



## PRESS RELEASE

### **Biggest U.S. Debt Swap for Nature will Conserve Guatemala's Forests**

**GUATEMALA CITY, 2 OCTOBER 2006** — The Governments of the United States of America and the Republic of Guatemala, along with two important conservation partners, Conservation International and The Nature Conservancy, have signed agreements that will reduce Guatemala's official debt to the United States by \$24 million and use the funds to conserve tropical forests in Guatemala. The Government of Guatemala has committed to use these funds that would otherwise have been used to pay back debt, over the next 15 years for programs that protect and restore the country's essential tropical forest resources. The programs will be implemented by non-governmental organizations (NGOs) that receive grants on a competitive basis from a trustee that will manage the use of the funds.

This signing represents an historic step towards conservation of tropical forests in Guatemala, one of the most biologically diverse countries in the world. With this agreement, the U.S. and Guatemala have proven their dedication to conserving these natural, and related cultural, resources over the long term, and their intentions to continue cooperation in conservation for the benefit of citizens in both countries and the world.

The debt-for-nature agreements were signed by U.S. Ambassador to Guatemala James Derham, the Guatemalan Minister of Finance, Maria Antonieta de Bonilla, Carlos Rodríguez of Conservation International and John Beavers of the Nature Conservancy on September 8, 2006 in Guatemala City.

The agreements were made possible through contributions by the U.S. Government under the Tropical Forest Conservation Act (TFCA) of 1998 and a combined total of \$2 million from U.S. NGOs, Conservation International (CI) and The Nature Conservancy (TNC). The debt swap with Guatemala is the largest the U.S. Government has entered to date with any country in the eight-year history of the TFCA.

The debt swap funds will help conserve Guatemala's high altitude cloud forests, rain forests, and coastal mangrove swamps. These areas are home to hundreds of species of songbirds and waterfowl that migrate between the U.S. and Guatemala, as well as many rare and endangered species, including the resplendent quetzal bird, jaguars, and margays.

The benefits of debt swaps for nature are global: Forests are the planet's "lungs" and are being severely damaged in unprotected areas in countries like Guatemala. Conservation here will help current and future generations around the world to have cleaner air and water. Conservation also brings specific benefits to the U.S. and Guatemala through development and

investment in new livelihoods for people living in or near tropical forests; research on medicinal use of tropical forest plants; and attending social development needs like health, education, and nutrition that are under-funded and that, coupled with the lack of employment opportunity particularly for youth, lead to political instability and high levels of international migration in search of a better life.

The TFCA provides opportunities for eligible developing countries to reduce debts owed the United States while generating funds to conserve their forests.

The agreement with Guatemala marks the 10<sup>th</sup> TFCA deal concluded under the Bush Administration, following agreements with Belize, Colombia, El Salvador, Jamaica, Panama (2), Paraguay, Peru and the Philippines. These agreements, together with an agreement concluded with Bangladesh in 2000, will generate more than \$125 million to protect tropical forests worldwide during the next 25 years.

Consult the following Websites for further information on the work of the debt swap partners:

[www.state.gov/g/oes/rls/fs/2003/22973.htm](http://www.state.gov/g/oes/rls/fs/2003/22973.htm)

[www.usaid.gov/gt](http://www.usaid.gov/gt)

[http://www.usaid.gov/our\\_work/environment/forestry/index](http://www.usaid.gov/our_work/environment/forestry/index)

[www.nature.org/wherewework/centralamerica/guatemala/](http://www.nature.org/wherewework/centralamerica/guatemala/)

[www.conservation.org](http://www.conservation.org)

<http://www.biodiversityhotspots.org/xp/Hotspots/mesoamerica>

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