



Environmental Foundation of Jamaica

Preserving the Future... Today!

2022 Congressional Report on Jamaica's Enterprise for the Americas Initiative (EAI) & Tropical Forest Conservation Act (TFCA) Funds

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Jamaica

Background and History

The Environmental Foundation of Jamaica (EFJ) was created through two bilateral debt reduction agreements signed in August 1991 and January 1993 with the United States of America under the Enterprise for the Americas Initiative (EAI). The two agreements reduced Jamaica's debt to USAID and PL480 by US\$311 million. The interest on these debts provided the EFJ with approximately US\$21.50 million over a nineteen (19) year period (which ended in 2012). Operations at the EFJ began in May 1993.

The Forest Conservation Fund (FCF) was established pursuant to the Tropical Forest Conservation Act (TFCA) of 1998 which was enacted to offer eligible developing countries relief on identified official debt owed to the United States of America, while at the same time generating funds to support local tropical forest conservation activities. The Forest Conservation, Debt Swap and Swap Fee Contractual Agreements were signed on September 21, 2004 by the Governments of Jamaica (GOJ) and the United States of America (USG), The Nature Conservancy (TNC) and the Jamaica Protected Areas Trust (JPAT). This paved the way for the creation of the FCF. The GOJ will deposit US\$16 million into the FCF over a period of nineteen (19) years (ending in 2024). These monies are to be used solely for the purposes delineated in the Forest Conservation Agreement (FCA).

In 2012 a decision was taken to consolidate both entities, EFJ and JPAT/FCF, to create a "new" EFJ. The re-engineered EFJ emerged following the signing of new governing documents on June 29, 2015. The following mission and vision statements encapsulate the spirit of both documents and ultimately the mandate of the EFJ.

Mission:

To be a major funder of environmental protection and child survival initiatives in the interest of sustainable development.

Vision:

To be the regional leader in funding and influencing policy for environmental management and conservation, as well as child survival and development.

The EFJ's years of experience in doing grant making, its systems and procedures for the monitoring and evaluation of grants have attracted the interest of partner entities. Some of these partners have asked the EFJ to administer grant funding on their behalf. Since 2016 EFJ has signed three (3) Fund Administrator Agreements (FAA) with agencies of the Government of Jamaica; utilizing funding from international partners such as the Inter-American Development Bank (IDB) and the European Union (EU). These FAAs have provided approximately US\$7.50 million in grant funding to the NGO sector.

2021/2022 PROJECT HIGHLIGHTS

The EFJ's fiscal year spans August 1 to July 31 and therefore this report is covering the period that starts August 1, 2021 and runs through to July 31, 2022. At the end of the last fiscal period 2020/2021 a Call for Proposals under the Tropical Forest Conservation Act (TFCA) had been closed and the proposals were being evaluated. Additionally, there were several projects being assessed under the Special Climate Change Adaptation Fund (SCCAF) Call for Proposals.

Twenty eight (28) proposals were reviewed from the TFCA Call of which eleven (11) were shortlisted for further due diligence evaluation. Seven (7) of these projects were approved by the EFJ's Board. An additional proposal was considered during latter half of the fiscal year and ultimately a total of eight (8) new projects were approved for grant funding. The vast majority of these projects (seven of them) were to fund Institutional Strengthening and Capacity Building. This was to reflect EFJ's thrust to help organisations whose budgets and operations were being impacted by the covid-19 pandemic – allowing them to be able to carry out their organizational activities.

There were nine (9) projects active under the TFCA and J\$54,166,241.70 was disbursed to them. In this report we highlight the seven (7) newly approved and active Institutional Strengthening and Capacity Building projects. (*The eighth project approved was under the thematic area - reforestation*). The Board also acquiesced to the de-commitment of four (4) TFCA projects during the period.

TFCA PROJECTS - Institutional Strengthening and Capacity Building Projects

The objective of the Institutional Strengthening and Capacity Building thematic area under the 2021 TFCA/FCF Call for Proposals was to build the capacity of organizations to carry out activities in one of the seven (7) FCF Priority Sites. Significant consideration was given to organizations attempting to procure fixed assets (machinery, equipment, motor vehicles et cetera) for the long term sustainability of their efforts in these Priority Sites. Grant applicants were asked to demonstrate that their organization's objectives:

- aligned with national priorities,
- deal with systemic issues,
- produce replicable and/or sustainable results, and
- project activities are situated within the seven (7) FCF Priority Sites.

