U.S. Agency for International Development Report to Congress on Programs in Forestry and the Conservation of Biodiversity during Fiscal Year 2019: Results and Funding

Introduction

To satisfy the requirements of Sections 118(f) and 119(h) of Part I of Public Law 87-195, the Foreign Assistance Act of 1961 (FAA), as amended, the U.S. Agency for International Development (USAID) submits this report on our programming to preserve forests and biodiversity during Fiscal Year (FY) 2019.

At its core, conservation is development. Sound stewardship of natural resources is essential to the Journey to Self-Reliance in USAID's partner countries. By promoting development that benefits both people and nature, our activities to conserve biodiversity strengthen the capacity of governments, civil society, communities, and the private sector to manage natural resources, increase resilience, and deliver development results across sectors. Global investments in the conservation of biodiversity and the sound management of natural resources also provide essential benefits, such as clean water, food, crop-pollination, and the control of pests and diseases. In addition, intact forests deliver a wealth of benefits, including food, medicine, and livelihoods, to people around the world.

However, nature, and the benefits people derive from it, are under threat worldwide. In the past 50 years, more than 60 percent of wildlife populations have disappeared. The loss and degradation of habitat account for almost half of this disappearance. Reductions in biodiversity also increase the risk of disease and poor nutrition, especially in the most-vulnerable communities.

To tackle these global challenges in FY 2019, USAID worked in nearly 60 countries to foster the sustainable and inclusive management of natural resources. USAID-funded programs collaborate and engage across sectors to promote the health, prosperity, resilience, and security of local communities, particularly the most vulnerable; improve citizen-responsive governance; empower women and girls; and apply technology and learning to enhance development practice.

Also in Fiscal Year (FY) 2019, President Trump announced the U.S. Government's commitment to the <u>One Trillion Trees Initiative</u>, which aligns with USAID's long-term work to protect, restore, and manage forests while reducing poverty and improving lives. USAID has a significant leadership role to play in the international component of this initiative.

Finally, because of a series of recent allegations, USAID strengthened our approach to social safeguards in FY 2019, particularly in the context of the management of parks and protected areas; ensuring the rights of indigenous and local communities and minimizing the risk of the abuse of power by rangers is a priority for USAID.

We must emphasize, however, that the results in this report predate the pandemic of COVID-19. The global pandemic poses an added threat to achieving and maintaining gains in development and biodiversity. SARS-CoV-2, the virus that causes COVID-19, is a zoonotic disease, transmitted from animals to people. The first transmission of the novel coronavirus

likely occurred along the wildlife supply-chain, which underscores the interconnections between human health and planetary health.

Since the coronavirus pandemic began, reports indicate that vulnerable people might be relying more on the exploitation of natural resources for their livelihoods, by cutting down trees for firewood and hunting wild animals for food, which increases the risk of additional transmission of other zoonotic diseases. Global restrictions on travel have evaporated revenue from wildlife tourism, which has resulted in a decrease in funding for ranger patrols at the same time as poaching to supplement lost incomes is at risk of increasing. Such overhunting and illegal exploitation of wild animals threaten both wildlife and the people who depend on the services that nature provides, such as food, clean water, and the control of pests and diseases.

In Latin America and the Caribbean, deforestation has increased since the pandemic of COVID-19 began. Satellite images of the Amazonian rainforest show that logging and mining operations have cleared land more quickly. For example, the *Instituto Nacional de Pesquisas Espaciais* (National Institute for Space Research) in the Federative Republic of Brazil reported that deforestation in the Brazilian Amazon was 55-percent higher from January–April 2020, compared to the same period in 2019.

To counter the far-reaching impacts of COVID-19, USAID is promoting an integrated approach to biodiversity and human health to ensure that development gains do not disappear. USAID is addressing the root causes of the spillover and spread of zoonotic diseases and investing in a holistic response to reduce the risk of outbreaks. This response includes increased collaboration across sectors to ensure the health of people, animals, and the environment—a "One-Health" approach.

