



FOREVER  
COSTA RICA

# FOREVER COSTA RICA



©Sergio Pucci/TNC

GORDON AND BETTY  
**MOORE**  
FOUNDATION

*The*  
**WALTON FAMILY**  
FOUNDATION

 Linden  
Trust for  
Conservation

The Nature  
Conservancy   
Protecting nature. Preserving life.™

*“By 2010, terrestrially and 2012 in the marine area, a global network of comprehensive, representative and effectively managed national and regional protected area systems is established. No developing country has yet met the goal.”*



©David Woodfall/TNC

## Summary

On July 27, 2010, Costa Rica took a globally important step to ensure that its natural patrimony will live forever. Through a single closing of a multi-party, public-private deal, Costa Rica and its partners positioned the country to at least double its marine protected areas, dramatically improve management of both the marine and terrestrial protected-area systems, secure adequate financing for these systems in perpetuity, and prepare them to adapt to the impacts of climate change. In doing so, Costa Rica expects to be one of the first developing countries (if not the first) to complete its protected-area goals under the Programme of Work on Protected Areas of the United Nations Convention on Biological Diversity.

## The Global Significance of this Accomplishment

Protected areas are a time-tested tool for protecting wildlife. Yet in many parts of the world – often those with the most biodiversity – protected areas are either insufficient or insufficiently resourced. The U.N.'s Convention on Biological Diversity, a global treaty ratified in 1993, binds its 188 signatory countries to establish, properly manage, and sustainably finance ecologically representative systems of protected areas. To date, no developing country has met those goals. With this project, Costa Rica expects to do so by 2015, and hopes thereby to serve as a model for others.

### TIMELINE OF COSTA RICA'S PROTECTED AREA GOALS

<b>BY 2010</b>	Identify and map conservation gaps in terrestrial and marine areas and define conservation strategies.
	Establish a system of terrestrial protected areas covering 26% of the continental territory.
	Apply a tool to measure management effectiveness in 40% of the National System of Protected Areas (43 of 169 areas), including terrestrial and marine areas.
	Identify potential impacts on biodiversity and ecosystem services from climate change and extreme weather phenomena.
<b>BY 2012</b>	1% of the Exclusive Economic Zone (17% of the Territorial Sea) declared a marine protected area.
	Apply the effective management tool to 75% of the National System of Protected Areas (124 of 169 areas), including terrestrial and marine protected areas.
	Develop management plans for 70% of the protected areas in the National System of Protected Areas (118 of 169 areas) including terrestrial and marine areas.
<b>BY 2015</b>	Identify and map potential impacts of climate change on biodiversity and ecosystem services, their ability to adapt, and the management measures necessary to safeguard protected areas from climate change and extreme weather phenomena.
	Conserve up to 26.5% of the country's continental territory under the plan established by the National System of Protected Wildlife Areas.
	Declare under protection an additional 0.9% to 2% of territorial waters, including the implementation of more participative categories, such as Marine Reserves.
<b>BY 2015</b>	Formulate a strategy for the adaptation of protected areas in preparation for anticipated impacts of climate change on biodiversity, and implement a "pilot project".
	Implement the Ecological Monitoring of Protected Areas and Biological Corridor Program (PROMEC-CR) to track and evaluate the conservation status of national biodiversity and ecosystem services.

Legend:

