.

3.1 Project budget and disbursements

Redstone Strategy Group LLC is a consulting firm based in Boulder, Colorado. This company assisted the initial structuring of the project and budget, based on work conducted for similar programs in other regions and countries. Following the initial analysis, SINAC adjusted the data to the Lines of Action envisioned for the project and concluded that an external funding goal of US\$50 million would be adequate for Costa Rica to fulfill its primary commitments to the CBD. To this is added existing external funding (US\$10 million) and current annual and new commitments of the government to fund protected areas (equivalent to US\$360 million, current net value), plus a new commitment of US\$20 million for the marine protected areas, current net value.

Annual disbursements of the trust will be made according to the Work Plan that SINAC presents every year, plus the conditions established in the various inter-institutional conventions and agreements.

Cost Estimation

	Initial Costs		Recurrent Costs	
	Terrestrial	Marine	Terrestrial	Marine
Management Effectiveness				
Management plans	\$ 600,000.00	\$ 418,500.00	-	-
Assesment tools	\$ 33,000.00	\$ 10,000.00	\$ 61,600.00	\$ 10,000.00
Management effectiveness improvements	\$ 23,000.00	\$ 25,000.00	\$ 632,500.00	\$ 986,500.00
Marine infrastructure		\$ 4,845,000.00		
Ecological Representativeness				
Creation and consolidation	\$ 450,000.00	\$ 1,237,000.00	-	-
Sub-total	\$ 1,106,000.00 14%	\$ 6,535,500.00 86%	\$ 694,100.00 41%	\$ 996,500.00 59%
Climate change		\$ 359,000.00		
Fund management				\$ 400,000.00
Total costs	<u>\$ 8,000,500.00</u>			<u>\$ 2,090,600.00</u>
			CNV	\$ 41,812,000.00
Total project costs	\$ 49,812,500.00			

Last updated January 27th, 2009

4. The participants

This Project was conceived by the Government of Costa Rica with collaboration from the Linden Trust for Conservation, the Gordon and Betty Moore Foundation, personnel from The Nature Conservancy in Costa Rica and some government and non-governmental entities in Costa Rica. Outstanding among them is Michael Rothschild of the Walton Foundation, who has made both scientific and financial inputs since the project's inception.

The project has support and leadership from President Oscar Arias and key members of the Presidential Team, including the Minister of the Environment, Energy and Telecommunications, the Minister of Foreign Affairs, and the Peace with Nature Initiative. The government's work team consists of: Guisselle Mendez, Marco Vinicio Araya, Jenny Asch, Lesbia Sevilla and Sandra Jimenez of the National System of Protected Areas (SINAC) and Circe Villanueva, Javier Diaz and Anna Maria Oduber of the Ministry of Foreign Affairs. Project Management is the responsibility of Silvia Charpentier with support from Office Director Jessika Golfín.

The **Linden Trust for Conservation** is a charity foundation registered in the United States dedicated to environmental finances. The organization recognized the benefits of the Costa Rican proposal to the CBD and supported it. Throughout 2008, the Linden Trust devoted most of the time of its three-member team (founder, president and program director) to this effort.

The **Gordon and Betty Moore Foundation** is one of the biggest foundations in the United States and its significant environmental program is already supporting Costa Rica's protected areas. The foundation team involved with this effort includes its President, who is personally working on fundraising. The Director of the Environmental Conservation Programs is part of the project's decision-making team.

The Nature Conservancy (TNC) is a nonprofit organization whose objective is to preserve plants, animals and natural communities representing the diversity of life on Earth, by protecting the lands and waters needed for their survival. TNC acts globally and has been working in Costa Rica for the last 35 years. TNC actively participates in the Forever Costa Rica project providing technical support and fundraising.

5. Additional information

Forever Costa Rica has an office at the headquarters of the Peace with Nature Initiative in the Langer Building (Edificio Langer), next door to the Presidential House. For further information contact:

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The Nature Conservancy has a coordination office of an internal team and also of the external associates' team. For further information contact:

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