Funding Overview

Table 1 presents a summary of USAID's funding in FY 2019 for activities to promote and preserve biodiversity, combat wildlife trafficking, and manage forests, by region and Operating Unit (OU). USAID uses rigorous, strategic criteria to identify and fund our programming in biodiversity and ensure we achieve conservation outcomes in biologically significant areas.

USAID conserves biodiversity in priority places—countries and regions designated as "Tier One" in USAID's <u>Biodiversity Policy</u>—and integrates the preservation of biodiversity with other development objectives. Funding for USAID's international biodiversity programs totaled approximately \$288.35 million during FY 2019, which financed projects in 56 countries. USAID allocated approximately 60 percent of these funds to 12 Tier One countries and regions, including in the Republic of Indonesia, our South America Regional program, and the <u>Central African Regional Program for the Environment</u> (CARPE).

A subset of USAID's funding for biodiversity focuses on combating wildlife trafficking. USAID invested \$63.3 million in FY 2019 for the prevention or reduction of poaching and the illegal trade in animals—including the illegal fishing of terrestrial, freshwater, and marine species. USAID's comprehensive strategy strengthens law enforcement from parks to ports, reduces consumer demand for illegal wildlife products, and builds international cooperation.

USAID also promotes the conservation and sustainable management of forests. In FY 2019, USAID's forestry investments totaled approximately \$181.4 million in 45 countries, with \$180.8 million focused on tropical forests. In addition to direct biodiversity funding, more than \$24 million from USAID's other accounts contributed indirectly to the conservation of biodiversity. For example, funding for natural resources and the environment reduces emissions from deforestation and the degradation of woodlands, and such programs manage and protect watersheds, fisheries, and mangrove forests.

Global Impact

USAID-funded programs in the sustainable stewardship of natural resources protect the environment and conserve iconic species while simultaneously helping to build healthier populations, improve livelihoods, and create new economic opportunities. USAID supports partners in 56 countries by helping build technical capability to manage biodiversity and natural resources.

Our investments are paying off. USAID's long-term, on-the-ground efforts to conserve priority places and species improved the management of biodiversity across approximately 208 million hectares in FY 2019—an area about three times the size of Texas. Nearly 58 percent of the total—about three-and-a-half times the size of the Great Barrier Reef—covers marine areas. We continue to help save species from extinction and combat conservation crime while expanding opportunities for communities, building self-reliance, and empowering women and girls. USAID's innovative partnerships enhance the impact of our investments of U.S. taxpayer dollars in conservation, by leveraging private-sector resources to increase the impact and scale of our programming. While at the same time, learning remains central to strengthen our programs and achieve more efficient, effective, and sustainable results.

Combating Conservation Crime

Wildlife crime threatens populations of animals and plants, wildlife-friendly livelihoods like ecotourism, and community lands. USAID implements a comprehensive approach to combat trafficking in wildlife consistent with that adopted by the rest of the U.S. Government. In FY 2019, USAID funded research-based demand-reduction campaigns that target consumers of illegal wildlife in the People's Republic of China, the Kingdom of Thailand, and the Socialist Republic of Vietnam. In one example, 20 partners joined an innovative digital deterrence campaign in Thailand that generated in-kind support of more than \$6.8 million and stopped 97 percent of online searchers from following links to purchase illegal wildlife products.

USAID also is working through strategic partnerships, research, and innovative approaches to disrupt trafficking chains and criminal networks. In FY 2019, USAID funded the creation of the first data dashboard on the trafficking of wildlife in the air-transport sector. The dashboard allows airlines and airports to assess their vulnerabilities to wildlife trafficking and provides customizable analytics of trafficking trends, routes, and methods associated with seizures of wildlife in airports. In FY 2019, USAID's ongoing support to the International Criminal Police Organization (INTERPOL) through training and strategy-development, contributed to a worldwide customs and police operation, Operation Thunderball, which led to the identification of almost 600 suspects and triggered arrests worldwide. The operation resulted in the seizure of

large quantities of protected flora and fauna across every continent, including almost 34,000 animals or parts; 2,550 cubic meters of timber (about 74 truckloads); and more than 2,600 plants.

