



Environmental Foundation of Jamaica

Preserving the Future... Today!

2021 Congressional Report on Jamaica's Enterprise for the Americas Initiative (EAI) & Tropical Forest Conservation Act (TFCA) Funds

Prepared: January 2022

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 \$311 million. The interest on these debts provided the EFJ with approximately US\$21.5 million over a nineteen (19) year period (which ended in 2012). Operations of 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 Board of Directors, referred to as the Inception Board, of the new EFJ was empowered in December 2015 following signing of the new governing documents on June 29, 2015.

Given the aforementioned history the following Mission and Vision statements encapsulate the spirit of both documents and ultimately the mandate of the EFJ.

<i>Mission:</i>
To be a major funder of environmental protection and child survival initiatives in the interest of sustainable development.
<i>Vision:</i>
To be the regional leader in funding and influencing policy for environmental management and conservation, as well as child survival and development.

Major Achievements in 2021

This report covers EFJ's fiscal year, which is **August 1, 2020 – July 31, 2021** and highlights the major activities for the period.

In addition to the regular monitoring and administration of projects Calls for Proposals under the TFCA/FCF and the Special Climate Change Adaptation Fund (SCCAF) were conducted during this reporting period. Details of these activities are provided in the relevant sections below.

TFCA PROJECT HIGHLIGHTS

Four (4) TFCA projects were active and a net amount of J\$1,609,963.63 (US\$10,436.00) was disbursed.

In this 2020/2021 report we highlight one (1) of the active TFCA/FCF projects below. This project is now complete, and the information presented reflects an overview of the project during its lifetime.

(It should also be noted that four (4) TFCA projects were also recommended for de-commitment during the period.)

Implementing Organization: Lions Club of Mona

Project Title: Supporting Sustainable Forest Management and Climate Change Mitigation through Reforestation and Forest Research in the Blue and John Crow Mountains Forest Reserve

Priority Area/Site: Blue and John Crow Mountains Forest Reserve (BJCMFR)

Original Objectives:

- (a) Re-plant ten (10) hectares of forests with local species by June 2018.
- (b) Maintain 35 hectares of forests for three (3) annual cycles.
- (c) Determine the barriers to forest regeneration of deforested and abandoned land in the project site.

The partner entity which would have facilitated the execution of objective (c) was unable to implement this component. After discussions with the Lions Club of Mona and assessment of the progress, the original objectives of the project were revised to the following:

New Objectives:

- (a) Replant 15.91 hectares of forests with local species by December 2019
- (b) Maintain 15.91 hectares of forests for two (2) annual cycles.
- (c) Determine the barriers to forest regeneration of deforested and abandoned land in the project site.

Achievements:

The project has been successfully completed with the following achieved:

- ✓ 15.91 hectares planted with 10,000 native and lumber seedlings, at a survival rate of 96%.

- ✓ Two (2) cycles of maintenance were conducted on 15.91 hectares.
- ✓ To date the project has employed twelve (12) persons.

Today, Jamaica is the beneficiary of the resulting increased forest cover, the creation of habitats and biodiversity, reduced erosion and opportunities for enhanced ecotourism and ecosystem initiatives.

Below are sections of the Blue and John Crow Mountains National Park Forest Reserve reforested and showing the growth of seedlings planted.



Aerial view of reforested sections of the Blue and John Crow Mountains National Park Forest Reserve



Project Manager Mr. Richard Bramwell holding a surviving plant and forest worker indicating growth and progress of surviving seedlings in the Forest Reserve



A member of the Lions Club of Mona highlighting growth of seedlings

PL480 & USAID DEBT PROJECTS

None of the PL480 and USAID DEBT Projects was active during the year and these projects were recommended for de-commitment. The EFJ Board will decide on the recommendations in the ensuing fiscal year.

Information regarding all the de-commitments is provided below.

GRANTS RECOMMENDED FOR DE-COMMITMENT

The EFJ Secretariat recommended the de-commitment of the following:

- AID DEBT FUNDS: 1 project with undisbursed amounts totaling J\$225,000.00.
- PL480 FUNDS: 4 projects with undisbursed funds of J\$5,269,419.85
- FCF: 4 projects with undisbursed funds totaling J\$7,877,283.45.