Details regarding the seven (7) successful recipients are summarized in the following table:

Grantee Responsible	Project Title (Amount Approved)	Project Purpose	Assets Procured/Activities Undertaken
Cockpit Local Forest Management Committee (CCLFMC)	Facilitating mobility in the Cockpit Country	The grantee's desire is to procure a vehicle to transport materials such as seedlings, beekeeping equipment, materials for	Vehicle

	(J\$7,410,000.00)	craft making, as well as committee / community members to meetings and events. The vehicle will also serve Southern Cockpit LFMC Troy, Flagstaff and surrounding communities.	
Caribbean Coastal Area Management (C-CAM) Foundation	Capacity building of C-CAM to better equip the team (J\$ 2,720,831.00)	The project seeks to source the necessary tools, equipment, and other support needed to improve the capacity of C-CAM to continue to implement the Portland Bight Protected Area (PBPA) management plan. The boat/barge will assist with tours of the area and will improve earning potential for the Foundation.	Quickbooks accounting software purchased for the Finance department Refurbishing of the boat Computer and other office equipment
Jamaica Conservation and Development Trust (JCDDT)	Institutional support for National Park Management (J\$14,000,000.00)	The project is aimed at providing institutional support during calendar year 2022 in the areas of accounting, financial management, income generation and effective protected area management.	Vehicle Conducting training workshops and other community outreach Forest restoration – planting and maintenance Salary assistance to certain core staff Recreational area improvements Marketing and communications plan

Windsor Research Centre (WRC)	Windsor Research Centre: Institutional strengthening through continued learning of the ABC's (Air, Butterflies, Chiroptera) of Cockpit Country (J\$8,000,000.00)	The purpose of the project is to ensure WRC can reliably travel the rugged roads of the Cockpit country. In doing so the conservation efforts to maintain and/or restore the ecosystem and specifically areas having to do with Air quality, Butterflies and Bats will be strengthened.	Vehicle 4 Solar batteries Computer Payment for outstanding audited financial statements
Negril area Environmental Protection Trust (NEPT)	Improving Protected Area Management and livelihood protection in the Negril Environmental Protection area through capacity building of NEPT (J\$8,000,000.00)	Through the purchase of a vehicle NEPT will be able to strengthen its current conservation and livelihood improvement projects in the Negril Environmental Protection Area.	Vehicle
Sawyers Local Forest Management Committee (LFMC) Benevolent Society	Improving logistics in the Sawyers community to support sustained agricultural adaptation practices (J\$7,697,000.00)	Sawyers LFMC wants to purchase a vehicle to ensure that farmers have a reliable means of transporting produce (particularly from its greenhouse) and hive products to market. In so doing it would contribute to improving the livelihoods of people in the communities they serve.	Vehicle
Southern Trelawny Environmental Agency (STEA)	Institutional Strengthening / Capacity Building (J\$7,172,000.00)	The purpose of the project is to upgrade and improve the capacity, efficiency, outreach and impact of STEA, to promote environmental conservation and alternative sustainable livelihoods by purchasing long lived assets.	2 laptops Vehicle



Above are two of the vehicles purchased; each vehicle has the EFJ logo affixed.



Solar batteries purchased for the solar system which powers Windsor Research Centre's operation.



Laptops purchased for Southern Trelawny Environmental Agency's administrative and field work.



Boat prior to refurbishing (left) and after refurbishing (right) by Caribbean Coastal Area Management Foundation.



Group picture after a training session hosted by Jamaica Conservation and Development Trust.

PL480 & USAID DEBT PROJECTS

The EFJ's Board agreed to de-commit all the projects for AID DEBT and PL480 that had unspent balances. These projects have had no activity for more than three (3) years.

GRANTS DE-COMMITTED

The following grants were de-committed:

- AID: 1 project with undisbursed funds totaling J\$225,000.00.
- PL480: 4 projects with undisbursed funds of J\$5,269,419.00
- FCF: 4 projects with undisbursed funds totaling J\$7,877,283.45.

OTHER ACTIVITIES

The EFJ's years of experience in doing grant making under the three (3) funding sources mentioned above has seen other entities utilizing our experience and grant management skills to assist them with implementing project activities. The EFJ is the administrator for three (3) different tranches of funding for entities associated with the Jamaican Government.

EFJ as Fund Administrator for the Special Climate Change Adaptation Fund (SCCAF)

Background

The EFJ was selected to be Fund Administrator for the SCCAF in June 2016. The SCCAF has its genesis in the Adaptation Programme and Financing Mechanism (AP&FM) for the Pilot Programme for Climate Resilience (PPCR) Jamaica (the Programme) which is being executed by the Government of Jamaica (GOJ) through the Ministry of Economic Growth and Job Creation (MEGJC) which has been assigned thematic responsibility for climate change. The MEGJC is implementing the Programme through its Project Executing Unit (PEU) – a division in the Ministry. The Planning Institute of Jamaica (PIOJ) is responsible for the overall coordination, in accordance with its role as focal point for the Climate Investment Funds (CIF) programme.