USAID has helped improve transparency in seafood supply-chains through a global alliance for knowledge-exchange and action to address illegal fishing, the <u>Seafood Alliance for Legality and Traceability</u> (SALT). The alliance launched in FY 2019 with a collaboration and learning event that engaged influential participants from 20 countries; the community has grown to include 800 members from government, civil society, and industry. In FY 2019, the alliance also established an online platform for seafood traceability, which received nearly 500 visitors from 55 countries its first week.

By training law enforcement and community monitors, USAID's investments in conservation reduce illegal activities and strengthen global security. In the Republic of Mozambique, USAID enabled law-enforcement personnel in Niassa National Reserve to conduct patrols that resulted in 53 arrests and contributed to the trend of no elephants poached since May 2018. With USAID's funding, rangers in Gorongosa National Park expanded their presence along the border between Mozambique and the Republic of Zimbabwe and aided 84 community-based monitors of timber and wildlife crime. Through these efforts, 85 percent of reports of illegal activities or environmental crime in the Park's buffer zone led to arrests, and 94 percent of these arrests led to prosecutions.

Reports are showing a link between the pandemic of COVID-19 and. unsustainable demand for wildlife and wildlife products, including meat. USAID's work to combat conservation crime contributes to reducing demand for wildlife products and enforcing wildlife laws that can help prevent the emergence of future zoonotic disease and the resulting serious impacts on public health.

Engaging the Private Sector

USAID collaborates with the private sector for greater scale, sustainability, and effectiveness of conservation outcomes. In FY 2019, USAID launched an incentive funding opportunity for our Missions and private-sector partners to co-create high-impact activities. Through this integrated initiative, funding from multiple sectors, including the conservation of biodiversity, will award more than \$60 million over five years to activities at the intersection of human and environmental well-being. Currently, nine Missions are committed to this initiative; private-sector partners have agreed to leverage an equal or higher value of resources to match those USAID provides.

To create sustainable livelihoods in the Republic of Madagascar, USAID established four new cooperatives that grow forest-friendly vanilla and trained 1,820 cooperative members on attaining certification from the Rainforest Alliance. As a result, the first cycle of certified vanilla yielded nearly \$900,000 in sales and \$261,000 of private-sector investment.

In Indonesia, USAID is connecting private-sector partners and local communities. In FY 2019, USAID finalized an agreement between a multinational cocoa company and rural farmers—the company will fund international sustainability certification for 600 farmers in return for cocoa production valued at \$3 million. USAID is finalizing two additional agreements, valued at more

than \$10 million, for similar investments in the sustainable production of rubber and coffee in Indonesia.

In FY 2019, USAID also developed three public-private partnerships to support the conservation of forests, grasslands, and wetlands in the Republic of Colombia's Caribbean and Orinoquía regions. The partnerships leveraged \$300,000 in private-sector contributions and helped 500 families reduce their impact on biodiversity and establish agreements to sell environmentally friendly products.

Finally, USAID works with private-sector partners in the fisheries sector to support the sharing of data about sustainable and legal fisheries around the world. The pandemic of COVID-19 is having significant effects on the fisheries industry, given restrictions on travel and transportation intended to decrease the spread of the novel coronavirus. Vulnerable and marginalized communities that depend on small-scale fishing will be at even greater risk.

Learning from Best Practices

USAID captures lessons learned and best practices to support the Journey to Self-Reliance in our partner countries. In FY 2019, the Agency held a global case-study competition for the integration of biodiversity that yielded insights about how development professionals can learn from, and work across, sectors. A winning case study illustrates how the integration of governance and biodiversity-conservation activities by USAID's Mission in the Republic of Liberia is contributing to stronger management of forests and more fair and equal benefits to communities. A case from USAID's Mission in the Republic of The Philippines shares how USAID, the local government, and fisherfolk ensured the sustainability and resilience of fisheries over the long-term while improving local livelihoods. This competition led to increased opportunities for learning and sharing across the Agency on how to advance programming that simultaneously delivers measurable outcomes in conservation and other development areas.