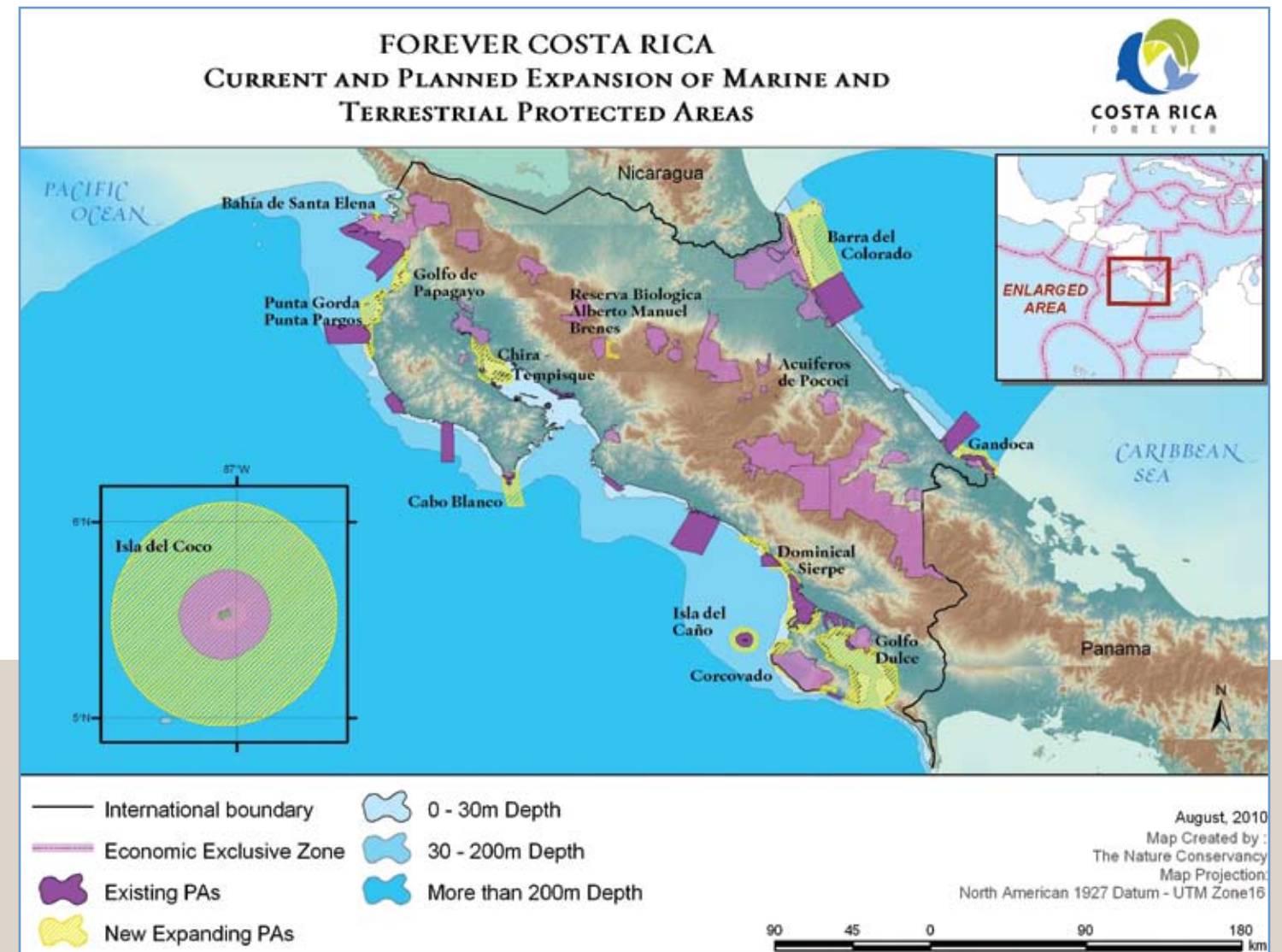
- Ecological Representation
- Effective Management
- Climate change

## What Forever Costa Rica will Achieve

Costa Rica is one of the world's richest natural treasures, harboring, in an area slightly larger than Switzerland, about as many species as all of North America. Yet this biodiversity is under threat, both on land and—especially—at sea. With this project, Costa Rica will take the steps needed to adequately protect this wealth, forever. Based on an extensive gap analysis, these steps include expansion of the protected-area system, improvement in protected-area management, the strengthening of the protected-areas agency, the establishment of a permanent financing mechanism to cover recurring costs, and adoption of climate-change monitoring protocols.

Specifically, the marine protected-area system—where the needs are the greatest—will benefit from the expansion or

creation of 12 areas, resulting in at least a doubling of the total area protected. The terrestrial system—which already covers 26% of Costa Rica's land mass—will also expand protected areas. Importantly, both existing and newly-created protected areas will benefit from stronger management: for the first time, almost all areas will have management plans and will be subject to monitoring and continuous-improvement programs. In addition, the protected-areas agency, SINAC, will establish a marine department and a unit for evaluating the effectiveness of protected-area management, and will also streamline hiring and procurement, and improve revenue collection. Finally, total funding for the protected-area system will increase, and be secured via a robust trust structure and agreement, so that recurring costs will be covered in perpetuity.





©Sergio Pucci/TNC

## Genesis of the Project

In July 2007, President Oscar Arias launched his visionary “Peace with Nature” program, encompassing a wide range of environmental initiatives. At the invitation of the President, the Linden Trust for Conservation formed a partnership with the Gordon and Betty Moore Foundation and The Nature Conservancy to work with the government on one of these initiatives: the creation of a long-term funding mechanism for the nation’s protected areas. Building on Costa Rica’s longstanding commitment to conservation and 30 years of partnership with the Conservancy, planning began immediately, overseen by a cabinet-level steering committee. By mid-2008, the public-private partnership launched detailed project development and fundraising, and the Walton Family Foundation joined the effort. Finally, and critically, in May 2010 President Laura Chinchilla took office and added her own endorsement of the effort.