The general objective of the AP&FM Project for PPCR Jamaica is to generate information on approaches to address climate challenges and help mainstream climate change in development planning and processes, and disseminate results across sectors.

The Programme is structured in three (3) components:

Component I: Mainstreaming Climate Change Adaptation Measures. The objective of this component is to assist the mainstreaming of climate change into development plans and planning processes and demonstrate adaptation measures in a vulnerable watershed.

Component II: Creation of Financial Mechanisms. The objective of this component is to create innovative climate financing mechanisms to help support implementation of climate resilience within Micro, Small and Medium Size Enterprises (MSMEs) and Community Based Organizations (CBOs).

Component III: Knowledge Management. The objective of this component is to develop a knowledge management programme for the entire Jamaica PPCR.

It is **Component II** that is the primary focus of the EFJ's involvement. Component II involves the setting up and operation of (i) a Line of Credit, and (ii) a Special Climate Change Adaptation Fund (SCCAF) where loans and/or small grants, respectively, will be made available to MSMEs, non-government organizations (NGOs) and CBOs, particularly in the agriculture and tourism sectors.

We are now in year six (6) of this programme. To date, four Calls for Proposals have been conducted, which resulted in 142 grants awarded J\$652.06 million and being actively managed by the EFJ. The first Call (Call 2016) saw 29 proposals receiving grant awards of J\$132.94 million, the second (Call 2017) had 56 grant awards valued at J\$249.20 million, the third (Call 2018) had 51 grant awards valued at J\$239.47 million and the fourth Call (Call 2021) had 7 projects with grant awards of J\$30.45 million. Each grant was subject to a J\$5 million cap.

SCCAF 2021 Call for Proposals

A total of 86 proposals were received during the Call. Due to very limited funding only seven of these projects received funding. Four (4) projects focused on Water Management - three (3) in Portland, and one (1) in Westmoreland - while one (1) from St. Elizabeth focused on Climate Smart Cropping Systems. The two other successful applicants were awarded a “phase two” grants to ensure the sustainability of the projects already implemented. Sadly, eleven (11) SCCAF projects were decommitted during the year.

SCCAF Phase II

The PEU, referenced above, recommended that a Grant Fund be established to allow community groups / organizations to access grant funding to implement projects to construct MICRO Check Dams on individual properties. These properties are located in the Upper Rio Minho Watershed in the parish of Clarendon. **US \$1.20 million** was used to establish the Grant Fund and 1,800 MICRO Check Dams were to be constructed from grants allocated to community groups / organizations. The Grant Fund was similar to the Special Climate Change Adaptation Fund (SCCAF) Phase I. This arrangement was established via an FAA signed on June 3, 2019.

Three organisations, with continuing project work from the prior year, completed their MICRO Check dams in this financial year. The MEGJC wanted to add live barriers, consisting of pineapples and sugar cane, to the scope of the project funding. The live barriers were used as soil conservation measures to complement the micro check dams as well as for protection of property. The planting materials were distributed to five (5) organisations and the beneficiaries were located as follows:

- Summerfield: 2919 pineapple suckers; 2411 sugarcane for 39 farmers
- James Hill: 1951 pineapple suckers; 1775 sugarcane for 16 farmers
- Kellits: 1590 pineapple suckers; 1410 sugarcane for 16 farmers

J\$2,000,000.00 was disbursed under the live barrier component.

EFJ as Fund Administrator for the European Union/Forestry Department

Background

The European Union (EU) and the Government of Jamaica (GOJ) agreed on a programme of action geared towards Improved Forest Management for Jamaica (IFMJ) which will see the EU assisting the GOJ / Forestry Department by way of Budgetary Support in implementing components of the National Forest Management and Conservation Plan (NFMCP 2016-2026). The aim of the NFMCP is the sustainable management and utilization of Jamaica’s forest resources in order to enhance social and economic development and contribute to building the country’s climate change resiliency programme.

In implementing a component of the action for IFMJ, a Specific Objective (SO) is geared towards enhancing the economic, social and environmental benefits of forests through the sustainable utilization of forest resources. An expected result (ER) of this SO requires that forest

communities, the general public as well as targeted groups of professionals have increased knowledge/capacity and participate in sustainable forest practices. An activity under this ER is the provision of assistance to forest communities through the up-scaling of alternative livelihood projects to encourage the establishment of sustainable income generating project options.