Regional Results

Asia

In priority landscapes in Asia, USAID empowers communities and builds self-reliance through improved management of land and sustainable livelihoods. In FY 2019, USAID increased access to the U.S. market for fishers in Indonesia by strengthening their abilities to meet U.S fair-trade standards. Fourteen medium-sized to large fisheries achieved fair-trade certification, and local fishers established four fair-trade fishing associations. In the Federal Democratic Republic of Nepal, USAID's interventions reduced unsustainable forest activities by increasing economic opportunities for local and indigenous people; these conservation enterprises generated more than \$424,000 in revenue in FY 2019.

In Asia's rich coastal and marine landscapes, USAID funds the sustainable management of fisheries and efforts to reduce illegal, unregulated, and unreported fishing. At highly biodiverse pilot sites in Indonesia and The Philippines, USAID invested in the testing and refinement of five electronic catch-documentation and traceability technologies to improve fishery supply-chains. These technologies successfully tracked more than 4.4 million pounds of legally and sustainably caught seafood. Increasing traceability helps USAID and our partners expose illegal fishing,

limit the amount of unsustainable seafood that enters the global market, and increase opportunities for responsible fishers to sell more-sustainable products within regulated markets.

USAID also promotes equity between women and men in the fisheries sector in The Philippines. In FY 2019, a USAID-funded analysis identified factors that limit women's empowerment in the management of fisheries. Based on this evidence, USAID engaged with the Tagbanwa indigenous people on Calauit Island in the Province of Palawan, where the community is establishing a women-managed marine area; the organization now receives funding as part of a global initiative on gender, fisheries, and microfinance.

In the People's Republic of Bangladesh, USAID increased marine resilience, food security, and economic growth through developing fish sanctuaries, implementing targeted bans on fishing, and refining restrictions on fishing gear. As a result, in FY 2019, the average size of a critical fish species increased, and the total production of the species reached an all-time high, which indicates the fishery's health has improved.

In Asia, where many people rely on wild-caught fisheries for their livelihoods, the impacts of COVID-19 include <u>decreased revenues from fish sales</u>, as well as increased pressure on marine stocks and already-stressed coastal ecosystems. USAID has accelerated our efforts to support networks of marine protected areas in Indonesia and elsewhere. In addition, USAID has increased our efforts to reduce the demand for illegal wildlife products, including in the People's Republic of China and countries in Southeast Asia.

Africa

In Africa, USAID advances self-reliance in our partner countries through cross-cutting programming that creates measurable impact for people and nature. For example, the Agency prioritizes women's involvement in environmental decision-making, which can lead to more-effective processes and better long-term results. In FY 2019, 150 members of the women's Densu Oyster Pickers' Association in the Republic of Ghana successfully closed a key fishery for five months to allow the population of mollusks to rebuild. When the fishery reopened, the farmers harvested larger volumes of oysters and doubled their average sales—from \$10 to \$20 each day.

USAID's investments in conservation prioritize economic opportunities that also foster healthy lands, plants, and animals. By the end of FY 2019, USAID had helped to establish 110 community-managed fish sanctuaries in the Republic of Malawi, and preliminary assessments indicate that the populations of key species already have increased by 25 percent. USAID's funding for the Northern Rangelands Trust in the Republic of Kenya has improved the management of 4.48 million hectares (an area about twice as large as New Jersey). These community investments also have increased the populations of elephants, giraffe, cheetah, and buffalo across the 39 conservancies. Notably, the poaching of elephants in the conservancies declined by 47 percent from 2012 to 2019. Simultaneously, USAID-funded sustainable livelihoods, including tourism and women's bead crafts, yielded close to \$2 million in revenue in FY 2019.

The well-being of people and lands in Africa have a deep connection to the survival of iconic wildlife; as a direct result of U.S. Government assistance, poaching has significantly decreased across multiple landscapes in Africa. In a community-led rhino conservancy in Kenya, no rhinos were poached in FY 2019, and in the Northwestern Republic of Namibia, USAID-funded campaigns contributed to zero rhino poaching for two consecutive years. USAID's wildlife surveys in Central Africa during FY 2019 found that elephants and apes (including gorillas, bonobos, and chimpanzees) have much higher survival rates in protected areas in which USAID has invested than in other comparable landscapes. In the United Republic of Tanzania, USAID has continued a successful partnership with a safari company to secure a wildlife corridor between Tarangire and Manyara parks; in FY 2019, our partner's monitoring found that elephants crossed the corridor for the first time in at least ten years.

