



25 YEARS **PROMOTING**
SUSTAINABLE
DEVELOPMENT
REPORT





This publication celebrates the 25th anniversary of the Fundecooperación Foundation for Sustainable Development. It may be shared freely with proper attribution.



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Acronyms

ADITIBRÍ	Asociación de Desarrollo Integral del Territorio Indígena Bribri (Bribri Indigenous Integrated Development Association)	INS	Instituto Nacional de Seguros (National Insurance Institute)
ADITICA	Asociación de Desarrollo Integral del Territorio Indígena Talamanca Cabécar (Cabecar Talamanca Indigenous Integrated Development Association)	ICT	Instituto Costarricense de Turismo (Costa Rican Tourism Institute)
ARESEP	Autoridad Reguladora de los Servicios Públicos (Public Services Regulatory Authority)	MAG	Ministerio de Agricultura y Ganadería (Ministry of Agriculture)
ASADAS	Asociaciones Administradoras de Sistemas de Acueductos y Alcantarillados Comunes (Community-based Water Distribution System)	MeBA	Microfinanzas para la Adaptación basada en Ecosistemas (Microfinance for Ecosystem-based Adaptation)
AyA	Instituto Costarricense de Acueductos y Alcantarillados (Costa Rican Water Institute (public company))	MINAE	Ministerio de Ambiente y Energía (Ministry of Environment and Energy)
BID-Lab	Banco Interamericano de Desarrollo (Interamerican Development Bank)	MIPYMES	Micro, pequeñas y medianas empresas (Micro, small, and medium-sized businesses (MSMEs))
CANATUR	Cámara Nacional de Turismo (National Tourism Chamber of Commerce)	MIVAH	Ministerio de Vivienda y Asentamiento Humano (Ministry of Housing)
CACORE	Cámara Costarricense De Restaurantes (Costa Rican Restaurants Chamber of Commerce)	NAMA	Acciones de Mitigación Nacionalmente Apropriadas (Nationally Appropriate Mitigation Actions)
CANAECO	Camara Nacional de Ecoturismo (National Ecotourism Chamber of Commerce)	ODS	Objetivos de Desarrollo Sostenible (Sustainable Development Goals)
CATURGUA	Cámara de Turismo de Guanacaste (Guanacaste Tourism Chamber of Commerce)	OMS	Objetivos de Desarrollo del Milenio (Millennium Development Goals)
CEDARENA	Centro de Derecho Ambiental y de Recursos Naturales (Center for Environmental Law and Natural Resources)	ONU	Organización de las Naciones Unidas (United Nations)
CCH	Cámara Costarricense de Hoteles (Costa Rican Hotels Chamber of Commerce)	ONU Medio Ambiente	Programa de las Naciones Unidas para el Medio Ambiente (United Nations Environment Programme, UNEP)
CFIA	Colegio Federado de Ingenieros y Arquitectos (National Association of Engineers and Architects)	PRA	Plan Regional de Adaptación (Regional Adaptation Plan)
CMNUCC	Convención Marco de Naciones Unidas para el Cambio Climático (United Nations Framework Convention on Climate Change)	PNGSS	Plan Nacional de Gastronomía Sostenible y Saludable (National Plan for Sustainable and Healthy Gastronomy)
CNPL	Cámara de Productores de Leche (National Dairy Association)	PNUD	Programa de las Naciones Unidas para el Desarrollo (United Nations Development Programme, UNDP)
DTU	Universidad Técnica de Dinamarca (Technical University of Denmark)	PSC	Programa de Cooperación Sur – Sur para el Desarrollo Sostenible entre Benín, Bután y Costa Rica (The Programme for South-South Cooperation Between Benin, Bhutan, Costa Rica)
FIDEIMAS	Fideicomiso del Instituto Mixto de Ayuda Social (National Institute for Social Assistance Endowment)	SETENA	Secretaría Técnica Nacional Ambiental (National Environmental Authority)
FOMIN	Fondo Multilateral de Inversiones (Multilateral Investment Fund)	SINAMECC	Sistema Nacional de Métrica de Cambio Climático (National Climate Change Measurement System)
FUCOGA	Fundación Costarricense de Gastronomía (Costa Rican Gastronomical Foundation)	SINAC	Sistema Nacional de Áreas de Conservación (National Conservation Area System)
GIZ	Agencia de Cooperación Alemana (German Corporation for International Cooperation)	UCR	Universidad de Costa Rica (University of Costa Rica)
GNDR	Red Global de Reducción de Desastres (Global Network for Disaster Reduction)	UNOSSC	Oficina de las Naciones Unidas para la Cooperación Sur-Sur (United Nations Office for South-South Cooperation)
IDS	Índice de Desarrollo Social (Social Development Index)		
IMF	Instituciones de Microfinanzas (Microfinance Institution)		
IMN	Instituto Meteorológico Nacional (National Meteorological Institute)		
INDER	Instituto de Desarrollo Rural (Rural Development Institute)		



We achieve concrete sustainable development results."

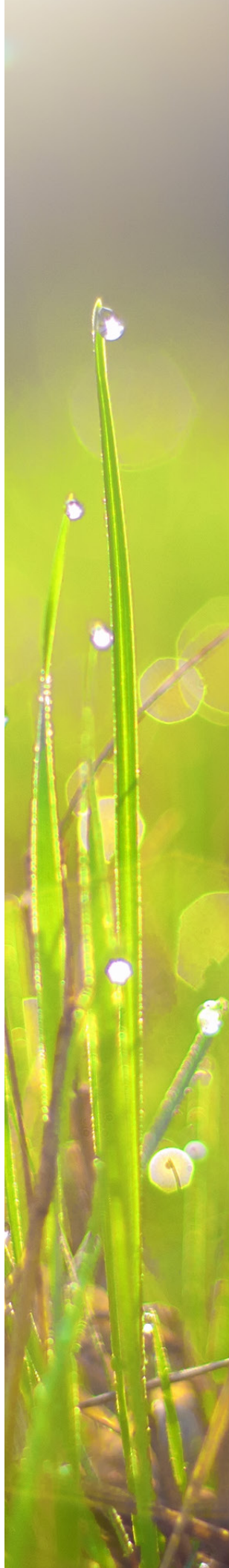


"We support innovative ideas that seek sustainable solutions through synergy, technical assistance, and financing. "



1

Board of Directors Foreword



Board of Directors Foreword

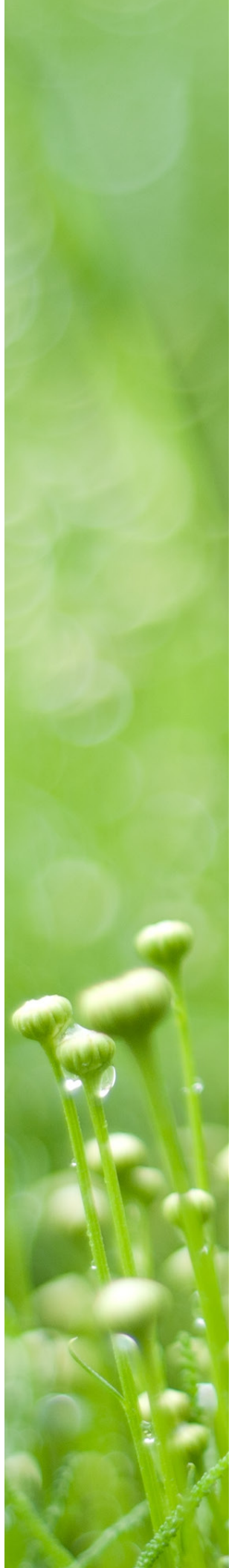
Fundecooperación's establishment drew its inspiration from the mandates of the 1992 Earth Summit to become a 21st Century organization to promote sustainability, social and financial inclusion, and values-based collaboration. A good example of this is our board of directors composed of representatives from the Ministries of Environment and Energy and of Planning and Economic Policy, the business sector, academia, and non-governmental organizations. Our board demonstrates the clear need to unite efforts across all members of society.

We are very pleased, as were our predecessors, to have contributed to these 25 years. We offer a hearty congratulations to Fundecooperación's team and all its beneficiaries. You are all part of a Costa Rica that advances and builds on its values.

Board of Directors

2

Executive Director Foreword



Executive Director Foreword

The 25th anniversary celebration during the PreCOP25 here in Costa Rica is more than just a happy coincidence.

When the Fundecooperación Foundation for Sustainable Development was created in 1994 to implement the Bilateral Agreement on Sustainable Development between Costa Rica and the Kingdom of the Netherlands, our founders hoped even then to transcend that specific task and do justice to the entire name chosen for our organization from its very genesis.

In the process of meeting this great commitment, the Foundation has reinvented itself several times. One of these challenges required that we evolve from that traditional and comfortable paradigm of cooperation between two countries to a south-south cooperation that learns and shares experiences with people in other parts of the world, such as Benin, Bhutan, and Morocco.

Another challenge, even more difficult, was to reach financial self-sufficiency ultimately to increase our sustainability impacts; from this motive was born our Customized Credit Program to generate greater social and financial inclusion in the country.

As our board chair, Mr. Johnny Campos, to whom we dedicate this 25th anniversary celebration, would say, “The best tribute we have been able to offer to the generous Dutch people has been to demonstrate that their initial seed funding has borne fruit and we have multiplied its impact.”

Many people and institutions have contributed to this organization, especially so our dedicated and enthusiastic Board, staff, and partners, who at each step along these 25 years have ensured a meaningful translation of the global sustainable development agenda into concrete actions in our local context.

It is no coincidence then to celebrate our 25 years during the PreCOP25. Our commitment has contributed to a Costa Rica more sustainable, more inclusive, more adapted to climate change, and that a comprehensive development approach always includes climate action and sustainability.



Marianella Feoli Peña
Executive Director

3

Our Essence



Our Essence

Who are we?

Fundecooperación para el Desarrollo Sostenible promotes the growth, development, and economic, technical, social, and environmental strengthening of economic activities, enterprises, and MSMEs that develop sustainably in the agricultural, livestock, commercial, services, and manufacturing sectors of Costa Rica.

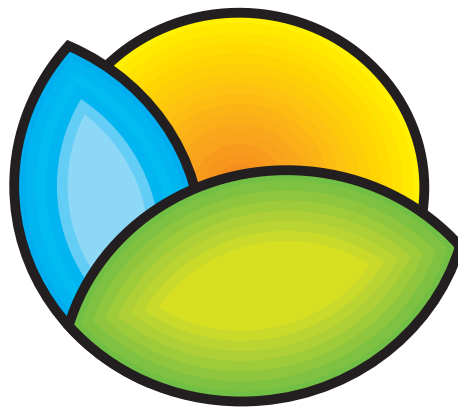
Where were we born?

Following the agreements of the Earth Summit held in Rio de Janeiro in 1992, the Kingdom of the Netherlands promoted a novel form of international cooperation for sustainable development that produced bilateral agreements between three countries on different continents: Benin (Africa), Bhutan (Asia), and Costa Rica (the Americas).

In 1994, Costa Rica signed the Bilateral Development Agreement with the Kingdom of the Netherlands. That same year, the Fundecooperación Foundation for Sustainable Development was born as the implementing arm of the agreement to promote sustainable development in Costa Rica.

Mission We finance sustainable development through innovative, inclusive programs and, to the extent possible, adapted to the economic, social, and environmental needs and opportunities of micro-, small-, and medium-sized enterprises in Costa Rica.

Vision To be the national standard in sustainable development financing that generates greater positive and inclusive social, environmental, and economic impact in Costa Rica.



Values

- Commitment
- Honesty
- Equity
- Participation
- Transparency
- Respect and tolerance



Our essence

How do we work?

- We offer inclusive, customized, and accessible credit solutions and technical assistance in order that our clients establish healthy and sustainable businesses.
- We manage international sustainable development cooperation projects in partnership with public and private institutions.
- We foster the growth and diversification of economic activities, as well as strengthen actions that increase business resilience. We ensure the full and effective participation of all sectors of society, with special attention to women and the social and environmental development in each community impacted as well as all of Costa Rica as a value-generating country.

For whom?

Fundecooperación helps people transform dreams into reality and improve living conditions hand in hand with sustainable development. We implement a socio-environmental model that addresses on the one hand the farmer, small business owner, or entrepreneur, who has no traditional banking credit options, and on the other facilitates innovative initiatives that promote sustainable development. These initiatives also fight the effects of climate change.

For this reason, Fundecooperación's work meets the financial and technical assistance needs of entrepreneurs, MSMEs, individuals or associates, as well as community organizations that carry out sustainable economic and social activities.



We provide incentives so that all segments of society actively participate in decision-making, implementation, and project support.



Our interdisciplinary model

To meet our mission, we enjoy the guidance of an multi-sector Board of Directors:



Local and national government



Private sector



Academia



Civil society and non-governmental organizations

Our essence

Board of Directors

In September 2019

Johnny Campos Loaiza.
Chair and representative of the Municipality of Cartago

Federico Zamora Cavallini.
Costa Rican Union of Chambers of Commerce and Private
Business Associations (UCCAEP)

Fernando García Santamaría
Cristina Alvarado Ulloa (Alternate)
National Commission of University Presidents (CONARE)

Alina Menocal Peters.
Ministry of Planning and Economic Policy (MIDEPLAN)

Carlos Manuel Rodríguez Echandi (Titular)
Haydée Rodríguez Romero (Suplente).
Ministry of Environment and Energy (MINAE)

Tania López Lee.
Representative of civil society and non-governmental
organizations



Our essence

25 years of achievements



Our essence

Fundecooperación's presence in Costa Rica

We work with communities across the country, including among other areas, indigenous reserves, coastal areas, islands, and protected areas. We also work with all economic sectors in Costa Rica.

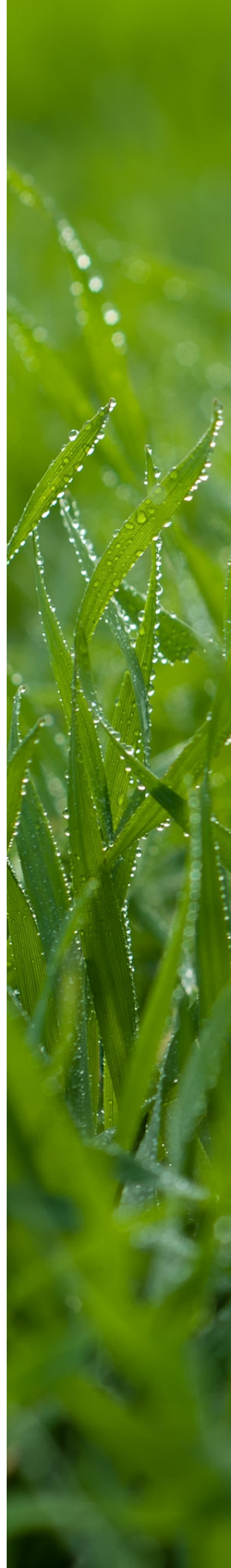


Our international presence

Our impact transcends Costa Rica's borders. Thanks to our international cooperation projects, we reach other corners of the world, demonstrating that experience sharing strengthens sustainable development and creates a multiplier effect.

4

Our Support for Sustainable Development



Our Support for Sustainable Development

Fundecooperación is a non-governmental organization with multi-sector representation, working for sustainable development in the country for 25 years. It provides credit to entrepreneurs and MSMEs, as well as supports innovative projects with technical assistance and knowledge management. Our *raison d'être* is to improve the population's quality of life and wellbeing with tools that not only effect a socioeconomic impact, but also a positive environmental one as well.