TFCA/FCF CALL FOR PROPOSALS

The 2021 TFCA/FCF Call for Proposals opened May 3 and closed June 10, 2021. A total of J\$80 million was being made available for grant disbursements. The broad thematic areas for the Call were:

1. Institutional and Capacity Strengthening, and
2. Protected Areas/Watershed Conservation - Protection focused on Natural Disaster Risk Reduction; Reforestation; and Alternative Livelihoods.

Additional details in terms of the 2021 Call sub-themes may be found by visiting: <https://www.efj.org.jm/call-for-proposal/>

Twenty-eight (28) TFCA proposals were received as follows:

- Institutional and capacity strengthening grants – nine (9) proposals requesting J\$71,007,930.00; and
- Protected areas/watershed conservation – nineteen (19) proposals with funding requests of J\$132,570,587.20

The Programme Team conducted the usual due diligence reviews and scored the proposals received. At the end of the exercise a minimum score of 70 was set and utilized to make the decisions on which projects would have site visits conducted. A total of eleven (11) proposals were shortlisted. The team used both face-to-face visits and meetings via Zoom to get further information on the projects.

At the end of this exercise two (2) shortlisted applicants withdrew their proposals leaving nine (9) TFCA projects to be considered. Of these nine (9), two (2) applications were not recommended for funding. For the seven (7) proposals:

- *Total amount requested was JMD \$52,583,930.00*
- *Total amount recommended was J \$45,842,989.60*

The other criteria used included:

- The organisation/project must work/be located within one of the seven (7) priority areas.
- Maximum grant for institutional and capacity strengthening: J\$8M
- No maximum grant for Protected Areas/Watershed Conservation theme.

The additional information on and a breakdown of shortlisted and recommended proposals in terms of parish and theme are as follows:

Parish	Number Shortlisted	Number Recommended
Trelawny	5	5
St. Ann	1	0
Manchester	1	0
Clarendon	1	1
Westmoreland	1	1
TOTAL	9	7

Thematic Area	Number Shortlisted	Number Recommended
Institutional Strengthening	7	6
Alternative Livelihoods	1	0
Reforestation	1	1
TOTAL	9	7

The approval of the project proposals will take place in the 2021/2022 fiscal year.

OTHER ACTIVITIES

The EFJ's years of experience in doing grant work 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 currently 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 Adaptation Programme and Financing Mechanism (AP&FM) for the Pilot Programme for Climate Resilience (PPCR) Jamaica (the Programme) 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 micro, small, and medium enterprises (MSMEs), non-government organizations (NGOs) and community based organizations (CBOs), particularly in the agriculture and tourism sectors.

The EFJ was selected to be the Fund Administrator for the SCCAF and a Fund Administrator Agreement (FAA) was signed with the EFJ on July 28, 2016.

We are now in year five (5) of this programme. Three Calls for Proposals were conducted prior to this year, which resulted in 135 grants awarded J\$621.62 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, and the third (Call 2018) had 51 grant awards valued at J\$239.47 million. Each grant was subject to a J\$5 million cap.

2020/2021 SCCAF Phase I reporting

For 2020/2021 over 90 active and/or open projects were being monitored, the majority of which were approaching completion. Net grant disbursements during the year totaled J\$16.39 million.

A review was done of the projects and disbursements done up to the end of December 2020. At the conclusion of the review the EFJ Secretariat recommended the de-commitment of eleven (11) projects. These projects had J\$15,753,124.00 in undisbursed funds and J\$3,951,354.64 in unspent/returned funds.

It was also decided to have another (the fourth) open Call for Proposals.

SCCAF 2021 Call for Proposals

The 2021 SCCAF Call for Proposals opened May 3, 2021 and closed June 10, 2021. The broad thematic areas were:

1. Climate Smart Agro-business;
2. Climate Resilient Cropping Systems; and
3. Water Management.

These areas were chosen as it was deemed that grant beneficiaries could implement these projects in a short period of time.

Additional details in terms of the 2021 Call sub-themes may be found by visiting: <https://www.efj.org.jm/call-for-proposal/>

Eighty-six (86) SCCAF proposals were received amounting to a total funding request of J\$467,341,761.22.

Using the same methodology highlighted above (for the TFCA) the Programme Team conducted the usual due diligence reviews and scored the proposals received. Again a minimum score of 70 was used to make the decisions on which projects to do site visits. Twenty-nine (29) proposals met this criterion.

