

# The United States and Indonesia Sign \$35 Million Debt Swap Agreement to Support Coral Reef Ecosystems

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WASHINGTON - The United States of America, the Republic of Indonesia, and four non-governmental organizations (NGOs) (Conservation International (CI), The Nature Conservancy (TNC), Yayasan Konservasi Alam Nusantara, and Yayasan Konservasi Cakrawala Indonesia) signed debt-for-nature swap and coral reef conservation agreements under the Tropical Forest and Coral Reef Conservation Act (TFCCA) on July 3, 2024. When implemented, the agreements will reduce Indonesia's debt payments to the United States Government by \$35 million over the next nine years. In return, the Government of Indonesia has committed these funds to support grants to protect and restore the country's coral reef ecosystems through the establishment of a conservation fund. Local NGOs will use grants from the conservation fund to support projects that directly benefit the coral reef ecosystems and the communities that depend on them. The fund administrator for the new 2024 coral reef conservation agreement is Yayasan Keanekaragaman Hayati Indonesia (KEHATI), a national organization with a 30 year track record in terrestrial and marine conservation.

The swap is made possible by contributions from the U.S. Government under the TFCCA, CI, and TNC. Grants provided under the TFCCA program will support activities such as conserving protected areas, improving natural resource management, and supporting the development of sustainable livelihoods for communities that rely on coral reef ecosystems.

"Indonesia is home to some of the most biologically diverse coral reef ecosystems in the world that support the livelihoods of millions of Indonesians. The U.S. Department of Treasury is committed to advancing efforts that protect valuable ecosystems while promoting economic development. The strong collaboration among the United States Government, the Republic of Indonesia, and our NGO partners has made this important agreement possible," said Assistant Secretary for International Trade and Development, Alexia Latortue.

This new Indonesia agreement marks the 23rd TFCCA deal, following agreements with Bangladesh, Belize, Botswana, Brazil, Colombia, Costa Rica (two agreements), El Salvador (two agreements), Guatemala, Indonesia (three agreements), Jamaica, Panama (two agreements), Paraguay, Peru (three agreements) and the Philippines (two agreements).

Indonesia benefitted from earlier debt-for-nature swaps with the United States in 2009, 2011 and 2014 that collectively over time generated nearly \$70 million for the restoration, conservation, management, and sustainable use of tropical forests. Across all countries, over time, these debt-for-nature programs together will generate more than \$415 million to protect tropical forests and coral reef ecosystems.

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