Environmental protection interpenetrates all of our work, programs, and projects, which increases resilience and climate change adaptation. All of our sustainable development activities whether global, regional, or national must translate into sustainable achievements locally. That is, producers and community-based entrepreneurs must implement them.

Given this catalytic role and thanks to our experience over the past 25 years, we understand the necessity for multi-sector synergies to implement the national and international development agenda.

Our programs and projects, therefore, promote partnerships with public and private organizations, community and producer groups, cooperating entities, and sector-based networks. Through cooperative initiatives, Fundecooperación has been gaining experience about environmental and socio-economic practices and building our capacity to serve as a change agent in Costa Rican communities. To this end we also provide financial and technical assistance through talks, training, and workshops to credit applicants and project beneficiaries.



In 2019 alone
we offered

239

Talks, workshops,
and trainings



Our Support for Sustainable Development

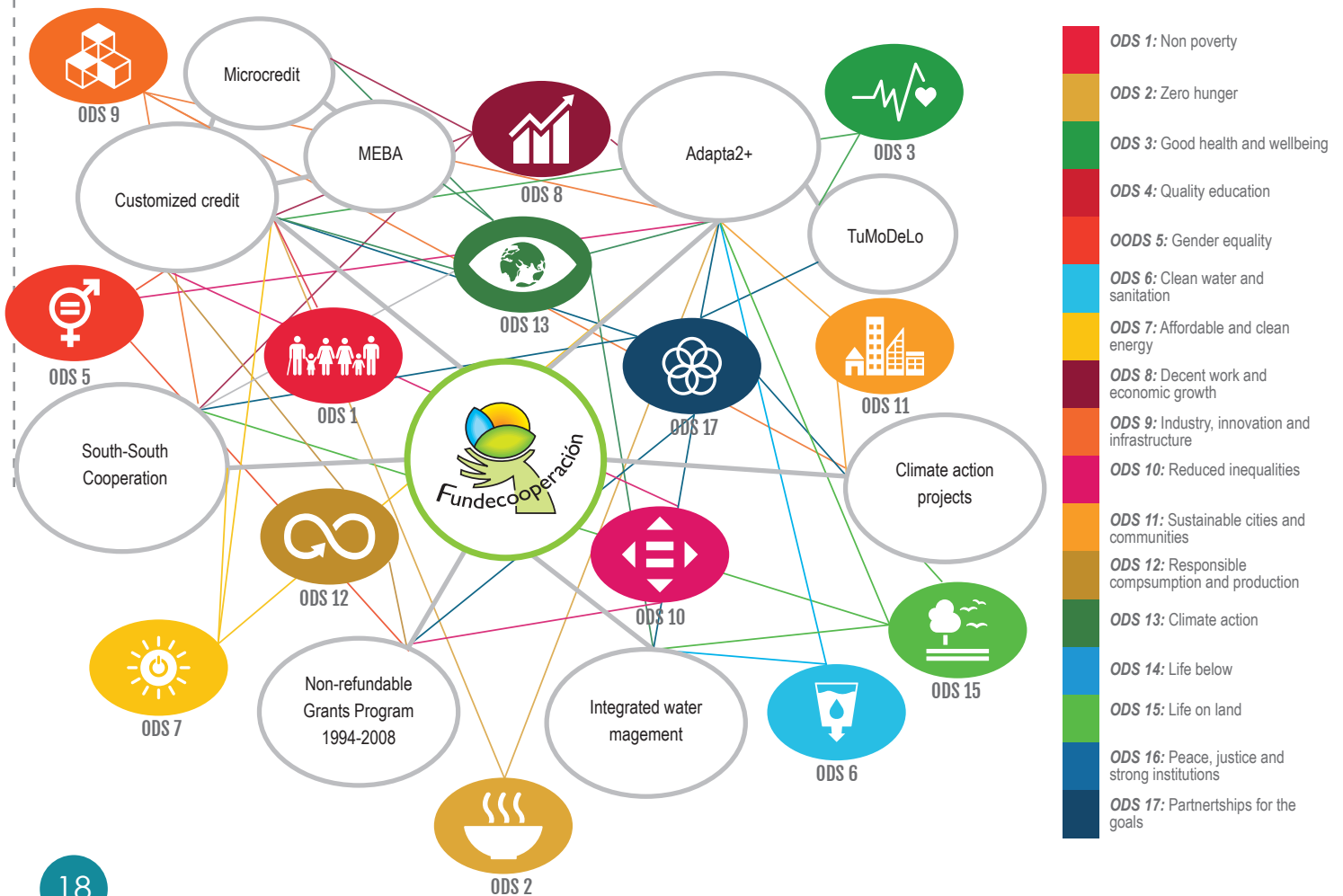


Our contribution to the Sustainable Development Goals

Consistent with the motto “Think Globally and Act Locally,” Fundecooperación has promoted with concrete actions the United Nations 2030 Agenda and the 17 Sustainable Development Goals (SDGs), which represent a transformative vision of economic, social, and environmental sustainability at the international, regional, national, and local levels.

The Foundation's commitment to the SDGs lies in promoting sustainable development, inclusive and in harmony with the environment, so that "no one is left behind" on this new path where government representatives, the private sector, civil society, and academia must participate together.

Our raison d'être and our comprehensive and inclusive working model have allowed us to interweave actions in pursuit of the 2030 Agenda. Given the multidimensionality of the SDGs, the Foundation's work directly or indirectly impacts 15 of the 17. Next, we describe those SDGs for which we have had the greatest impact.



Our Support for Sustainable Development

1 END POVERTY



End poverty in all its forms everywhere

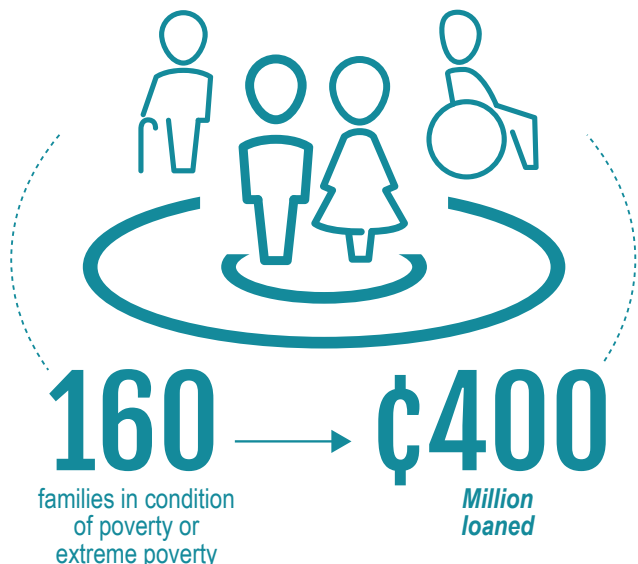
We at Fundecooperación are acutely aware that social, economic, and environmental inclusion is of utmost importance to poverty reduction.

Given our mission to promote the sustainable development of those entrepreneurs, small-scale rural producers, and MSMEs, we support the most vulnerable sectors and those barred from accessing the financial system.

Therefore, we facilitate that access to innovative financial products and services in all corners of the country for people in poverty (basic and extreme), helping them to develop their economic activity as well as their resilience, adaptation, and mitigation to climate change. Together we carry out this daily work through our credits and projects, to deepen our understanding of adaptation and climate finance.

For this reason, we participate in the MeBA Project (Microfinance for Ecosystem-based Adaptation) which has allowed us to strengthen the Customized Credit Program with new innovative financial products to better confront climate change.

In particular, with our loans backed by FIDEIMAS, a trust that provides guarantees to families that do not have real or liquid assets to access credit, we support more than **160 families** experiencing poverty nationally. We maintain a portfolio of approximately **¢400 million** in sustainable loans, of which 86% are directed to families in rural areas and 15% involve adaptation to climate change strategies or good environmental practices. Additionally, we can provide more accessible interest rates with FIDEIMAS subsidies and payment schemes tailored to the economic activities in question



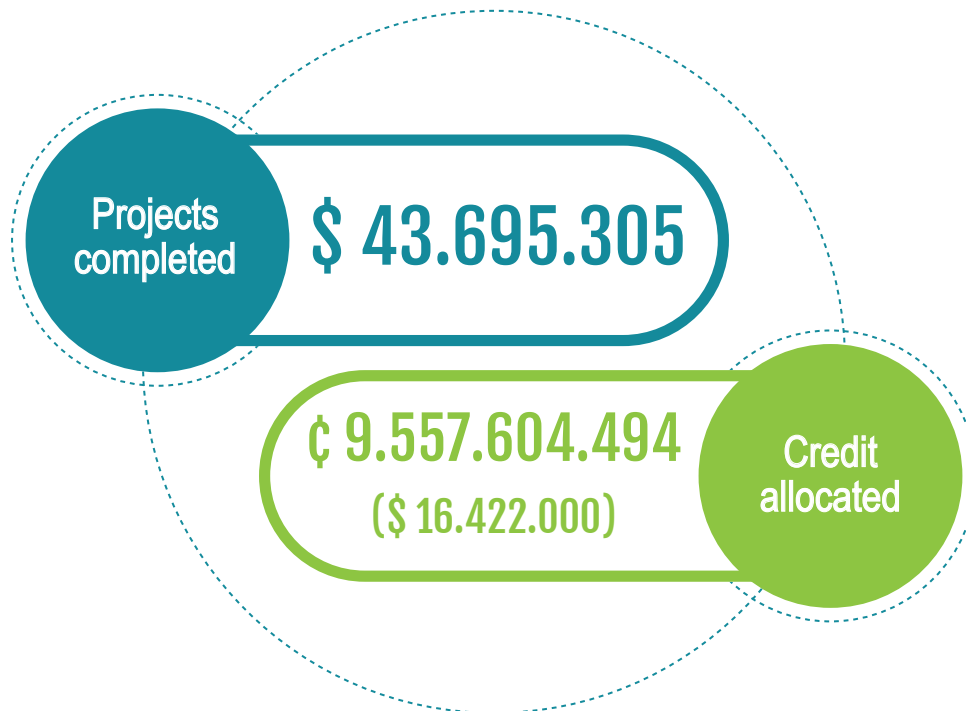


Our Support for Sustainable Development

In addition, our initiatives have supported more than 30 communities in areas with a low or very low Social Development Index (SDI)¹ in order to improve their quality of life and fully and equitably encourage their inclusion. Likewise, thanks to the scalability of our credit-accessible projects, we have facilitated the financial sustainability of our beneficiaries, contributing to the reduction and elimination of poverty, especially in rural areas, where they eventually qualify for conventional bank loans.



But beyond the absence of income and financial resources to guarantee a sustainable lifestyle, the challenge of fighting poverty involves promoting solutions related to sustainable and resilient food systems, improving access to the most basic services, reducing discrimination and social exclusion, and encourage the participation of all people in decision-making. For this reason, Fundecooperación has channeled over 25 years exactly ¢34,988,271,714 to support sustainable development.



¹ The Social Development Index ranks districts and counties according to their level of social development, taking into consideration access and fulfillment of fundamental rights related to health, economy, social participation, education, and security.

Our Support for Sustainable Development

2 ZERO HUNGER



End hunger, achieve food security and improved nutrition and promote sustainable agriculture

We promote food security, sustainability, and climate adaptation of agricultural systems through projects that promote subsistence,

sustainable agricultural practices, and supply chains with environmental added value. We pursue the same ends also through technical assistance, implementation of technological measures, and financial services tailored to the needs of our clients.

One of our most successful projects in this area is called Climate Change Resilient Indigenous Family Farming, part of the Adapta2+ Program and carried out by INDER and the Integrated Indigenous Development Associations of Talamanca (ADITICA and ADITRIBRI).

It supports 528 indigenous families in the implementation of at least 10 sustainable agricultural practices that respect ancestral traditions of two indigenous tribes: Cabécar and Bribri.

On the other hand, the Foundation followed the National Plan for Sustainable and Healthy Gastronomy (PNGSS in Spanish), developed with sustainable agriculture principles that promote a sustainable and healthy gastronomy throughout the country's entire value chain. The plan frames this development as a social and cultural pillar of national identity and a new value added for tourism, economic development, and wellbeing for all Costa Ricans.

Similarly, the Tu-MoDeLo initiative (Tourism Driving Local Development) that Fundecooperación manages with the Ministries of Agriculture and Tourism and other organizations, promotes linkages between sustainable farmers and the tourism market throughout the country. This in turn creates greater opportunities for sustainable products and better sources of income for family farms.



Our Support for Sustainable Development

5 GENDER EQUALITY



Achieve gender equality and empower all women and girls

During its 25 years of work, Fundecooperación has become a leader in sustainable development in all of its forms, especially gender equality and equity for all people.

Although Fundecooperación currently applies a social, environmental, and gender policy to all of its work, we have been updating the gender focus on the application of credits, projects, and our work in general for the sake of forging a more multi-sector and inclusive vision. To accomplish this, we have been developing a Cross-cutting Gender Strategy.

Action Areas for the Cross-cutting Gender Strategy

1. Labor relations among workers
2. Customer service
3. Working together with participating organizations, donors, and suppliers
4. Sustainable production chain
5. Relation with beneficiaries and prevention
6. Attention to sexual and labor abuse



Our Support for Sustainable Development

Along with this strategy, we also intend to develop an action plan to ensure commitment of all people, businesses, and organizations that work together, directly or indirectly, with the impact that the foundation seeks to create.

Thus, by guaranteeing the inclusion of a gender perspective across all of our work, we guarantee not only a commitment by our foundation to diversity, equity, and gender equality, but also we generate a positive impact on all of Costa Rican society, at the same time that we contribute to the eradication of sex and gender barriers that we confront even today.

Of the more than $\text{¢}2.4$ billion of credit that have been issued to women-led business initiatives, 25% went to leaders of households.

Also thanks to our cooperation programs, almost 38% of all direct beneficiaries have been women. They have participated in sustainable projects, training, and knowledge management that we have been promoting nationally and internationally.



Projects
led by
women

38%



Our Support for Sustainable Development

6 CLEAN WATER AND SANITATION



Ensure access to water and sanitation and their sustainable management for everyone

Water scarcity, water quality problems, and proper sanitation affect health, food security, nutrition, and economic and educational opportunities for families across the world. For this reason, Fundecooperación protects and promotes efficient and integrated water use in all sectors through:

● National initiatives with:

203

Community
aqueduct
beneficiaries

120

Supported
communities

199

Community
aqueduct projects

80.500

People registered
with a water
distribution system

4

Community
aqueduct credit²

€828

million invested in
strengthening water
distribution systems
(aqueducts)

- Financing water distribution systems including water supply, efficient storage and irrigation, solid waste management, storage tanks, and other good practices that contribute to integrated and sustainable management of water.
- Training and strengthening of community aqueducts and local communities in efficient water use, solid waste, conservation of marine-coastal resources, and adaptation to climate change. In addition, support in improving administrative, operational, and financial management.
- Promotion of integrated watershed management and working together to protect aquifer water recharge zones and water sources. This was a priority topic in management of the Trinational Cooperation between Morocco, Costa Rica, and Germany.
- With ARESEP support and collaboration from GIZ and CEDARENA, the Adapta2+ Program is developing a Water Protection Fee as a new income stream that could support climate change adaptation for the country's water distribution systems.

² The number of community aqueducts awarded credit has not increased due to a legal rule that limits how much financing they can receive from outside the national banking system.