A further review of the dispersion of SCCAF projects across the parishes under the previous three (3) SCCAF Calls for Proposals caused us to use a three-tiered ranking system to make the recommendations for Call 2021. (Tier 1: ability to implement the project in a short period of time; Tier 2: parish and Tier 3: post-due diligence score). Limited funding meant that only seven (7) proposals were recommended for approval.

Total amount requested = JMD 32,495,365.33

Total amount recommended = JMD 32,495,343.25

Total amount available = approximately JMD 32M (JMD 5M maximum for each grant).

An additional six (6) proposals were also received from Ministry of Economic Growth and Job Creation for our review. Five (5) of which were approved and awarded grants totaling J\$8.08 million. All five (5) projects are located in Clarendon and fall under the theme of Climate Resilient Cropping Systems (specifically Aquaponics).

SCCAF Phase 1 Impact to date

The SCCAF projects have had significant impact on the lives of Jamaicans. Each parish received grant awards with three grants being the lowest awarded to any parish. From our data collection thus far we note the following:

- ✓ 33 Greenhouses and shade houses have been constructed
- ✓ 87,360 square feet of greenhouse/shade house space is available for agricultural production
- ✓ 40,230,609 gallons of water has been stored/collected through ponds, tanks etc.
- ✓ 330 solar panels provided to grantees
- ✓ Over 200,000 persons benefitting from the implementation of the projects

The EFJ continues to receive numerous requests for assistance from organisations in the area of Climate Change Adaptation and a mechanism has to be developed to address these requests.

SCCAF Phase II

The PEU 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. **USD 1.2M of Grant Resources** was used to establish the Grant Fund for MICRO Check Dams. 1,800 MICRO Check Dams were constructed through the use of 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 a new FAA in June 3, 2019.

During the financial year all six grants were active with three (3) organisations receiving disbursements, two (2) completing implementation and one (1) project being closed. Total disbursements were J\$20.24 million.

EFJ as Fund Administrator for the European Union / Forestry Department

Background

The European Union (EU) and the Government of Jamaica (GOJ) have 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, will continue until May 31, 2022. We are now in year three (3) of this program. To date, three Calls for Proposals have been conducted, which resulted in 46 grants awarded J\$240 million and being

actively managed by the EFJ. The first Call (Call #1 - 2019) saw 27 proposals originally receiving grant awards of J\$133.04 million. However, 1 proposal was decommitted while the scope and budget of another was subsequently reduced, resulting in implementation of 26 proposals valued at J\$126.42. The second (Call #2 - 2019) had 13 grant awards valued at J\$69.98 million, and the third (Call 2020) had 7 grant awards valued at J\$36.60 million.

During the 2020/2021 fiscal year, twenty-six (26) projects were completed and closed in accordance with the original. The remaining twenty (20) active projects were monitored during the period. Net grant disbursements during the year were J\$81.81 million.

Financial Reports:

Due to the merger of the operations of the EAI and the TFCA funds, the EFJ has merged its financial reporting. The table below shows consolidated figures.

Summary Data (US\$)

Fund Data	Merged - EFJ Funds			
	Total			Total
	1993-2019	2020	2021	1993 - 2021
No. of proposals submitted	3,745	0	28	3,773
No. of proposals approved	1,327	0	0	1,327
Total approved funding for grants *	49,015,735	-	-	49,015,735
Total disbursed funding for grants *	44,359,172	42,619	10,436	44,412,228
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	16,688,846	327,591	347,260	17,363,697
Interest and capital gained on investments	20,075,081	(115,094)	83,785	20,043,771
<i>Fund balance year end - grants</i>	<i>1,783,513</i>	<i>1,612,780</i>	<i>1,605,288</i>	<i>n/a</i>
<i>Fund balance year end - Endowment</i>	<i>7,319,566</i>	<i>7,298,714</i>	<i>7,456,533</i>	<i>n/a</i>
Total Fund balance at the end of the year	9,103,079	8,911,494	9,061,821	<i>n/a</i>

Exchange rate J\$154.26 to US\$1.00 (2021); J\$146.89 to US\$1.0 (2020); J\$134.58 to US\$1.00 (2019);