©Dave Sherwood/CAVUSITE.ORG

## “Deal” Approach

The most salient feature of *Forever Costa Rica* is that it is constructed as a deal. At the highest level the project is a partnership between the Government of Costa Rica on the one hand and the private partners on the other. At a more transactional level the deal is expressed in the terms of the “single closing” that took place on July 27, 2010 and launched the implementation.

The government and the private partners agreed early in the process on their respective roles. The government set goals to expand the marine protected-area system, increase the government’s funding of the marine areas, improve the management of all protected areas, undertake best efforts to continue funding at then-current levels, and assist the private partners in securing external

### TOTAL FUNDS RAISED \$57 MILLION (NOMINAL DOLLARS)

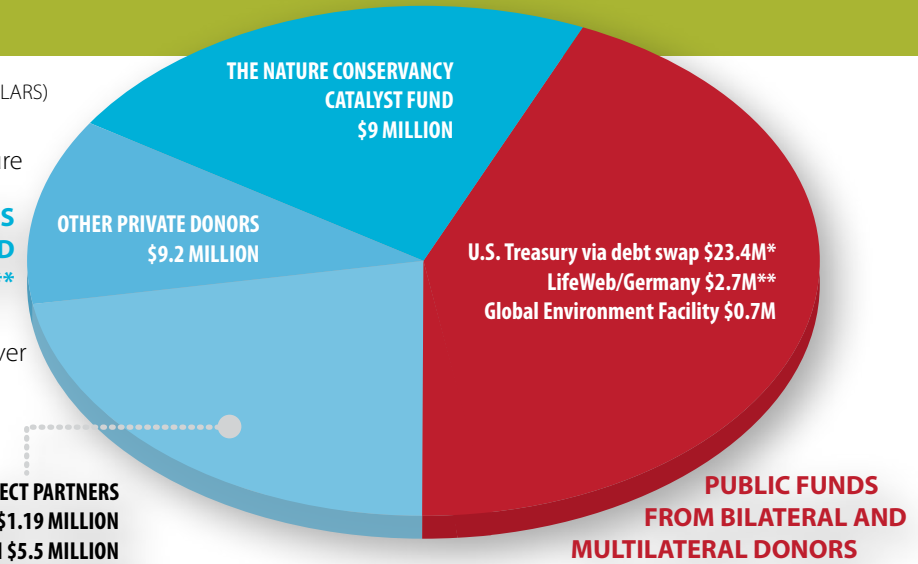
\*The project will benefit from a \$27.3M debt for nature swap (\$23.4 from U.S. Treasury, and \$3.9M from The Nature Conservancy).

\*\*Estimated

\*\*\*Donations made to The Nature Conservancy for Forever Costa Rica.

#### PRIVATE FUNDS FROM FOUNDATIONS AND INDIVIDUAL DONORS\*\*\*

**PROJECT PARTNERS**  
 LINDEN TRUST FOR CONSERVATION \$1.19 MILLION  
 GORDON AND BETTY MOORE FOUNDATION \$5.5 MILLION  
 WALTON FAMILY FOUNDATION \$5 MILLION



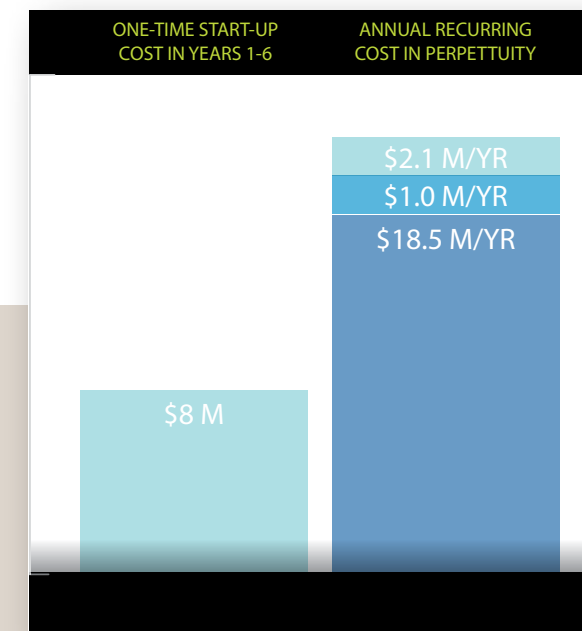
funding. The private partners, for their part, agreed to assist the government in planning and costing the project, to raise external funds, and to establish an independent trust to manage these funds and spend them in ways that enhance the sustainability of Costa Rica’s protected areas. The private partners also collectively funded three years of project development costs and supported project implementation for the first year after closing.