Our Support for Sustainable Development

7 AFFORDABLE AND CLEAN ENERGY

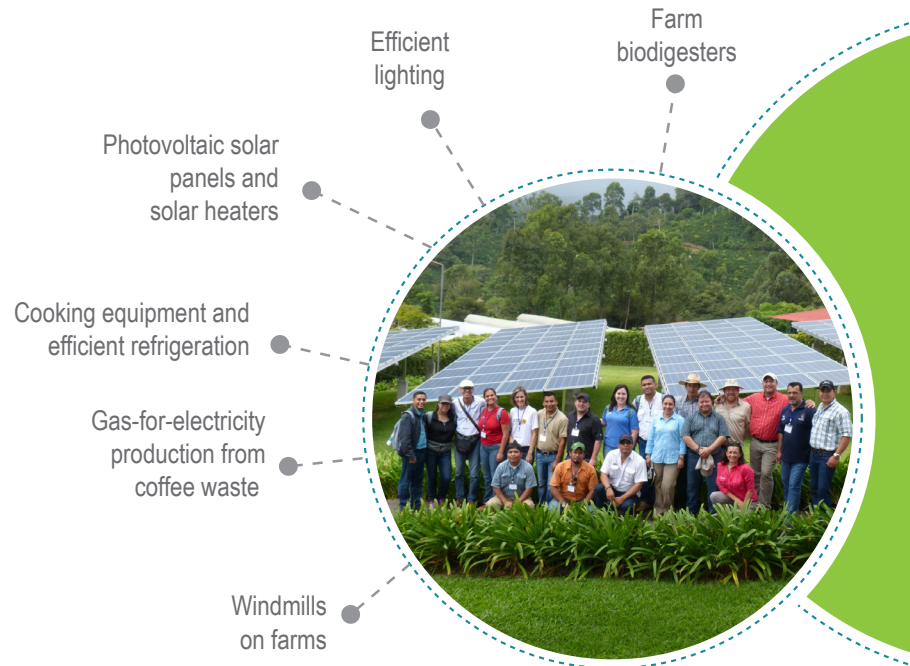


Ensure access to affordable, reliable, sustainable, and modern energy for everyone

Energy access is one of the greatest challenges for humanity as well as one of the most relevant

opportunities that requires that we responsibly treat the environment and continue down the road to sustainable development. The foundation, therefore, has contributed to the adoption of energy-related measures by financing and implementing clean technologies.

Clean technologies financed and implemented



8 DECENT WORK AND ECONOMIC GROWTH



Promote inclusive, and sustainable economic growth, full and productive employment, and decent work for all

Decent work is not just one more objective of Agenda 2030; at Fundecooperación we are certain it represents a fundamental driver of sustainable development. A greater number of people with decent jobs translates to a more inclusive and strengthened economic growth, one which will make more resources available for the creation of even more new decent jobs that will return dignity and hope to society, especially those who are socioeconomically and environmentally most vulnerable.

For that reason, **we turn dreams into reality through sustainable development** by making our financial services, projects, technical assistance, and training more accessible. By supporting the development of innovative entrepreneurship and MSMEs, we have created the needed conditions to contribute to the progress of these businesses.

We know that decent jobs increase individual and family income, contributing to the development of a more dynamic, inclusive, sustainable, and resilient economy —exactly what we have been supporting during our 25 years of work.



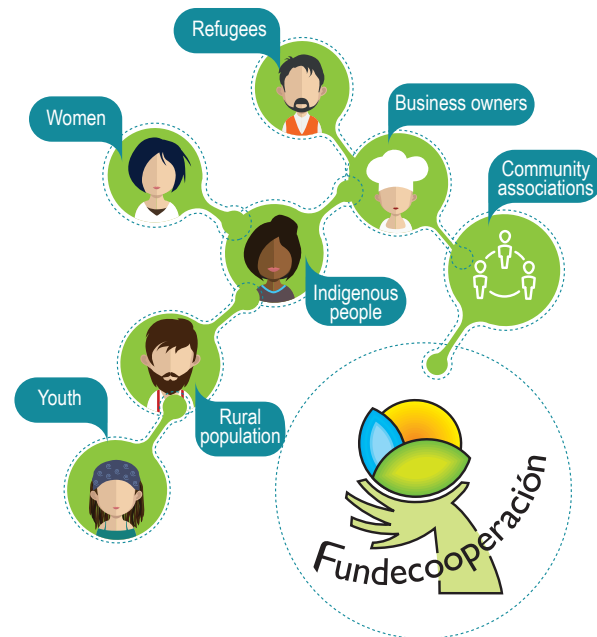
Our Support for Sustainable Development



Reduce inequality

Our ultimate goal as an organization is that those whom we support progress sustainably and, to the degree possible, impact the dimensions of economic, social, and environmental development. Fundecooperación ensures equal opportunity, integrating financial products and technical assistance for all those who experience difficulty in accessing traditional banking system or suffer high social and environmental vulnerability:

We work for equal opportunities



Make cities and human settlements inclusive, safe, resilient, and sustainable

Cities have been a source of social and economic progress for people and countries alike. Nevertheless, to maintain prosperity and economic development of cities and communities within the concept of sustainable development, it is necessary that these have plans, policies, and measures that promote the efficient use of resources, mitigation, and adaptation to climate change and resilience in the face of disasters.

For this reason, Fundecooperación has promote this kind of action, supporting initiatives to analyze and reduce the climate change vulnerabilities of public infrastructure. For example, the Adapta2+ Program uses a Canadian protocol PIEVC: Infrastructure Vulnerability Assessment and Adaptation to Changing Climate for community aqueducts with support from AyA, IMN, and community organizations.

Another example from the same program is the creation of a tool that allows municipalities, specifically, those officials in charge of granting municipal permits, to quickly identify climate change threats in their areas and to determine adaptation measures prior to the granting of permits.

Likewise, with respect to land use planning in Costa Rica, the Adapta2+ Program worked with SETENA and the Corcovado Foundation to include environmental adaptation into municipal and land use planning, necessary for the approval of construction projects and other forms of development in order to address extreme climate effects. On the other hand, together with MIVAH, we are working on developing a public policy

Our Support for Sustainable Development

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

The objective of sustainable consumption and production is to make more and better things from fewer resources. The Foundation has promoted the following both with credit and projects: waste reduction, rational ecological management of chemical products such as agrochemicals, and the implementation of sustainable production and consumption practices.

Besides, within our Social, Environmental, and Gender Policy, these issues stand out particularly in the environmental component; therefore, our commitment to the SDG 12 resonates through everything that we do.

At the same time, **we finance commercialization projects with much more sustainable processes, products, and services** thanks to production techniques cleaner than traditional options. With respect to consumption, **we offer technical training talks in the field so that the population becomes more aware of the importance of responsible consumption.**

The development of inclusive and sustainable production chains is part of our DNA. Our credit portfolio is oriented 100% to productive processes, services, and products that demonstrate positive environmental value.

We are also part of the Global One Planet Network, which began in order to identify and implement sustainable consumption and production initiatives that support SDG 12. Now that we are part of the Network, we can inform the world about our lessons learned in promoting responsible consumption and production, as well as learn from others.

Along the same lines, Fundecooperación is a member of the National Alliance for Soil and Land, and we are part of the National Plan for Sustainable and Healthy Gastronomy, which allows us to bet on cleaner production with greater environmental conscience. In addition, the Foundation has carried out more than 300 projects in sustainable agriculture, sustainable tourism, and clean technologies. One example of these is the development of Tu-MoDeLo that strengthens sustainable agricultural product value chains that directly access the sustainable tourism business market.



Our Support for Sustainable Development

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

Concerned about the extreme effects of climate change, Fundecooperación commits to green growth and climate action for which we adopt transformative procedures and develop

difference-making initiatives that reduce greenhouse gas emissions, climate change adaptation, and financial inclusion. Over the past 25 years, we have worked, in our role as catalyzer and facilitator, to implement good climate practices through our programs and sustainably oriented assistance:

- Support for national, innovative, and totally inclusive initiatives that frame Costa Rica as a climate laboratory for the world.
- In 2012 Fundecooperación was accredited as an implementing entity for the National Adaptation Fund.
- Starting in 2015, Fundecooperación has been implementing the **Adapta2+ Program** focused on reducing vulnerability of the agricultural sector, water management, and coastal zones. The program has been administering 40 projects throughout Costa Rica with the participation of more than 100 public and private organizations.
- The organization has been implementing **at least 30 production climate technologies** that not only support environmental conservation, but also improve income of farmers and their families and increase their resilience in the face of climate change.

- Support the Development Strategy for Low-Carbon Cattle Ranching, the National Cattle Ranching Program and its dairy sector pilot plan, and the national pilot plan for coffee adaptation.

- Financing of extreme climate effect adaptation measures in farms with innovative product credits: **Agriculture and Cattle Ranching PRO+CLIMA** that increases water availability and improves farm conditions. Each one emphasizes the optimization of plantations during harvest and animal health during the dry season when greater resource scarcity dominates.

- **Climate measures based on local priorities, needs, knowledge, and abilities** effectively confront the current and future threats of climate change.

- **More than 990 farms implement adaptation and mitigation measures** using at least one of three farm climate technologies, reducing their climate change vulnerability and risk of losing their principal source of income which in many cases is their only source of income.

- The Foundation improves climate change mitigation and adaptation through individual and institutional education, awareness-building, and capacities to reduce effects and promote early warning.

- Adoption and financing of technical options that reduce farm vulnerability and strengthen MSME response to climate change.



Our Support for Sustainable Development



Conserve and sustainably use the oceans, seas, and marine resources for sustainable development

Our Foundation has also committed itself to underwater life and has worked to conserve and sustainably protect marine and coastal ecosystems through

sustainable marine tourism, mangrove and coastal restoration, and the development of responsible fishing as well as actions within the Water and Coastal Resources component of the Adapta2+ Program of the Adaptation Fund. Thanks to this program, **34 at risk coastal communities have been protected by adaptation measures.**

We have also protected other ecosystems such as artificial reefs, mangroves, and wetlands. More recently, in partnership with Raising Coral, we are implementing a project to propagate and plant **at least 1,000 corals** in Golfo Dulce to minimize the effects of ocean acidification, a principal cause for the loss of coral reefs. We also support, in partnership with CRUSA, the establishment of a Technical Advisory Committee with local organizations around the Térraba-Sierpe Wetland in order to support management plan implementation and to design a joint action plan for the management and protection of the wetland, with a strong environmental education focus.

Related to this work, we facilitate credit access to subsistence and small-scale fishermen that practice sustainable fishing and responsible sales of marine products as well as small- and medium-sized businesses that reduce contamination during their production processes (avoiding that their wastes end up in the ocean).

We have also supported access to sustainable fishing technique certification schemes for our clients and beneficiaries. Thus, we have created and strengthened local and institutional abilities to implement climate change adaptation measures to reduce vulnerability and improve coastal zone management where Fundecooperación has been working.

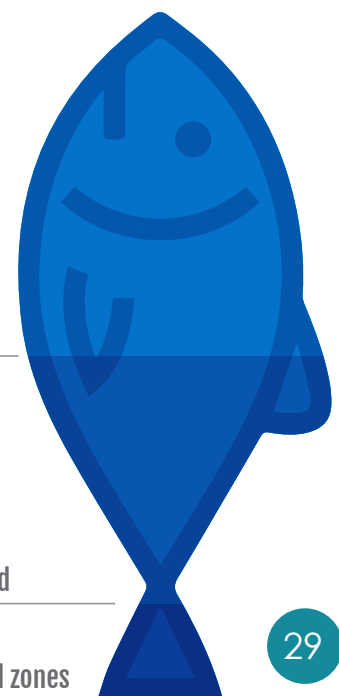
Responsible Fishing

At present 22 fishermen have received credit to develop responsible fishing practices.

50%
Chira Island

36%
Venado Island

14%
Other coastal zones



Our Support for Sustainable Development

15 LIFE ON LAND



Sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss.

In the face of deforestation and desertification, Fundecooperación has implemented integrated management measures for terrestrial ecosystems. The

Adapta2+ Program supports the ecosystem-based adaptation focus with which we promote the sustainable use and reestablishment of terrestrial ecosystems, preventing forest fires and reducing their impact, as well as wetland protection.

We have also offered financial support for agroforestry projects and farming activities that protect terrestrial ecosystems and conservation areas. **We have financed some 308 agroforestry farms that promote ecosystem balance on their farms with good environmental practices.**

We have also supported those farmers that work, together with their communities or SINAC projects, to protect national parks, conservation areas, and their buffer zones, for example the Eternal Waters Consortium in Chirripó National Park and the Guanacaste Conservation Area.

In this way we offer trainings about proper mangrove management and conservation and protection zones.

Two related projects of the South-South Cooperation: Capacity Building for Biodiversity Information and Benin, Bhutan and Costa Rica: Use of Non-Timber Forest Products. The latter project focused on the use of insects

and mushrooms as cattle feed. Both projects carried out by

INBio built institutional capacity for domestication, cultivation, and commercialization of mushrooms and insect management. To do this, the first step was to integrate scientific and traditional knowledge to create new opportunities for local organizations.



Our Support for Sustainable Development

17 PARTNERSHIPS FOR THE GOALS



Revitalize the global partnership for sustainable development

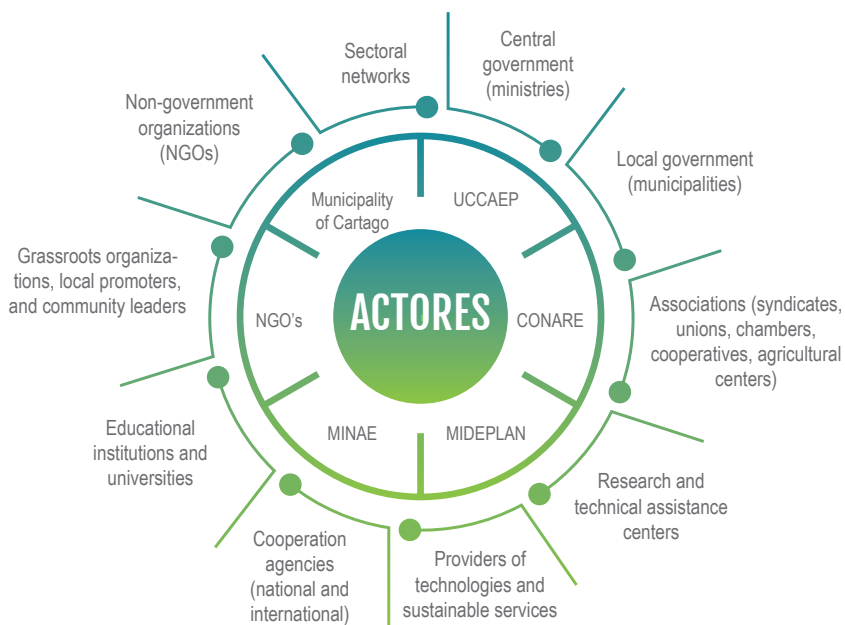
The reason that Fundecooperación has been able to contribute to Agenda 2030 is because of the synergies and strategic partnerships to create a sustainable and solid

working model that could generate results replicable locally, nationally, regionally, and internationally. For that reason, the Foundation has collaborated with more than 300 national and international actors over 25 years, who have contributed their knowledge and expertise to make a difference and leave a real impact.

Together we offer an innovative microfinance vision to cooperative projects, and we contribute to the sustainability transformation of sectors and highly vulnerable people.

