

U.S. Forgives Costa Rican Debt to Help Environment

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MEXICO CITY, Oct. 16 — The United States has agreed to forgive \$26 million of [Costa Rica](#)'s debt as part a debt-for-nature swap that will protect some of the country's most threatened tropical forests, officials said.

In a deal to be announced on Wednesday, the government of Costa Rica has committed to invest a similar amount in conserving high-risk natural areas that are the home to such threatened species as jaguars, squirrel monkeys and scarlet macaws.

The United States government will contribute about \$12.6 million in financing as part of the deal. Two environmental groups, Conservation International and the [Nature Conservancy](#), will contribute \$1.26 million each. Those funds and the interest they generate will be enough to eliminate \$26 million in Costa Rica's debt over the next 16 years, officials said.

That is the largest amount of debt forgiven and the 13th such deal under the Tropical Forest Conservation Act, which was first enacted in 1998.

"Debt-for-nature agreements are a successful model for government and citizen cooperation and should encourage more public-private partnerships to further the cause of global conservation and environmental protection," Treasury Secretary [Henry M. Paulson Jr.](#) said in a statement.

The funds will help protect important Costa Rican natural areas including the Osa Peninsula, Tortuguero, La Amistad, Maquenque, Rincón de la Vieja and the Nicoya Peninsula, officials said.

"There's a double benefit for these countries," Claudia A. McMurray, assistant secretary of state for oceans, environment and science, said in a telephone interview. "They get some or all of their debt wiped out, and they get help in preserving an important natural resource."

On top of that, Ms. McMurray said, there are the benefits to climate, as forests play an important role in absorbing greenhouse gasses.

To qualify for the program Costa Rica had to meet a series of political and economic requirements, including cooperation with Washington on drug enforcement and counterterrorism.

Costa Rica is one of the success stories in Central America when it comes to environmental management, although challenges remain. Deforestation stripped the country of almost 80

percent of its forest cover. But replanting efforts have helped reversed the trend, environmental groups say.