“Single Closing.” The partners agreed that the independent trust would be created, and donors’ funds released into the trust only when certain milestones had been reached. These included the following:

- The government (SINAC) had set conservation targets to meet the treaty’s goals

- Approximately \$50 million of funding had been raised
- SINAC had approved a costing analysis that determined that the funds raised were sufficient to cover the conservation goals
- The government had set a goal to maintain its budget appropriations for the protected areas
- A private, independent entity had been established to act as trustee
- A cooperation agreement between the new private trust and SINAC was agreed upon
- A detailed list of the criteria for future disbursements from the trust was agreed upon

The single-closing technique has tremendous benefits. It motivates donors by creating enormous leverage and a sense of urgency, it ensures that all of the objectives of the



NEW: TRUST FUND  
 NEW: CR GOVT.-MARINE  
 EXISTING: CR GOVT.

#### NEW EXTERNAL RESOURCES—FCR

- \$6.1M—Marine Start-up
- \$1.9M—Terrestrial Start-up
- \$1M/yr—Marine
- \$0.7M/yr—Terrestrial
- \$0.4M/yr—Fund Administration

#### NEW CR GOVERNMENT RESOURCES

- \$1M/yr—Marine

#### EXISTING ANNUAL CR GOVT. RESOURCES

- \$1M/yr—Marine
- \$17M/yr—Terrestrial
- \$0.5M/yr—Total System



project are fully funded when the project is launched, and it ensures that key governmental actions are taken before donor funds are released. Once this project had met these milestones, the closing on July 27, 2010 established the trustee, a new Costa Rican NGO called the Forever Costa Rica Association, and allowed project activities and trust disbursements to get underway.

*Forever Costa Rica* is modeled, in part, on two successful predecessors: the *Great Bear Rainforest* project in British Columbia, Canada, and the *Amazon Region Protected Areas* program in Brazil. Both of these began with detailed conservation planning and business-style costing to attain the project's objectives. Both also established private, independent trust entities to manage public and private funds to support long-term conservation.

In the case of Great Bear, the single-closing approach was tested and the deadline established produced the

urgency and leverage opportunity needed to ensure that the project was fully funded, and that specific conservation commitments were met before operations commenced.

### Project Implementation

Implementation began at closing. The government has primary responsibility for undertaking the activities needed to meet the treaty's standards. SINAC, the protected-areas agency, is the lead government agency, but the Costa Rican Coast Guard and Institute for Fisheries and Aquaculture are both critical to implementation and have signed collaboration agreements with SINAC.

The government is assisted by the new trustee (the Forever Costa Rica Association), along with The Nature Conservancy and other partner NGOs. The

Association has two chief responsibilities: managing the funds it holds in trust and disbursing them over time in support of the project's objectives. The Association is independent of the government, with a board of directors of Costa Rican conservationists and other leaders, and will work closely with SINAC under the terms of their cooperation agreement. Disbursements from the trust will be made according to work plans agreed upon with SINAC, subject to the conditions set out by the donors in the trust's legal documents. Most of the trust funds will be managed as an endowment, in perpetuity, to fund recurring costs (e.g. management planning and patrolling of protected areas), while some funds will be spent in the first few years on one-time start-up costs and infrastructure.

The Linden Trust for Conservation, the Gordon and Betty Moore Foundation, the Walton Family Foundation, and The Nature Conservancy are honored to have had the opportunity to partner with the Government of Costa Rica in this project, and look forward to others where business planning and deal techniques, highly leveraged funding, and public-private partnerships can be used to forever conserve globally-important biodiversity.

### SUCCESS FACTORS

The partners recognized early on that Costa Rica offered an optimal scenario for permanent conservation:

- Globally important biodiversity
- Political stability
- Strong public institutions
- A 30-year history of commitment to conservation

*Forever Costa Rica* has also benefited from many project-specific factors:

- Presidential sponsorship
- Ambitious targets: nationwide project, covering all ecosystems, in perpetuity
- Project goals fully costed before closing and fully funded at closing
- "Deal" between government and external partners in which each does its share to achieve one objective
- "Single closing" provided a strong incentive for donors and government to deliver the needed funds and conservation actions before the trust was launched
- Aggressive project management, resulting in very fast execution of the deal
- Commitment by core donors to funding for strong project team



Contacts:

Forever Costa Rica Association  
[www.costaricaporsiempre.org](http://www.costaricaporsiempre.org)

Walton Family Foundation  
[www.waltonfamilyfoundation.org](http://www.waltonfamilyfoundation.org)

Linden Trust for Conservation  
[www.lindentrust.org](http://www.lindentrust.org)

The Nature Conservancy  
[www.nature.org](http://www.nature.org)

Gordon and Betty Moore Foundation  
[www.moore.org](http://www.moore.org)

SINAC  
[www.sinac.go.cr](http://www.sinac.go.cr)

December 2010



©Gary Braasch