This focus has stood out in the triangular South-South cooperation promoted by the Programme of South-South Cooperation for Sustainable development

Benin, Bhutan and Costa Rica and the Triangular Cooperation between Costa Rica, Morocco and Germany, which show an incalculable value for generating alliances between countries and similar organizations to effectively transform global challenges into local results.



Our Support for Sustainable Development

Our principal areas

Under the umbrella of sustainable development, Fundecooperación concentrates on eight principal and complementary areas:



Sustainable Farming: Projects in agriculture, aquaculture, livestock raising, porciculture, apiculture, aviculture, agroindustry, forestry, or transformation processes that improve competitiveness, promote development, and generate changes in farming systems from traditional regimes to those with lower environmental impact



Environmental Management and Clean Technologies: All kinds of industry, commerce, or agroindustry that promote new production processes or improvements that reduce environmental contamination and improve process efficiency



Sustainable Energy and Energy Efficiency: Projects, that, through application of new technologies, reduce energy consumption, lower contamination, or promote the use of alternative energy fuels and sources



Sustainable Tourism: Touristic activities that operate with a lower environmental impact than traditional means, and that contribute to sustainable community development



Gender Focus: Activities throughout the entire production chain that promote full, effective, and inclusive participation of women and other segments of the population with reduced access to equal opportunity



Production Linkages, Public and Private Services: Activities that drive, produce, and sell environmentally oriented products and services with a positive social impact in rural communities and the lifestyle of small farmers



Cultural Value: Activities that rescue, value, and rethink Costa Rican trades, activities, and traditions or that energize the production and exchange of cultural goods and services



Climate Change: Activities focused on climate change mitigation and adaptation

Through these areas, we involve society and its different sectors related to the creation and implementation of our programs and projects so that they yield positive economic, social, and environmental results.

Our Support for Sustainable Development

Our added value

The value added of our initiatives is based on experiences in the management and implementation of innovative projects in favor of the environment nationally and internationally. It also emanates from our climate financing of MSMEs in Costa Rica. But we transcend this when we center our efforts on meeting the needs of vulnerable populations, especially in rural zones. Each project seeks opportunities to improve the quality of life of our beneficiaries.

As well our technical assistance, established solutions with new environmental technology suppliers, and the agility with which we have embraced new digital platforms that simplify protocols and payments as well as offer additional differentiated services such as agricultural insurance and access for people in poverty have showcased our work.

We search for project scalability through the Customizable Credit Program to effect greater positive impact in society. Our work to develop institutional, financial, and environmental sustainability has placed us squarely in the international magnifying glass. Consequently, we have earned the support of different national and international organizations that believe in our support work and assistance in finding innovative and sustainable solutions.

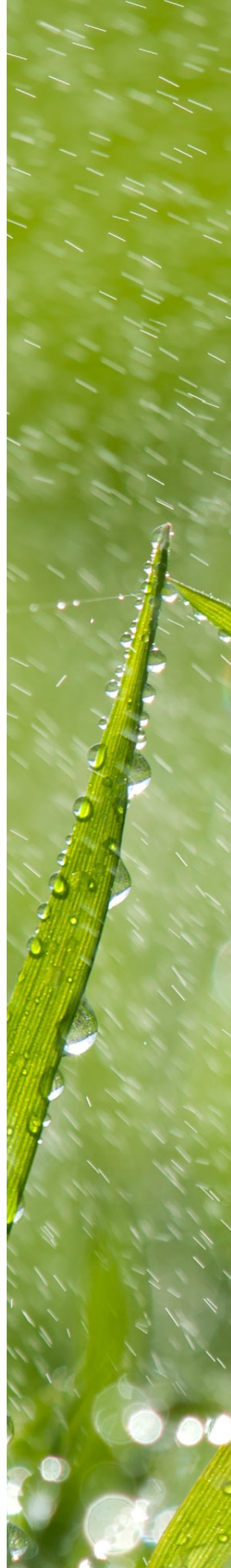
Likewise, thanks to our capacity to coordinate actions across sectors that all point to the same sustainable development objective — that we have been able to connect interinstitutional and intersectoral alliances, support existing public policies, and promote the creation of new ones. Without a doubt, we have been a friendly hand for sustainable development in Costa Rica and by means of south-south cooperation, beyond its borders as well.



Only through “thinking globally and acting locally” has the Foundation promoted the social transformation of the population, directly benefitting more than **54,000 people** in different regions of the country and the world, of which **35% have been women**.

5

Results of Our Work in Sustainable Development



Results of Our Work in Sustainable Development

Customizable Credit Program

The Customizable Credit Program emerged in 2006 as a complementary scaling up of the work that Fundecooperación had already been doing through its International Cooperation projects and the Bilateral Agreement of Sustainable Development between the Kingdom of the Netherlands and Costa Rica (1994-2003).

For 25 years, the International Cooperation and Customizable Credit Program have complemented each other, representing a synergy that allowed our results to be replicated successfully. The cooperation area has served a knowledge management function for new and innovate projects that have generated successful cases that could be replicated by the Customizable Credit Program.



International Cooperation

This program promotes learning, training, technical assistance, application of sustainable practices and technologies and experience exchanges among peers.

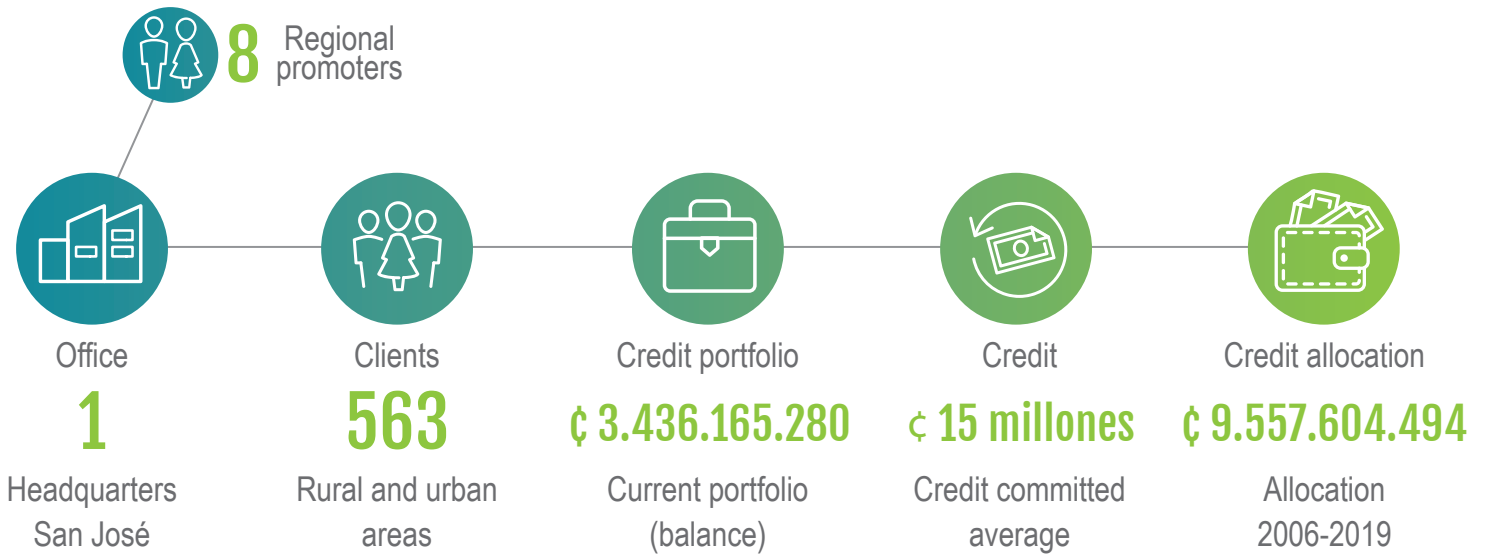
Customizable Credit Program

Replicates the international cooperation examples by financing initiatives that transitions MSMEs toward sustainability.

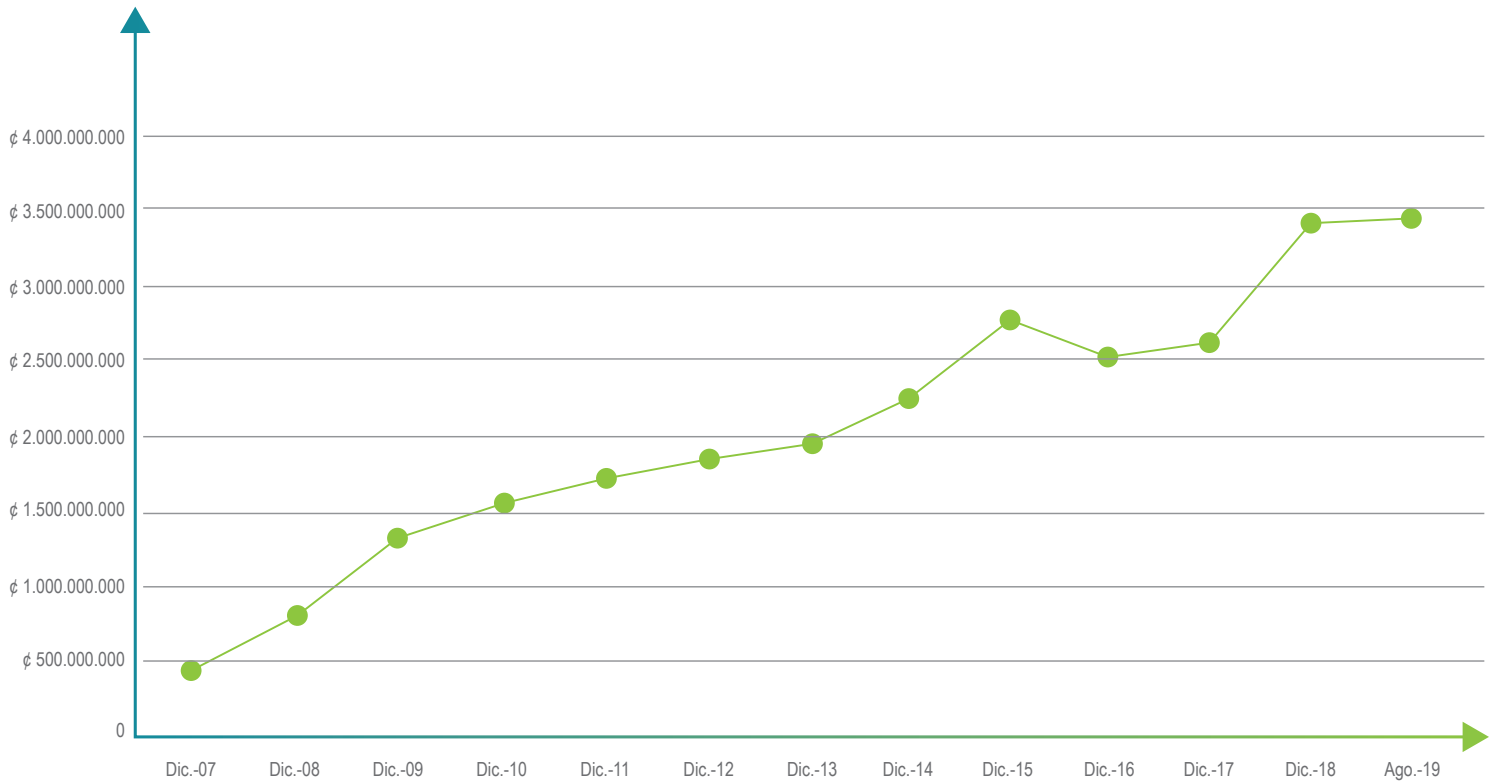
Customizable Credit Program offers a gamut of innovative credit alternatives easily accessible and customizable based on the characteristics of the economic activity, and needs of the businessperson. The credit requires that the borrower commit to environmental and social standards as part of the approval process. Besides the competitive aspects of the financing such as interest rates, collateral, terms and amounts, other aspects also add value:

- Payment schemes that vary depending on the nature of the economic activity or service, with grace periods (partial and total)
- Technical and financial advising which evaluates with the client the viability of the activity/business with necessary recommendations and support to find information.
- Liaison between initiatives and training, sales, and operational, financial, and environmental improvements with the implementation of technologies and climate actions
- Promotion of leading initiatives across multiple media as examples for other entrepreneurs

Results of Our Work in Sustainable Development



Historic Credit Balance 2006-2019

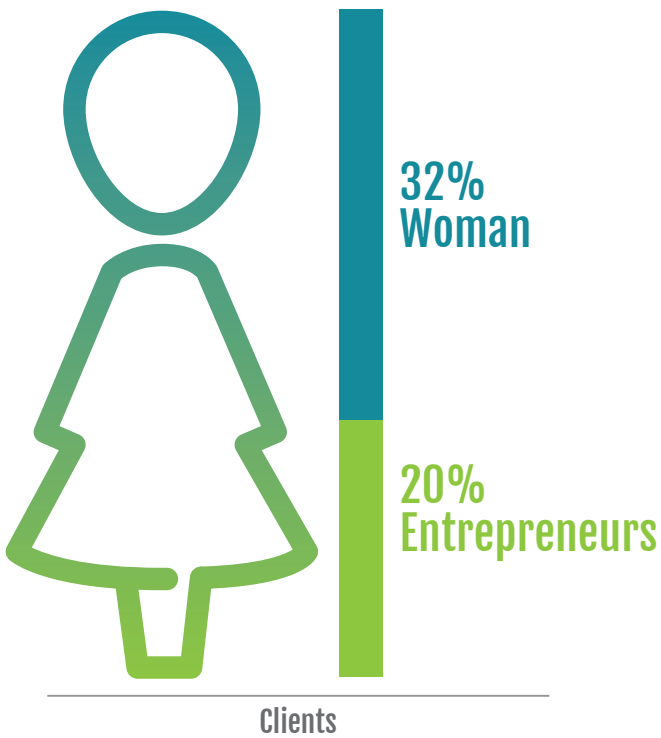




Results of Our Work in Sustainable Development

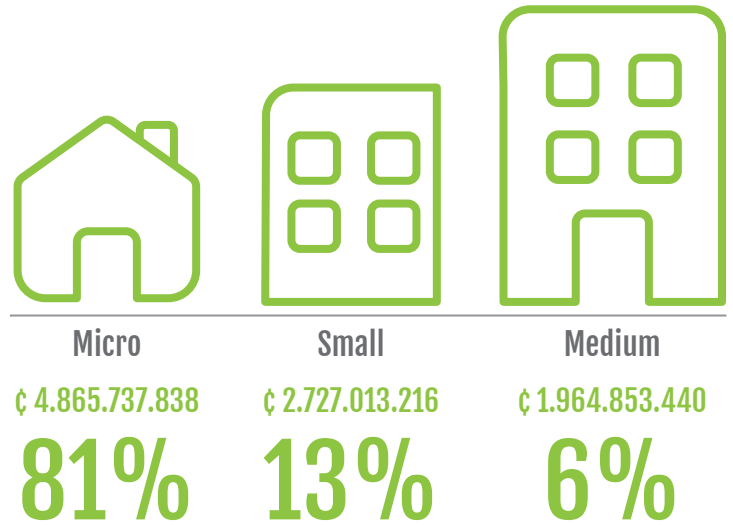
Our Clientele

Our credit program assists all those who establish MSMEs, whether individually or collectively owned, that have an innovative component, promotes the participation of diverse local actors with gender equity, and the implementation of good social and environmental practices.