The pandemic of COVID-19 has led to a sharp decline in tourism in Africa, which is an essential source of revenue for many people and protected areas on the continent, as in many other parts of the world. Media reports from Mozambique, Kenya, and other countries show an increase in poaching following declines in tourism. Further, people who relied on tourism income might have to clear land for for cattle-grazing and agriculture, which threatens USAID's hard-won gains in the conservation of habitat and wildlife.

Latin America and the Caribbean

In Latin America and the Caribbean, USAID prioritizes equitable growth and the sustainable use of the region's rich natural resources. A study in the Maya Biosphere Reserve in the Republic of Guatemala found that community concessions have some of the lowest rates of forest loss compared to other types of management units—which demonstrates that communities that benefit sustainably from the forest are more likely to conserve it. In FY 2019, USAID helped build the technical capacity of community organizations in Guatemala to produce and market high-quality timber and non-timber forest products to companies in the United States and Europe. USAID's assistance led to the creation of more than 2,000 new full-time jobs and \$10.5 million in sales.

Across Central America, USAID has funded microfinance groups in coastal areas, which has allowed hundreds of residents to finance small businesses that sustainably use natural resources. In FY 2019, USAID provided \$10,000 in seed capital that these the groups transformed into more than \$825,000 of income. Women play a critical role in these groups: in the Republic of Honduras, women formed their own microfinance group and established a salt business. In other microfinance groups, women frequently held leading roles as president, secretary, or treasurer.

In March 2020, USAID launched our first Policy on Promoting the Rights of Indigenous Peoples, which will help to strengthen our collaboration with indigenous communities, whose knowledge about managing traditional resources is critical for good conservation. In Brazil, our collaborative work with the U.S. Forest Service within the U.S. Department of Agriculture supported eight community-based timber and non-timber forest-product enterprises in 23 protected areas in FY 2019, including nine indigenous territories. More than 6,000 people increased their livelihoods through 64 new contracts, which totaled \$2.7 million in sales. USAID also advanced sustainable supply-chains in Brazil, which resulted in enhanced conservation, better working conditions, access to new markets, increased sales, and higher

prices for producers. In some cases, incomes rose by more than 425 percent in indigenous communities.

USAID also is building self-reliance within 18 indigenous communities in the Loreto and Ucayali Departments in the Republic of Perú by securing land rights. In FY 2019, Agency-supported communities created or updated plans that outlined their desired development, identified forest-management initiatives in a participatory manner, and established committees for community oversight.

Across the Amazon region in FY 2019, USAID reduced illegal and unsustainable fishing practices in indigenous territories, which brought the population of the *pirarucu* (a native fish) from near extinction (240 fish in 2011) to 7,800 in 2019.