The EFJ was appointed Fund Administrator of the monies disbursed pursuant to the IFMJ and a Fund Administrator Agreement (FAA) which commenced on February 1, 2019, continued until May 31, 2022. Three Calls for Proposals have been conducted, which resulted in 46 grants being awarded J\$240 million. The first Call (Call #1 - 2019) saw 26 proposals receiving grant awards valued at J\$126.42 million. The second (Call #2 - 2019) had 13 grant awards valued at J\$69.98 million and the third Call (Call 2020) had 7 grant awards valued at J\$36.60 million.

Twenty six (26) projects were closed in the last reporting period and the remaining twenty (20) projects were completed in 2021/2022. Despite the initial allocation of the entire J\$240,000,000.00, it became apparent that all the funds would not be expended as originally intended. In discussion with the Forestry Department, the decision was taken to employ EFJ's Discretionary Grant process to reallocate, disburse and thereby ensure the use of the balance of funds. To be eligible for a discretionary award existing grantees were asked to identify those projects that could:

- (1) potentially benefit from additional funding to enhance the original scope of the project,
- (2) efficiently utilise additional funding within the stipulated timelines to enhance the original scope of the project, and
- (3) accommodate additional funding without exceeding the J\$6,000,000.00 project maximum.

Those requests that met the criteria outlined above and which could be accommodated within the available budget, were issued approval letters on a first come, first served basis. Seventeen (17) applications for discretionary grants were submitted and ten (10) grants totalling J\$5,103,698.74 were awarded from "savings".

European Union/Forestry Department Overall Impact at June 30, 2022 (end of programme)

At the end of the programme on June 30, 2022, the cumulative impact of all forty-six (46) projects was as follows:

- ✓ At least 1,204 males and 1,135 females attended various meetings and presentations (these numbers do not include training workshops and sessions which are recorded and therefore viewed at different times).
- ✓ 1,082 males and 1,077 females were trained under the various project activities.
- ✓ Approximately 814 males benefitted from new or improved livelihoods as compared to 647 females.
- ✓ 783 males and 360 females were employed; employment in this case being defined as any kind of employment – short/long term, permanent/temporary.
- ✓ 120 hectares (ha) were planted with a combination of trees and crops

- ✓ 11 protected agriculture structures (greenhouses, shade houses, nurseries, goat houses, etc.) were constructed
- ✓ 42 solar panels bought with a combined generation capacity of 11.1 KW
- ✓ 1,383,660 gallons of water collection/storage capacity constructed, installed and/or rehabilitated
- ✓ 15 pumps bought to pump water from the collection / storage areas – the combined pumping capacity was 45 HP
- ✓ 1,306 feet of guttering installed
- ✓ 8,678 feet of pipeline installed
- ✓ 920 colonies of bees awarded and thus far 521 gallons of honey have been harvested

We believe the Programme improved the gender sensitivity of the groups involved, there is still more work to be done to further narrow the gender gap as it relates to livelihoods, employment and income.

Financial Report:

The summary table below reflects the merged data on all three USG funds.

Summary Data (US\$)

Fund Data	Merged - EFJ Funds			
	Total			Total
	1993-2021	2022	2023	1993 - 2023
No. of proposals submitted	3,773	1	0	3,774
No. of proposals approved	1,327	7	0	1,334
Total approved funding for grants *	49,015,735	392,282	-	49,408,017
Total disbursed funding for grants *	44,412,228	358,348	-	44,770,576
Total of counterpart match (grantee cost-share)	41,120,444	-	-	41,120,444
Other leveraged matches (e.g. co-finance)**	3,818,888	-	-	3,818,888
Total matching funds as % of approved	1	-		1
Amount spent on administrative costs	17,363,696	378,304	374,684	18,116,684
Interest and capital gained on investments	57,828,623	(3,176)	(31,502)	57,793,945
<i>Fund balance year end - grants</i>	<i>1,605,288</i>	<i>1,342,910</i>	<i>1,247,542</i>	<i>n/a</i>
<i>Fund balance year end - Endowment</i>	<i>7,456,533</i>	<i>7,559,890</i>	<i>7,921,967</i>	<i>n/a</i>
Total Fund balance at the end of the year	9,061,821	8,902,800	9,169,509	<i>n/a</i>

Exchange rate J\$153.3560 to US\$1.0 (2023); J\$152.5508 to US\$1.0 (2022)

Three points are worth noting for the financial year.

- The J\$ to the US\$ exchange rate has appreciated year on year
- Returns on investments and the value of fund balances were being impacted by the covid-19 pandemic and the general economic recession.
- US\$441,240.24 is the outstanding balance on the TFCA debt swap at financial year end.