Distribution by Business Type

% by Number of Clients










Results of Our Work in Sustainable Development

Our Offerings

Fundecooperación differentiates itself by specializing in environmentally conscious, innovative credit products that it loans directly to create solutions and growth opportunities, ensuring sustainability of the micro and small production sector



<p>1 From ¢500,000 to ¢3.5 million</p>  <p>Work capital, asset purchases, construction, remodeling, and liability retirement</p>	<p>2 From ¢3.5 million to ¢75 million</p>  <p>Land purchase, construction, remodeling, purchase of equipment and machinery, liability retirement, work vehicle acquisition and assets in general</p>	<p>3 From ¢3.5 million to ¢50 million</p>  <p>Short-term work capital to purchase raw materials or assets, permits, sales and marketing expenses</p>	<p>4 To ¢100 million</p>  <p>Seed credit for a legally registered organization, with experience in finance programs and that offers credit access to its affiliates or local organizations</p>	<p>5 From ¢500,000 to ¢75 million</p>  <p>Purchase of animals, equipment and machinery, vehicles, construction, remodeling, and implementation of good practices</p>	<p>6 From ¢500,000 to ¢75 million</p>  <p>Focused on climate change adaptation, including water production, irrigation, rotation systems, forage banks, hay production, work capital, among others</p>	<p>7 From ¢500,000 to ¢75 million</p>  <p>Focused on climate change adaptation including precision irrigation, terraces, seed banks, integrated pest management work capital, and others</p>
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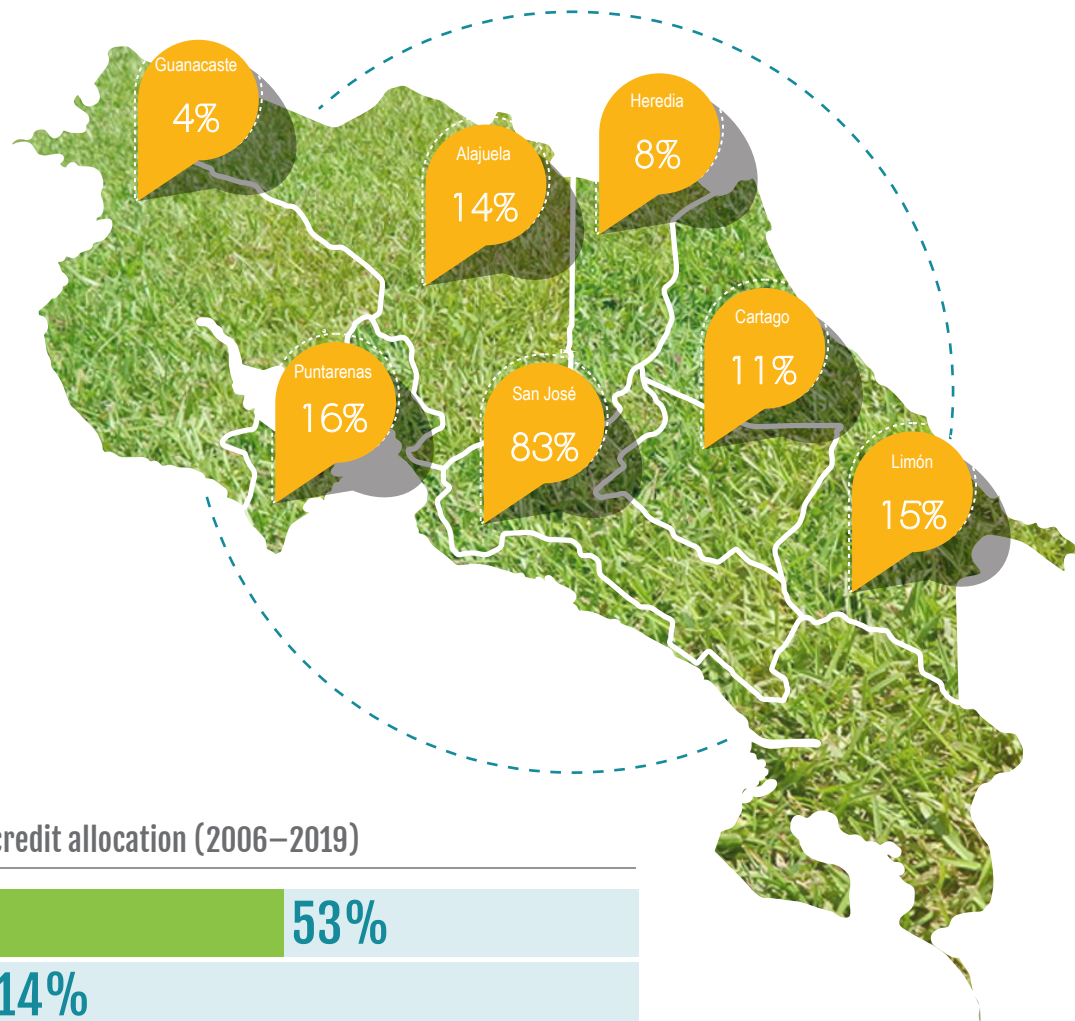


Results of Our Work in Sustainable Development

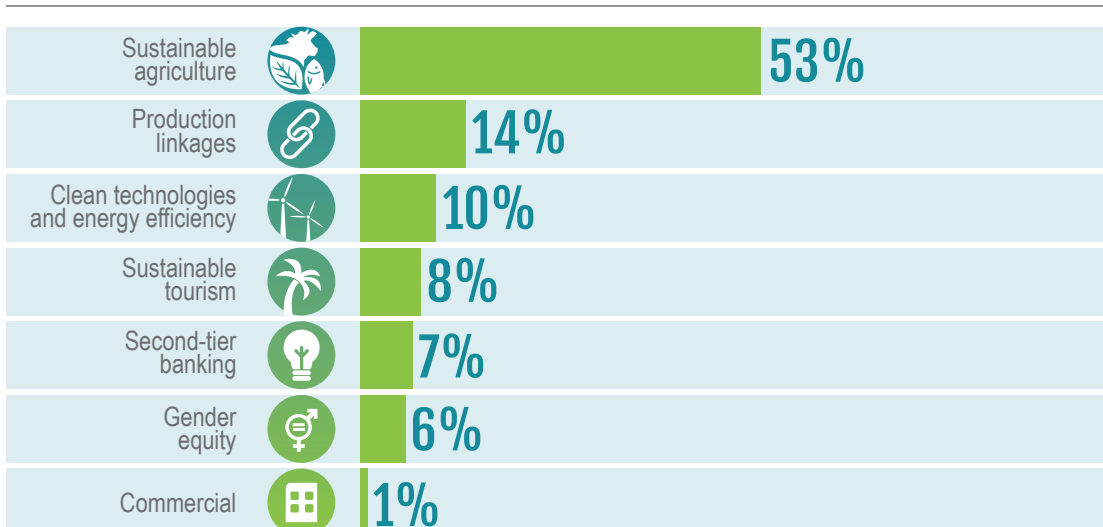
Our Services

We work across the nation, offering credit access to all communities with different emphases on how to promote sustainability:

Distribution of clients who received credit (2006–2019)



Distribution of credit allocation (2006–2019)

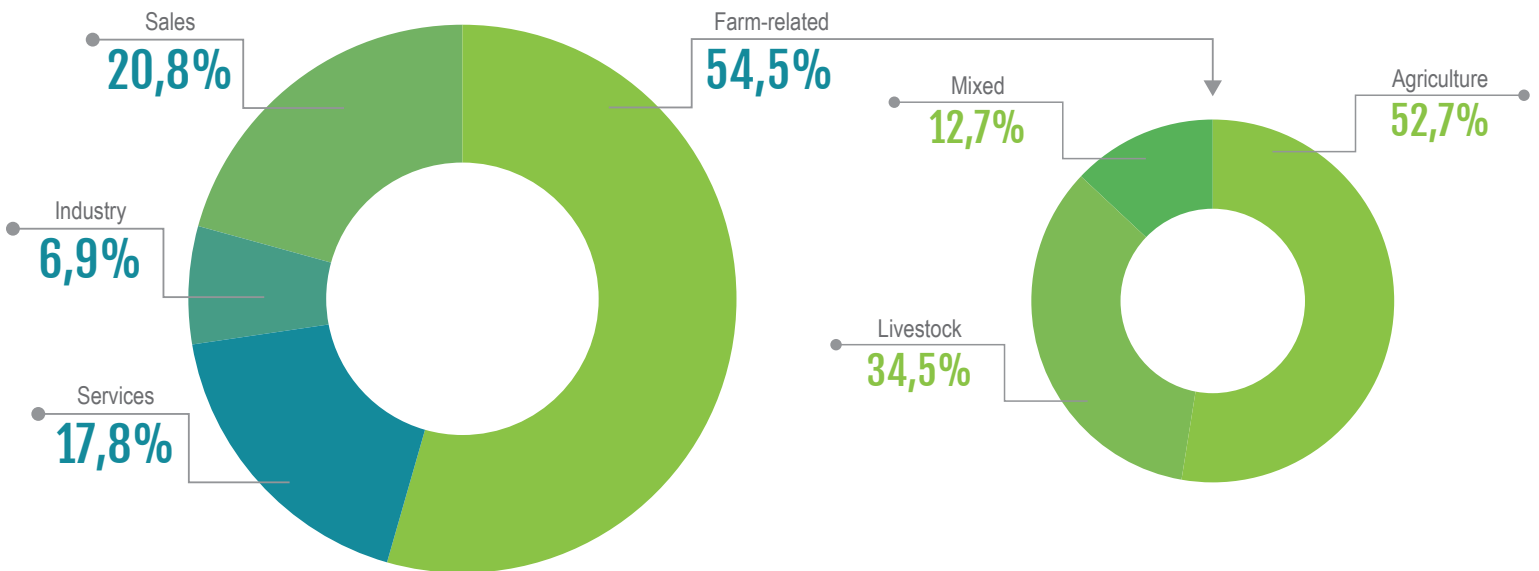


Results of Our Work in Sustainable Development

Credit results that underwrite our impact over the past 13 years

Below, we summarize results from a decade of support for enterprising individuals, micro-, small-, and medium-sized businesspeople involved in economic activities focused on environmental benefits for Costa Rica.

Economic sectors supported by financing



Financing of new products and services



Social development indices





Results of Our Work in Sustainable Development

We work across the nation, offering credit access to all communities with different emphases to promote sustainability:

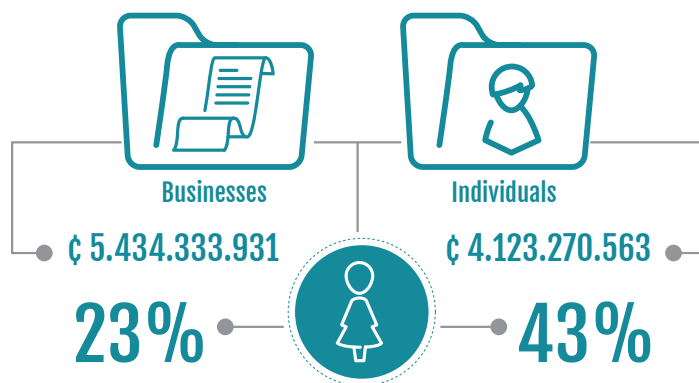
Those with credit support

MSMEs that did not have credit access, now receive credit thanks to our financial support. To date, we have supported more than 400 clients to begin using banking services which represents 76% of our portfolio.



Client Characteristics

We assist in the development of economic activities across a variety of clients such as individual initiatives (75%) or family and businesses (25%), offering financial opportunities for the growth of their business. We also have had significant participation of women.



As we have also pointed out in meeting SDG 13 (Climate Action), our products that promote climate change adaptation measures in agriculture have benefited **more than 80 farming families with ₺1.7 billion for the following actions:**

- Income stabilization by diversifying and improving production practices
- Greater capacity to address climate risks, implement better agricultural practices, and sustainably manage ecosystems and their services
- Greater capacity to pay debts and save for emergencies and future needs



Results of Our Work in Sustainable Development

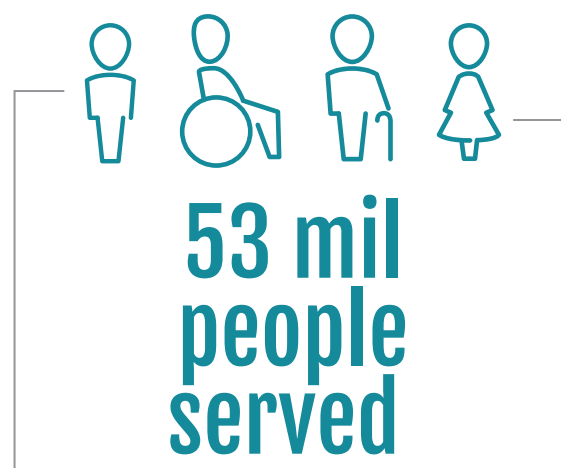
Projects Hand-in-Hand with Sustainable Development

Fundecooperación has accumulated a great deal of experience in the management and implementation of cooperation projects that promote sustainable development and climate change resilience for those Costa Ricans in vulnerable conditions as well as improve their socioeconomic situation.

Many of these projects we manage with national and international strategic partners.



With the idea of transforming global thinking about sustainable development in local actions, Fundecooperación has benefited more than 53,000 people inside and outside of Costa Rica, of which 38% are women.



to June 2019



Results of Our Work in Sustainable Development

Our Programs and Projects

Grants Program

Indigenous communities, farmers, businesspeople, artisans, fishing groups, research centers and universities, local governments and entrepreneurs, among others, have turned their projects into reality with the support of Fundecooperación's Grants Program. This effort began in 1995 and grew over a decade focused on four areas:



Agrosilvopastoral systems



Environmental Management and Clean Technologies



Sustainable Tourism



Gender Equity

With funds from the Bilateral Agreement for Sustainable Development between Costa Rica and the Kingdom of the Netherlands, the program was born to offer grants for the development of the Costa Rican population specifically to close the economic, social, and cultural gaps between men and women, create jobs, improve environmental conditions while developing business capacity. In this way, the organization offered technical and financial assistance to more than 221 projects

which supported Costa Rica's commitment to its most vulnerable communities.

The Program generated experience in the rational management of natural resources and biodiversity, the integrated management of crops and soils, the development of integrated farms, efficient water use, production management in controlled environments and organic agriculture. At the same time, we worked on safety and sales. Likewise, our support of environmental management and clean technologies promoted efficient resource use, use of organic wastes, industrial improvements, installation of technologies such as biodigesters, solar panels, and others.

The reduction in the socioeconomic gaps between men and women has been achieved by offering access to women who desired to turn their dreams into reality through a new enterprise, but did not have the financial resources to make that happen nor the technical knowledge to carry out their ideas in an environmentally friendly manner.

The organization also pioneered support for rural community tourism. Since then, we have supported sustainable tourism in balance with nature and respect for the Costa Rican reality.



Total Grants Program

\$16.955.779

Results of Our Work in Sustainable Development

Programme for the South-South Cooperation for Sustainable Development Benin, Bhutan and Costa Rica (PSC)

Since its creation at the Rio+10 Summit in 2002 and launching in 2007, this visionary program supported by the Kingdom of the Netherlands has implemented the principles of equity, reciprocity, and active participation of multiple sectors of society to create solutions for common problems. Through this effort, it was possible to implement projects between three countries that would appear very different, but in practice, together, have contribute to ecological sustainability, the socioeconomic benefits of people, communities, organizations, and institutions.