Operating Unit (OU) of the U.S. Agency for International Development (USAID)	Investments in Biodiversity during Fiscal Year (FY) 2019, in US\$	Investments in Combating Wildlife Trafficking (CWT) during FY 2019, in US\$	Investments in Forestry during FY 2019, in US\$1
Total Funding for all USAID's OUs		63,337,597	181,437,233
	288,350,000	03,337,337	101,437,233
of which, Total Funding in Tropical Countries	282,275,000	62,904,597	180,824,398
Total Funding in Countries and Regions Designated as "Tier One" under USAID's Biodiversity Policy	172,650,000	35,077,181	96,912,283
Total Transfers to U.S. Government Partners	35,500,000	14,000,000.00	20,000,000
Sub-Saharan Africa			
Africa Regional	3,000,000	500,000	300,000
Central Africa Regional	40,000,000	12,798,650	24,300,000
-USAID Funding	21,900,000	3,798,650	14,300,000
-Transfer to the U.S. Fish and Wildlife Service within the U.S. Department of the Interior (DOI) ²	18,100,000	9,000,000	10,000,000
East Africa Regional	5,500,000	2,810,451	1,110,000
Southern Africa Regional	7,500,000	5,000,000	0
West Africa Regional	7,000,000	1,940,000	7,700,000
Republic of Ghana	2,000,000	0	300,000
Republic of Kenya	8,900,000	4,255,000	300,000
Republic of Liberia	4,000,000	0	4,000,000
Republic of Madagascar	7,900,000	2,800,000	1,850,000
Republic of Malawi	3,000,000	500,000	3,380,000
Republic of Mozambique	7,150,000	4,500,000	6,220,000
Republic of Sénégal	2,000,000	0	0
Republic of South Sudan	2,500,000	0	0
United Republic of Tanzania	9,000,000	3,275,000	750,000
Republic of Uganda	4,500,000	500,000	1,130,000
Republic of Zambia	3,000,000	750,000	3,270,000
USAID Sub-Saharan Africa Total	116,950,000	39,629,101	54,610,000
USAID Asia			
Asia Regional	1,750,000	500,000	1,031,291
Pacific Islands Regional	8,000,000	1,000,000	5,729,600

U.S. Department of State Total Countries and Regions designated as "Tier On	1,050,000	0	1,050,000
Bureau of Oceans, Environment, and Science	1,050,000	0	1,050,000
U.S. Department of State			
USAID Central Bureaus Total	28,000,000	7,429,965	18,434,824
-Transfers to the U.S. Forest Service within the U.S. Department of Agriculture (USDA) ³	5,000,000	0	5,000,000
-Transfer to the U.S. Fish and Wildlife Service, DOI ²	10,900,000	5,000,000	5,000,000
-USAID Funding	12,100,000	2,429,965	8,434,824
Bureau for Economic Growth, Education, and the Environment (E3)	28,000,000	7,429,965	18,434,824
USAID Central Bureaus			
USAID Latin America and the Caribbean Total	64,500,000	2,080,000	69,966,292
Republic of Perú	8,500,000	0	8,910,292
United Mexican States	0	0	4,950,00
Republic of Honduras	4,500,000	0	3,888,00
Republic of Haïti	0	0	4,068,00
-Transfer to DOI	1,500,000	0	,,,,,,,,
-USAID Funding	3,500,000	200,000	7,000,00
Republic of Guatemala	5,000,000	200,000	7,000,00
Republic of Colombia	11,500,000	0	18,500,00
Caribbean Development Program Federative Republic of Brazil	11,000,000	250,000	11,000,00
South America Regional	15,000,000 4,000,000	0 1,630,000	9,000,00 150,00
LAC Regional	5,000,000	0	2,500,00
USAID Latin America and the Caribbean (LAC	=	•	2 500 00
USAID Asia Total	77,850,000	14,198,531	37,376,11
Socialist Republic of Vietnam	14,500,000	2,800,000	1,064,07
Republic of The Philippines	13,000,000	2,000,000	4,910,50
Democratic Federal Republic of Nepal	6,075,000	500,000	612,83
Republic of Indonesia	16,000,000	1,200,000	8,547,81
Republic of India	0	0	5,240,00
Kingdom of Cambodia	3,500,000	500,000	3,900,00
People's Republic of Bangladesh	5,675,000	1,000,000	4,290,00

- 1. Nearly all forestry funding is from investments in forest-focused climate change mitigation and biodiversity
- 2. Congress dictated that USAID transfer \$18,100,000 to the U.S. Fish and Wildlife Service within DOI. However, the transfer of funds is pending because of policy changes that resulted from DOI's programmatic review of its international conservation grants. USAID will transfer up to that amount to the DOI and will apply the other funds through CARPE to programming that aligns with the intent of Congress. These numbers include the \$9,000,000 in CWT funding and \$10,000,000 in forestry funding.
- 3. The total transfer to the U.S. Forest Service within USDA (\$6,000,000) includes \$5,000,000 of direct biodiversity funding and \$1,000,000 in funding for sustainable landscapes.