The program unleashed 36 pilot bilateral and trilateral projects with local and international impacts. Through the Programme of South-South Cooperation, the three countries recognized that poverty mitigation is best achieved through sustainable development.

PSC Areas:

- Sustainable production and consumption chains
- Sustainable tourism
- Conservation and sustainable use of biodiversity
- Access to sustainable energy and efficient energy use
- Gender equity



By working in **close collaboration**, we took advantage of the diverse knowledge of each partner. We taught Costa Ricans the value of insects as animal feed, while the Costa Ricans helped us to introduce organic varieties of pineapple that **opened new export markets for our small farmers and generated very needed additional income.**

Mathias K. Pofagi, Benin.

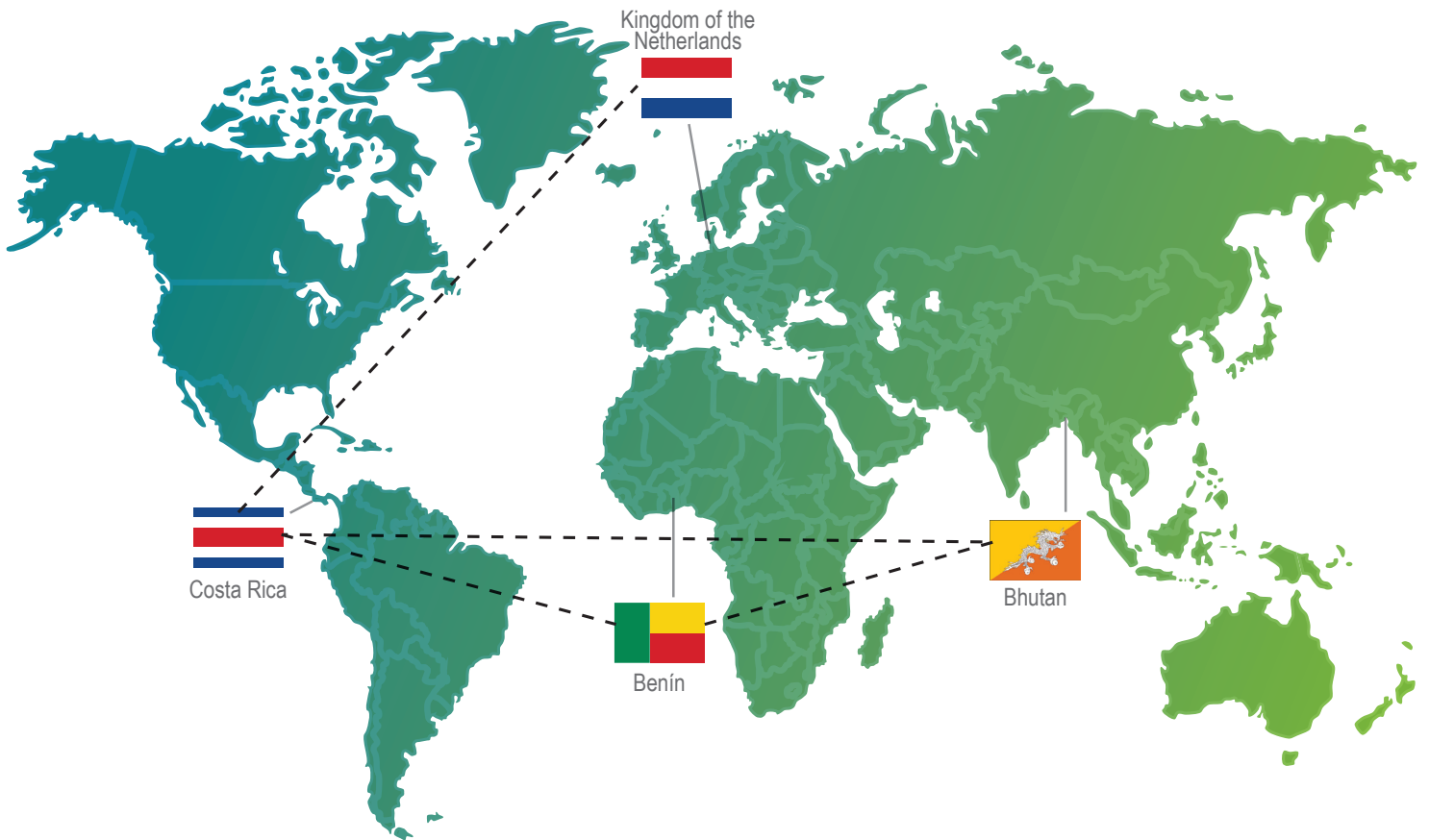


The Program catalyzed the transition toward sustainability through innovation, new initiatives, replicating success, new associations with civil society organizations among partner countries and sharing results nationally and internationally. This in turn encouraged the implementation of other projects and the benefits that such a collaboration brings. In the case of Fundecooperación, PSC led the way to a later Triangular Cooperation between Costa Rica, Morocco, and Germany.





Results of Our Work in Sustainable Development



Principal Results of the PSC

2.354

People who work in an economic activity related to the training

3.575

People trained in Sustainable technologies

1.280

People that participate in productive activities

26.706

Beneficiaries

477

Communities benefitted

1.533

Indigenous people trained

1.100

Women in decision-making positions

Results of Our Work in Sustainable Development

Project: Triangular Cooperation between the Republic of Costa Rica, the Kingdom of Morocco, and the Federal Republic of Germany

Costa Rica in partnership with Morocco and Germany worked on the management and sustainable use of forests, protected areas, and watersheds. This program began as a joint action at the Rio+20 Summit, where the three countries thought it important to confront the effects of climate change by exchanging experiences among them. The results have been exemplary nationally and internationally in showing the positive impact of the South-South and triangular cooperation.



Project: Strengthening Low-Carbon Climate Change-Adapted Competitiveness and Performance of the Costa Rican Coffee Sector

This project was financed by the Multilateral Investment Fund (FOMIN), part of the Inter-American Development Bank (IDB), currently IDB-LAB that supports Nationally Appropriate Mitigation Actions (NAMA). The project was focused originally on strengthening the coffee sector; nevertheless, in its last year of operation, it scaled its actions to other sectors such as livestock, family and urban agriculture. Its principal results were:





Results of Our Work in Sustainable Development

760

People participated in the development of regional climate agendas and 150 in chamber strengthening

760

Number of participants in pilot activities

190

People made aware

2072

People trained

The online platform PLATICAR with at least

75

transferred technological options

Total of

45

people from public institutions

18

publications

4

Four educational videos about the agricultural sector

1

self-paced educational material about climate actions in the agricultural



Results of Our Work in Sustainable Development

Adapta2+ Program

This program was financed by the Adaptation Fund of the United Nations Framework Convention on Climate Change (UNFCCC) and with support of the Climate Change Office of the Ministry of Agriculture. After being accredited in 2012 as a National Implementing Entity, Fundecooperación in 2015 began the Adapta2+ Program with \$10 million to implement local climate change adaptation measures. More than 40 initiatives were implemented across the country in three priority areas: agriculture and livestock, water and coasts, and capacity management.



Program Adapta2+ National Adaptation Actions and Public Policy:

During the course of Program Adapta2+, the country has greatly helped to position climate change adaptation in the national agenda. Indications of this include the implementation of a national early alert system for forest fires in protected areas that represent 25% of country's land area, the generation of agroecological zoning maps as well as marine ecosystem zoning that integrate climate considerations. The Program has contributed to the strengthening of the National Meteorological Network together with the IMN and in partnership with SETENA the environment has been incorporated into municipal land use planning, construction permitting, and appraisals.

The Program works to validate adaptation measures in various sectors including the implementation of a pilot project for NAMA GANADERIA as a livestock-raising

strategy low in emissions and an adaptation pilot project for NAMA CAFÉ. The Program together with INS built an agricultural insurance system that reduced the cost for those who implement climate change adaptation measures.

With the leadership of ARESEP and support of CEDARENA, the Program created the Water Protection Fee to create an income stream so that the country's water distribution systems can implement climate change adaptation measures.

Results of Our Work in Sustainable Development

Together with AyA, the CFIA led a project in partnership with IMN, MINAE, and engineers from Canada to implement climate change adaptation measures in one of the most important coastal watersheds in Guanacaste. They used as reference the watershed of Nimboyores del Río Cañas, critical for the Municipality of Santa Cruz, Guanacaste to supply potable water to various rural aqueducts administered by both AyA and communities (ASADAS). These in turn supply tourism developments. Likewise, this successful experience has been replicated, thanks to the German cooperation agency in the evaluation of public infrastructure climate vulnerability.

Local Adapta2+ Program Adaptation Actions:

The Adapta2+ Program has made impacts nationally as well as in farms and communities. Operating from the principles of Ecosystem-Based Adaptation and Community-Based Adaptation, some of the climate change adaptations that it has implemented are the following:



Availability of animal feed and adaptation in cattle farms: planting of forage crops, appropriate use of fertilizers, use of a fertigation system with purines and bioles, rational pasturing, and establishment of rotational pastures.



Animal shelter from excessive temperatures, rain, and disease; tree planting around pastures and improvements of animal stables, establishment of appropriate roads, as well as watering areas in pastures or common ponds to provide potable water for animals, and the establishment of preventative herd health programs.



Food security: restoration of productive areas for farming families and indigenous communities to produce food for subsistence (vegetable gardens, aviaries, pig sties, and others) and good adaptation practices.



Assurance of water availability for human consumption and for production: water sources have been protected with fencing or tree planting in recharge zones, water springs, streams or rivers. Water production systems have been built, equipment for watering holes or irrigation; also improvements in tubed water delivery systems (micrometers and macrometers, among others) for ASADAS. Efforts have been joined for protection and sustainable management of coral reefs and other ecosystems.



Intense work in Community-based Adaptation has led to concrete community results. For example, together with AyA and the Aliarse Foundation a total of 1,500 public school children in Parrita and Hojancha have become community leaders, thanks to a program called Water Guardians.

Results of Our Work in Sustainable Development



More than 50 community aqueducts have improved their knowledge of climate change adaptation. Among those are the community of Arancibia, thanks to a project that generated not only water security plans but also strengthened four community aqueducts. Hurricane Nate had damaged the aqueduct, so the project supported its rebuilding and improved its resilience. Likewise, thanks to the water security plans, the community had enough information to receive support from a national bank.

Adapta2+ Program's actions have been implemented with the participation of more than 100 partner organizations. These partnerships **generated matching funds of more than \$5,500,000, which represents 55% more funding than that given by the Adaptation Fund.**

Integrated Water Management in the Térraba-Sierpe National Wetland

CRUSA Foundation financed the project carried out by the University of Costa Rica and the Vice Ministry of Waters and Seas which sought the integrated water management and conservation in the Térraba-Sierpe National Wetland and in Grecia by means of:

Experience exchanges among ASADAS

6

Community participation (water benefitted usuarios de users benefitted)

2500

Students made aware

+350

Schools benefitted

10

Strengthening of ASADAS and local organizations

39

ASADAS supported

13

Workshops on administrative and environmental management

10

Municipality-wide associations of ASADAS benefitted

3

Communities benefitted

13



Results of Our Work in Sustainable Development

Project: Facilitating the Implementation and Preparation for Mitigation, MINAE-PNUMA-RISOE-UDT

The partnership between the United Nations Environmental Program and the Technical University of Denmark in coordination with the DCC and the Ministry of Agriculture financed this project. Its aim was to prepare for the mitigation of greenhouse gas emissions in two priority sectors: livestock and housing. The project made possible the development of a low-carbon emissions strategy for each sector and create an Urban NAMA. In a second phase, the project involved local governments pursuing the 2021 carbon neutrality goal through the design of a Country Program for municipalities. The idea took its inspiration from a currently existing Country Program in the private sector.

The Low Carbon Livestock Development Strategy was approved as public policy by the Ministry of Agriculture and is currently being implemented by the livestock sector with support from Chamber of Dairy Producers's CORFOGA in the Livestock Roundtable in which Fundecooperación actively participates.

Project: Initiative for Climate Change Transparency, MINAE-PNUMA-RISOE-UDT

In support of the DCC, this project financed by the same United Nations Environment Program-Technical University of Denmark Partnership aimed to put in practice the National System of Climate Change Measurement (SINAMECC) to generate trustworthy data based on a policy of data use and negotiation between involved organizations.

Principal Results:

- Creation of a data management protocol for SINAMECC
- Analysis of implications, orders, gaps, and legal restrictions about open data in Costa Rica and information access.
- Guide for the application of the MRV (Measurement, Review and Verification) Metric System in the transportation sector.
- Analysis of transportation co-beneficiaries to be included in SINAMECC
- Inclusion of transportation mitigation actions in SINAMECC



Results of Our Work in Sustainable Development

Project: Climate Change Adaptation Plan Development for the Guanacaste Conservation Area (ACG)

The Second Debt-for-Nature Swap between the United States and Costa Rica funded this project, administered by the Forever Costa Rica Association. Its objective is to develop together with SINAC a regional adaptation plan for climate change in the Guanacaste Conservation Area. This conservation area is a natural World Heritage Site focused on three ecosystem priorities:



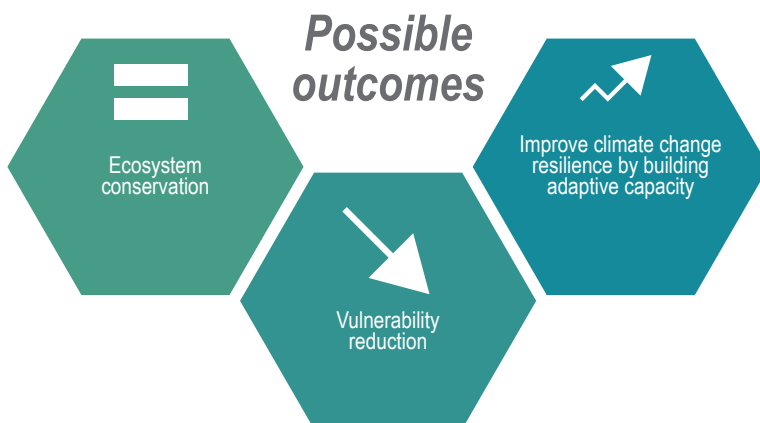
Water



Pollination



**Biodevelopment
(Tourism, Research, and
Education)**



Project: Tourism Driving Local Development (Tu-Modelo):

Tu-MoDeLo

TURISMO - MOTOR DE
DESARROLLO LOCAL

Tu-MoDeLo is a concerted interinstitutional effort to use tourism to drive local development through local and sustainable procurement of agricultural products. The initiative improves the quality of life of agrarian communities by identifying market opportunities for tourism value chains to purchase sustainable and climate change-adapted agricultural products.



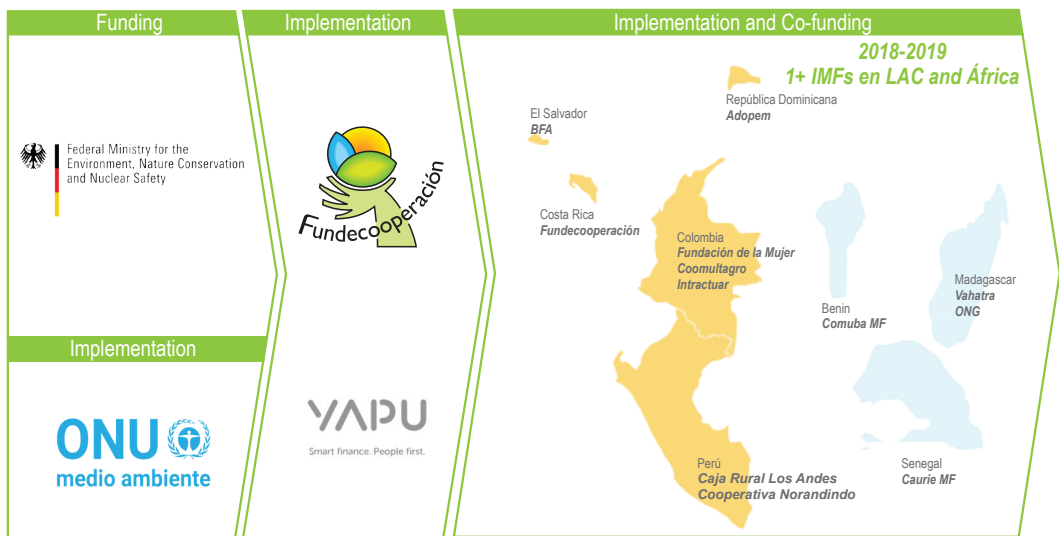
The Project has been carried out thanks to a public-private partnership between Fundecooperación and the Costa Rican Institute for Tourism and the Ministry of Agriculture as well as national and local tourism associations (CANATUR, CACORE, CANAECO, FUCOGA, CCH, CATURGUA, Arenal Chamber of Tourism and Commerce, among others), the United Nations Development Program, and a dozen other private-sector institutions and partners, all working together to ensure market opportunities for local producer groups that connect the supply of sustainable agricultural products with tourism industry growth.



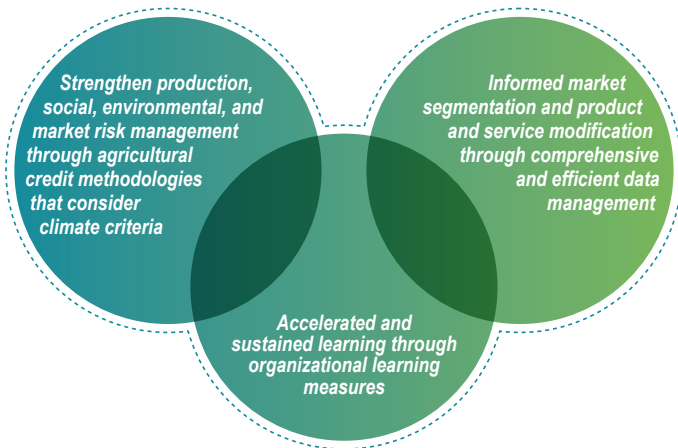
Results of Our Work in Sustainable Development

Project: Microfinance for Ecosystem-based Adaptation:

With financing from the German Ministry for the Environment, Nature Conservation, and Nuclear Security's Climate International Initiative, and implementation by the UN Environment Program and Fundecooperación, the fundamental objective is to develop solutions that allow microfinance institutions and their clients to increase their ability to manage climate risks and implement ecosystem-based adaptations. The project creates impact that benefits more than 23 such institutions globally.



Expected benefits from microfinancies:

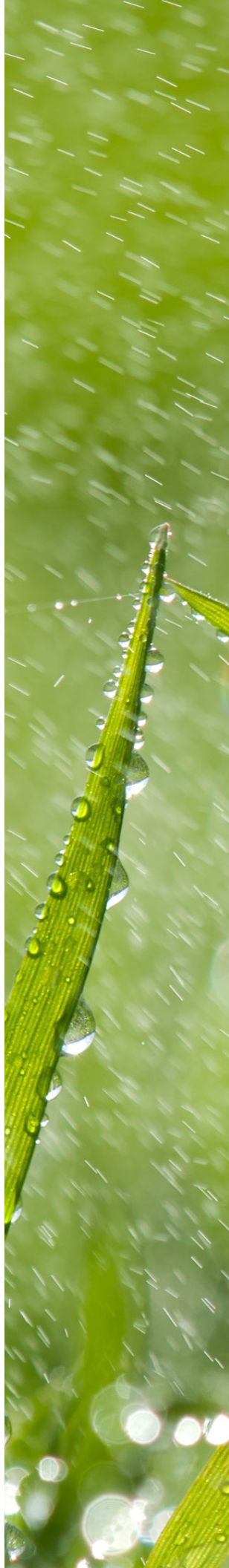


Given its sustainability focus, Fundecooperación has been selected to participate with the goal of strengthening adaptive rural community capacity and especially that of farm producers at the same time that its credit program develops innovative, financial products and services capable of confronting climate change.

In this sense, the Foundation helps Costa Rican producers and their families implement adaptation and mitigation activities and identify needed and effective tools. Its management of these international cooperation projects build capacity with successful case studies, lessons learned, and manuals.

6

Testimonials about
our work



Community-based micro coffee processing plant



The Chacon Cubillo family, owners of the Ecological Coffee Processing Plant Las Lajas in Sabanilla de Alajuela, had a bad run of several years during which they could not make any headway with their dream of creating a micro processing plant to export coffee.

They were almost broke, having sold off part of their family estate just to survive. “We were broke. We didn’t have any money, and sold some of our land,” said Oscar Chacon. “We wanted to build a processing plant to get ahead but no one would loan us money, since we didn’t qualify for credit in the eyes of traditional banks. You can’t simply put the same shirt on everyone that is what happened. The banks didn’t understand our business and our application never made it past the desk even though the only thing they did was to ask thousands of documents, something we did not have,” mentioned Francisca Cubillo.

She worked hard to find different kinds of financing and eventually ran across the Customizable Credit Program. **“Literally, Fundecooperación put on its boots and marched straight into the farm, which took us by**

surprise. They wanted to understand our business and how best to invest their money. So they offered us their Customizable Credit Program. Because of this, we will be thankful to Funde for the rest of our lives,” said Francisca.

The Ecological Coffee Processing Plant Las Lajas, which began with two people, now benefits 20 families who wholly depend on the plant’s operation. Las Lajas now has clients in Taiwan, South Korea, China, and the USA. Its production increased from a mere 60 bushels per year to over 5,500. “Imagine that we were going to have to sell all my dad’s effort, may he rest in peace, with this land!” laughed Oscar.

For this family the before and after Fundecooperación credit has made a huge difference. And this project exists thanks to the support that it received. “We will forever be thankful to Fundecooperación because they believed in us and had a business vision with our family... And that’s where it all began, when one does everything including the impossible for their family,” said Oscar.

A climate change heroine



Catalina Molina Bustamante is a visionary with the good fortune of being able to live her dream every day: protect whales, dolphins, and their ecosystem. Ten years ago a group of students met with the idea of creating a new foundation. Of the more than 20 people, about five maintained the course, including Catalina, who today is the president of the Keto Foundation, dedicated to the responsible use of marine and coastal ecosystems.

After graduating with a degree in biology, she sold ice cream with classmates to pay for all the legal paperwork needed to start the foundation. Today her work speaks for itself and enjoys the support of Fundecooperación in the conservation of marine systems.

“Resources are always limited, so every day we need to seek partnerships and interested people in helping to make this positive environmental impact. My project submitted a proposal to Fundecooperación and was evaluated for the Adaptation Fund. When it was approved, we entered the Adapta2+ Program which helped us to turn our ideas into reality,” commented Catalina.

Fundecooperación’s accompaniment along with the funding that Catalina had received for her project and some trainings helped her to lead her new initiative. Today the project Building Bridges toward Climate Change has at its call tools to help her work in Ballena Bay, a community selected by the Keto Foundation.

Some of what Keto does with Fundecooperación’s help includes coastal reforestation and restoration and the design of rainwater collection systems to reduce the use of potable water for purposes that don’t need it.

The United Nations awarded Catalina for Feminine Leadership in Climate Change Adaptation for this initiative that she implemented with Fundecooperación across Latin America.

For her, the most satisfying part of this achievement is the confirmation that it is possible to do something substantial to face the environmental challenges that the planet is living.

Enterprising Livestock Ranching



Lázaro Garay experienced a radical change when he gave up a full-time job in construction to take up livestock ranching in Juanilama de San Carlos.

Lázaro decided to begin his business because he saw the project as a better way to take advantage of the land that he had and because he very much liked cattle. When he learned about Fundecooperación during some trainings and technical assistance for good livestock raising practices, he saw an opportunity to develop his idea. They awarded him credit to buy genetically improved animals so that he could begin a dairy operation.

“I would never have been able to launch my business were it not for the loan that Fundecooperación gave me, since I did not qualify for credit in the traditional banking system. The banks would have never loaned me the money and to tell the truth I never had enough money to buy dairy cows,” affirmed Lázaro.

Fortunately for Lázaro a local association buys all of his milk. His goal is to have even more cattle in the future so that he can dedicate himself 100% to the business and even produce cheese at some point.

For this entrepreneur from San Carlos to begin his own business has been a complete adventure. It suffered many difficult moments, but he says that he is happy and motivated because he has support and advising and because he loves cattle, “to be able to put the farm to work makes me feel good and accomplished.” Nevertheless, for him it is essential to be organized with the accounting and record everything, especially now with the new value-added tax. “I have to stay updated to be competitive,” he adds.

7

Awards and Recognitions





Awards and Recognitions

Partnership Award for the Program for South-South Cooperation, 2010

Prize for one of the best strategic South-South Cooperation partnerships awarded by the High-Level Committee on South-South Cooperation of the United Nations General Assembly.

Photo from left to right: Kunzang Chhimi, director of SDS-Bhutan; Marianella Feoli, executive director of Fundecooperación; H.E. Ms. Josephine Ojiambo, president of the High-Level Committee on South-South Cooperation.



Recognition for the Program on South-South Cooperation, 2010

Recognition for the Program on South-South Cooperation as one of the best solutions in the category of Climate Change by the High-Level Committee on South-South Cooperation of the United Nations General Assembly.

Photo from left to right: Yiping Zhou, director of the United Nations Office of South-South Cooperation; Marianella Feoli, executive director of Fundecooperación; and H.E. Mr. Joseph Deiss, president of the 65th Session of the United Nations General Assembly.



Green Microfinance Award, 2015

Microfinance and Environment Award for the Customizable Credit Program, being one of the 10 best financial organizations that promotes the development of innovative solutions for global environmental challenges, by the Ministry of Foreign and European Affairs of Luxembourg, Office of Development Cooperation and Humanitarian Affairs.

Awards and Recognitions

Recognitions Awarded for Green Latin America

- **In 2015:** Recognition for the project, Promotion of Integrated Management and Water Conservation around the Térraba-Sierpe National Wetland and Grecia by Strengthening ASADAS and Local Organizations. A project financed and developed by Fundecooperación, CRUSA Foundation, and the University of Costa Rica, winner in the category of the 500 best initiatives that promote sustainable water management in Latin America.
- **In 2016:** Recognition for the Customizable Credit Program for being one of the 500 best finance organizations that promotes the adoption of the principles and practices of environmental and social management in Latin America.
- **In 2018:** Recognition for the Adapta2+ Program, implemented by Fundecooperación with resources from the Adaptation Fund for Climate Change, for being one of the 500 best organizations that promotes human development with good practice, technology and tools for the livestock, water and coasts for climate change adaptation.

Recognition from the Municipality of Parrita – Aliarse, 2017

Recognition of Fundecooperación for its work in community adaptation to climate change with the Adapta2+ Program with funds from the Adaptation Fund of the United Nations.

Recognition Offered by the National Council of University Presidents, 2018

Recognition of Fundecooperación for its track record and national impact in supporting productive and innovative initiatives for small- and medium-sized businesses.

Awards and Recognitions

Awards for our projects

Geotourism Challenge Award, 2008

Award in the category of Community Sustainable Development of the National Geographic Society and Ashoka Changemakers for the project, Improved Rural Adventure Tourism and Sustainable Community Development: Bhutan and Costa Rica, from the Program on South-South Cooperation between Benin, Bhutan, and Costa Rica. Implemented by the rafting company Rios Tropicales for the protection of Costa Rican tropical forest and the involvement and empowerment of the local Cabecar indigenous communities, hiring them to manage their ecolodge and sustainable agriculture projects.

Conservation and Environmental Education Award, 2010

Award in the category of Conservation and Education of the Environmental Program of Ford Motor Company given to the project, Development of a Sustainable Tourism Strategy in Zhemgang Dzongkhag (Bhutan) and Río San Juan (Costa Rica), part of the Program on South-South Cooperation between Benin, Bhutan and Costa Rica, implemented by the Cooperative Consortium of the National Ecotourist Network (COOPRENA) for its training in sustainable tourism and environmental education in the communities of Caño Negro and Guatuso de Alajuela.



Photo: Award certificate

Award for Best Practices by Women Rio+20, 2012

Awarded given to Claudia Amegankpoe, executive director of Eco-Ecolo, for her project of the Program on South-South Cooperation called Sustainable Management and Conservation of Biodiversity in the Mangroves of Benin and Costa Rica for the essential role played by women in making more equitable and sustainable economies.

Adaptation Award for Latin America, 2018

Award Leadership in Climate Change Adaptation from the United Nations Environment Program given to the project, Building Bridges toward Climate Change of the Adapta2+ Program financed by Fundecooperación and implemented by the Keto Foundation in the category of Feminine Leadership; for implementing climate change adaptation actions in Marino Ballena National Park and surrounding communities.

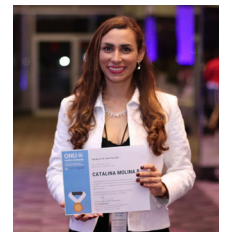


Photo: Catalina Molina Bustamante, executive president of Keto Foundation, prizewinner.

INNOVAGRO Prize in the Social Innovation Category, 2019

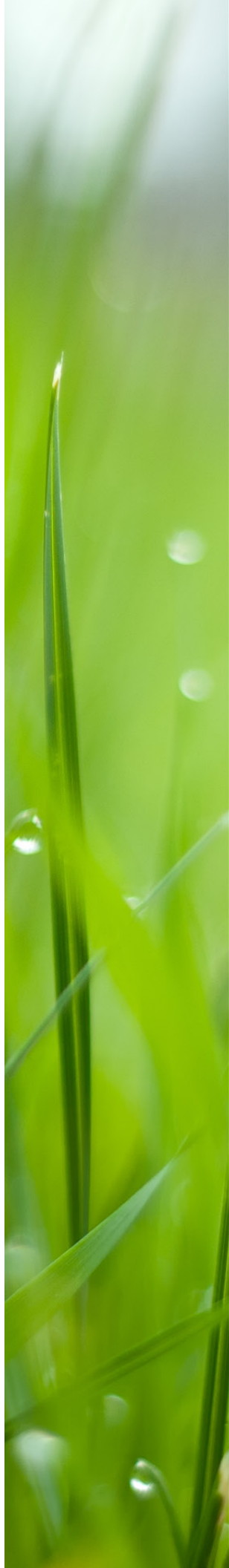
Awarded to the project, Family Agriculture and Climate Change Resilience of the Adapta2+ Program, implemented by Fundecooperación, the National Institute for Rural Development, and Integral Development Associations for the Indigenous Cabecar and Bribri Peoples for their innovation in support of food security in their communities.



Photo: Awarding of the INNOVAGRO Prize 2019 by Sr. Alvaro Eyzaguirre, vice president of the INNOVAGRO Network and executive director of the Foundation for Agrarian Innovation of Chile to Mr. Johnny Campos, chair of the board of directors of Fundecooperación. Mr. Enrique Quesada, vice president of research and land Development, of the University of Cordoba and general coordinator of CeiA3 delivers the prize.

8

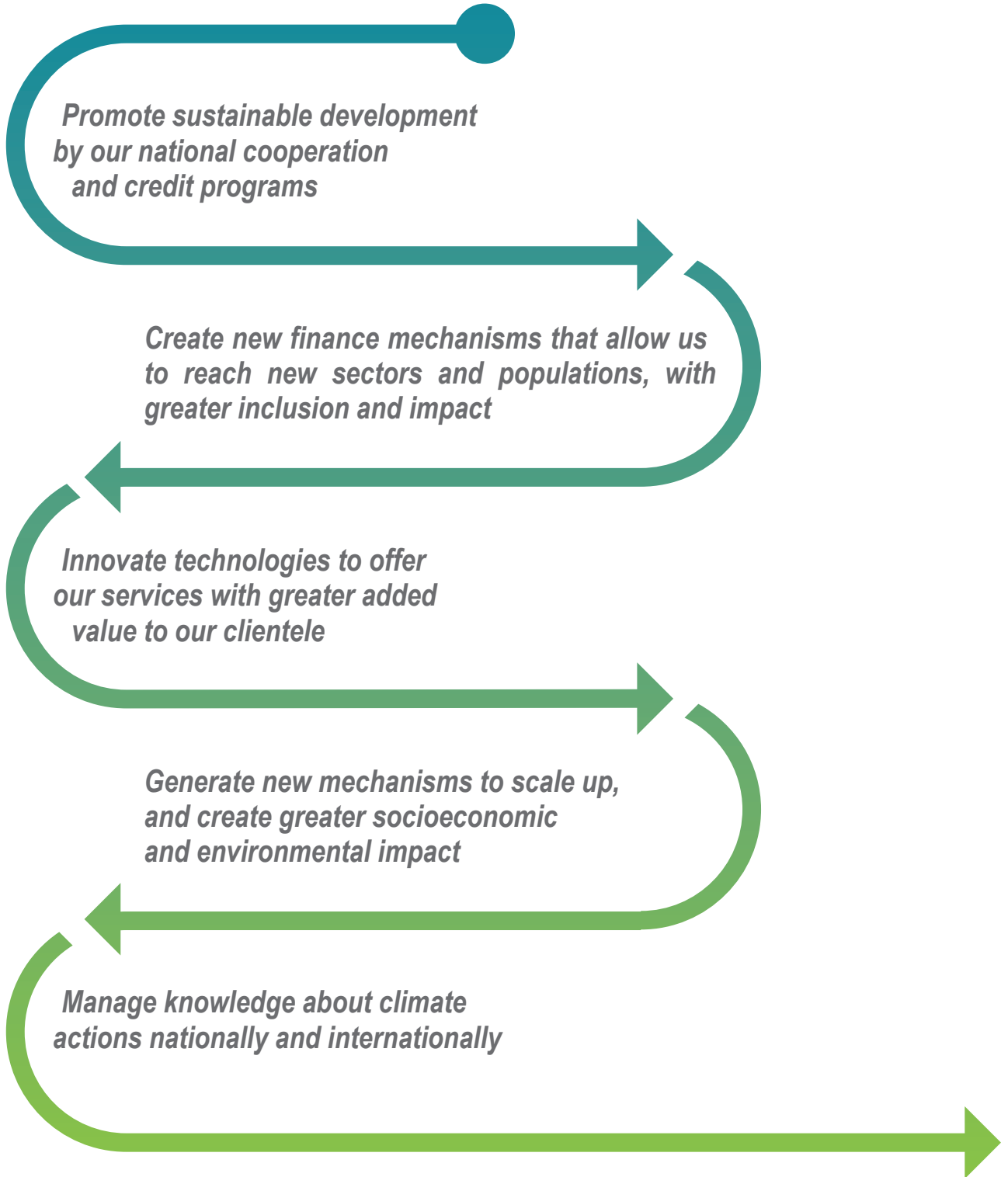
Where are we going?





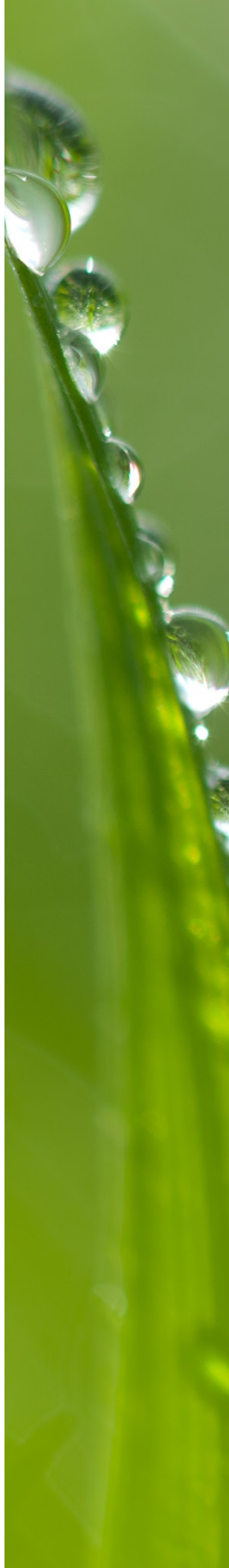
Where are we going?

Throughout our 25 years, we have endeavored to lift sustainable development inside and outside of Costa Rica and in the future, we aspire to continue this effort with a national and global development agenda. We have the following goals:



9

Our team





Office of the Executive Director

Marianella Feoli Peña

Projects Department

Carolina Reyes Rivero
Project Coordinator

Cintha Meneses Fernández
Project Manager

Laura Porras Herrera
Junior Project Manager

Verónica Alvarado Vega
Department assistant

Finance Department

Javier Méndez Sandoval
Finance Director

Tatiana Camacho Aguilar
Financial Assistant

Josué Calderón Arrieta
Billing Coordinator

Management Department

Jerlyn Chaves Camacho
Administrative Coordinator

Gerardo Barrantes Bonilla
Administrative Assistant

Angie Mora Cerdas
Receptionist

Credit Department

Andrea Matarrita Guillén
Credit Director

Kattia Rojas Méndez
Marketing and Sales Director

Oldemar Navarro Corella
Credit Advisor

Esteban Salas Espinoza
Credit Advisor

Bryan Aguila Anchía
Credit Advisor

Claudia Muñoz Méndez
Credit Advisor

Valeria Arias Quirós
Assistant

Linsy Rodríguez Garita
Operations Manager

Adriana Quintana Sánchez
Business Advisor

Kimberly Peraza Sandoval
Field Business Advisor



10

**Financial Report and
Opinion of the Auditors
until December 2018**





Financial Report

Fundecooperación para el Desarrollo Sostenible

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 San José, Costa Rica
 Tel + (506) 2221 4657
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 www.crowe.cr

Informe de auditoría emitido por el contador público independiente

A la Junta Administradora de
 Fundecooperación para el Desarrollo Sostenible

Opinión

Hemos auditado los estados financieros de Fundecooperación para el Desarrollo Sostenible (la Fundación), que comprenden el estado de posición financiera al 31 de diciembre de 2018, los estados de resultados integrales, de cambios en el patrimonio y de flujos de efectivo correspondientes al ejercicio terminado en dicha fecha, así como las notas explicativas de los estados financieros que incluyen un resumen de las políticas contables significativas.

En nuestra opinión, los estados financieros presentan razonablemente, respecto de todo lo importante, la posición financiera de Fundecooperación para el Desarrollo Sostenible al 31 de diciembre de 2018, su desempeño financiero y sus flujos de efectivo en los periodos de un año terminados en esas fechas, de acuerdo con Normas Internacionales de Información Financiera.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con las Normas Internacionales de Auditoría (NIA). Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección Responsabilidades del auditor en relación con la auditoría de los estados financieros de nuestro informe. Somos independientes de la Fundación de conformidad con el Código de Ética Profesional del Colegio de Contadores Públicos de Costa Rica que es aplicable a nuestra auditoría de los estados financieros, y hemos cumplido las demás responsabilidades de ética de conformidad con esos requerimientos. Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión sin salvedades.

Otros asuntos

Sin calificar la opinión llamamos la atención a lo indicado en la nota 3.2.7 y 14, donde se indica que al 31 de diciembre de 2018 el saldo de los bienes realizables es de ₡568,524,899 recibidos mediante adjudicación o dación de pago. Para su recuperación, la Fundación ha definido procedimientos de gestión de venta y mediciones periciales para actualización de su valor, las cuales se reconocen con cargo directo a los resultados del periodo. Existe un riesgo implícito en la deseabilidad de dichos bienes por condiciones de mercado que debe ser reconocido por la Fundación mediante el registro de estimaciones. Para el periodo 2018 se registró una pérdida por ₡19,904,395.



Financial Report

Crowe Horwath CR, S.A.

Sin calificar la opinión llamamos la atención sobre la nota 24, en la que se revelan los proyectos activos que administra la Fundación. Estos proyectos se contabilizan como cuentas de orden y existen contratos y/o convenios específicos sobre los mismos en los cuales se detallan las obligaciones, responsabilidades y rendición a las que están afectas las partes. Efectuamos procedimientos generales de revisión, sin embargo; nuestra responsabilidad se limita a auditar los estados financieros de la Fundación y no emitimos opinión por separado para cada uno de dichos proyectos.

Responsabilidades de la administración y de los responsables del gobierno corporativo de la Fundación en relación con los estados financieros

La administración es responsable de la preparación y presentación fiel de los estados financieros adjuntos de conformidad con la normativa emitida por Normas Internacionales de Información Financiera, y del control interno que la administración considere necesario para permitir la preparación de estados financieros libres de errores materiales, debido a fraude o error.

En la preparación de los estados financieros, la administración es responsable de la valoración de la capacidad de la Fundación de continuar como entidad en funcionamiento, revelando, según corresponda, las cuestiones relacionadas y utilizando el principio contable de entidad en funcionamiento excepto si los responsables del gobierno corporativo tienen intención de liquidar la Fundación o de cesar sus operaciones, o bien no exista otra alternativa realista.

Los responsables del gobierno corporativo de la Fundación son responsables de la supervisión del proceso de información financiera.

Responsabilidades del auditor en relación con la auditoría de los estados financieros

Nuestros objetivos son obtener una seguridad razonable de que los estados financieros en su conjunto están libres de errores materiales, debido a fraude o error, y emitir un informe de auditoría que contiene nuestra opinión. Seguridad razonable es un alto grado de seguridad pero no garantiza que una auditoría realizada de conformidad con las Normas Internacionales de Auditoría siempre detecte un error cuando exista. Los errores pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en los estados financieros.

Como parte de una auditoría de conformidad con las Normas Internacionales de Auditoría, aplicamos nuestro juicio profesional y una actitud de escepticismo profesional durante toda la auditoría. También:

- Identificamos y valoramos los riesgos de error material en los estados financieros, debido a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar un error material debido a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas o la elusión del control interno.

Financial Report

Crowe Horwath CR, S.A.

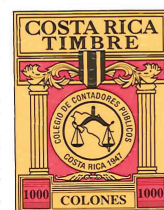
- Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la Fundación.
- Evaluamos la adecuación de las políticas contables aplicadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por la administración.
- Concluimos sobre lo adecuado de la utilización, por la administración, del principio contable de entidad en funcionamiento y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad de la Fundación para continuar como entidad en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en los estados financieros o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, hechos o condiciones futuros pueden ser causa de que la Fundación deje de ser una entidad en funcionamiento.
- Evaluamos la presentación global, la estructura y el contenido de los estados financieros, incluida la información revelada, y si los estados financieros representan las transacciones y hechos subyacentes de un modo que logran la presentación razonable.

Nos comunicamos con los responsables del gobierno corporativo de la Fundación en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría que planificamos y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identificáramos en el transcurso de la auditoría.



San José, Costa Rica
4 de setiembre de 2019

Dictamen firmado por
Fabián Zamora Asofeifa N° 2186
Pol. 0116 FIG 7 V. 30-9-2020
Timbre Ley 6663 e1.000
Adherido al original



Financial Report

Cuadro A


Fundación Fundecooperación para el Desarrollo Sostenible
Balance de situación
 Al 31 de diciembre de 2018
 (con cifras correspondientes al 31 de diciembre de 2017)
 Expresado en colones costarricenses

	Notas	2018	2017
Activo			
Activo circulante			
Caja y bancos	7	29,574,052	50,053,458
Inversiones en valores	8	1,155,766,218	1,714,432,784
Cartera de crédito	9	3,175,783,867	2,383,886,691
Cuentas por cobrar	10	8,663,241	14,924,865
Intereses por cobrar	11	45,778,631	46,404,728
Total activo circulante		4,415,566,009	4,209,702,526
Otros activos			
Propiedad, planta y equipo	12	222,002,124	228,137,541
Gastos pagados por adelantado	13	3,227,098	3,587,643
Bienes adjudicados	14	568,524,899	547,799,294
Otros activos	15	6,283,432	11,213,983
Total otros activos		800,037,553	790,738,461
Activos totales		5,215,603,562	5,000,440,987
Pasivo y patrimonio			
Pasivo circulante			
Cuentas por pagar	16	68,230,105	17,831,604
Total pasivo circulante		68,230,105	17,831,604
Total pasivos		68,230,105	17,831,604
Patrimonio			
Capital social		5,000	5,000
Aportes de capital		3,899,281,529	3,899,281,529
Patrimonio donado		224,549,118	224,549,118
Superávit patrimonial		847,546,749	818,168,277
Valoración de inversiones		(8,311,808)	(2,957,175)
Ajustes al patrimonio		14,184,162	14,184,162
Resultado del periodo		170,118,707	29,378,472
Total patrimonio		5,147,373,457	4,982,609,383
Pasivo y patrimonio total	€	5,215,603,562	5,000,440,987
Cuentas de orden			
Proyectos administrados	23	5,006,476,346	4,247,558,602
Relacionadas con cartera de crédito		4,906,476,807	4,236,690,896
		99,999,539	10,867,706

Las notas son parte integrante de los estados financieros


 ING. Marianella Feoli Peña
 Directora Ejecutiva


 Lic. Javier Méndez Sandoval
 Coordinador Financiero


 Lic. Walley Venegas Abarca
 Contador



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Acknowledgements



Agradecimientos



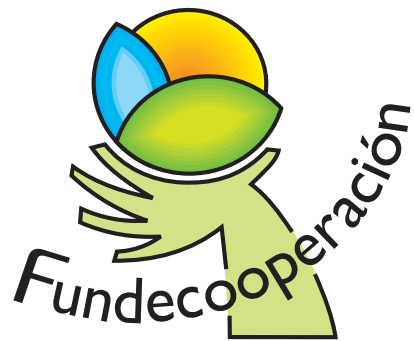
25 years harvesting together....

We thank our clients, partners, and donors. Without any of you none of our success would have been possible. Thank you for believing in our commitment and for accompanying us shoulder-to-shoulder with Fundecooperación for sustainable development in Costa Rica.

Our sincerest appreciation to Fundecooperación's Board of Directors and staff which are the executive and operational symbol of our activities and plans for our work at the Foundation.

To all the people who over these 25 years have walked with us, we share our great thanks for having transformed into reality our daily work and effort.

Let's continue harvesting together!



 www.fundecooperacion.org

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