

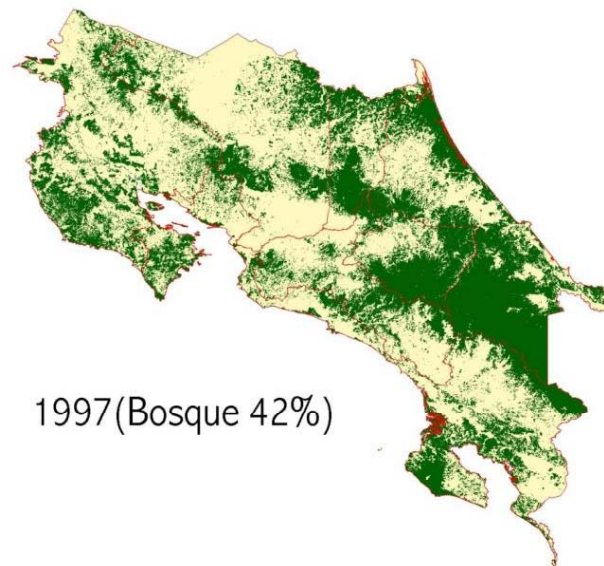
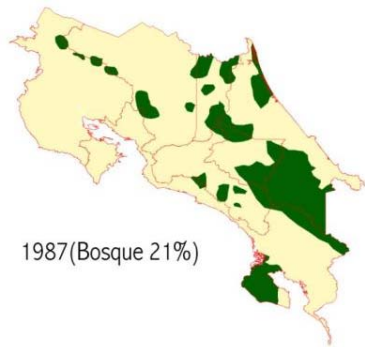
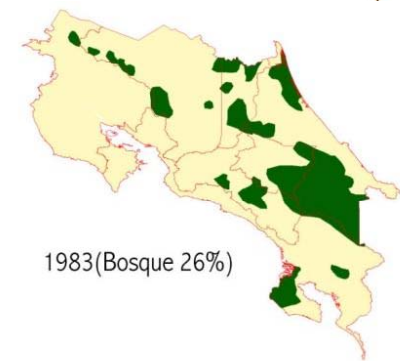


Program of Payments for Environmental Services in Costa Rica

Natalia Arce Hernández
FONAFIFO Costa Rica



*Deforestation
process
in Costa Rica*





Fondo Nacional de
Financiamiento Forestal

FONAFIFO

www.fonafifo.go.cr

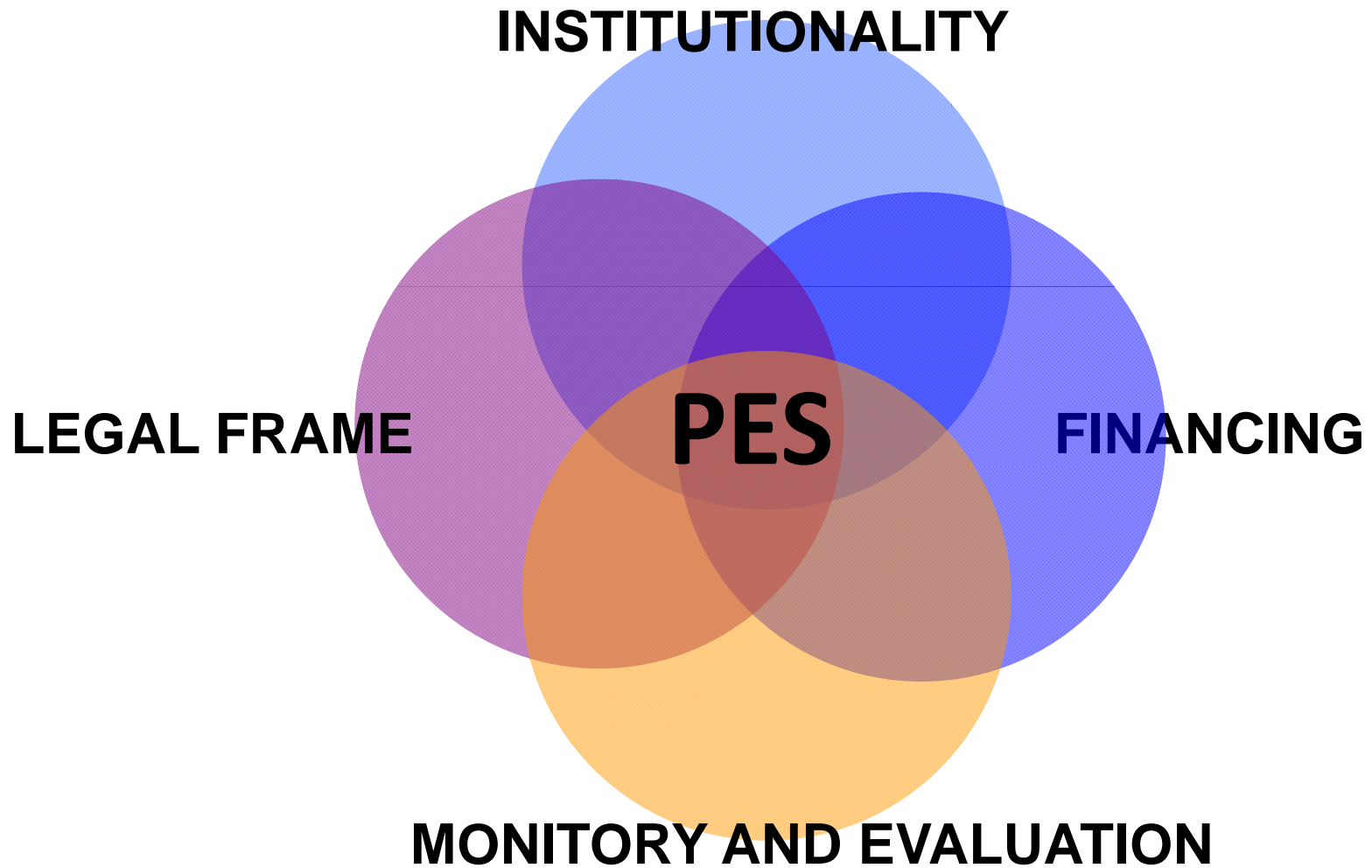


¿What is the PES program?



**IS A FINANCIAL MECHANISM FOR
THE RECUPERATION AND
CONSERVATION OF THE FOREST
COVER**

Enviromental Services Payments Program





Legal Foundation

Political Constitution

- Art 50 quote:

“Every person has the right to a healthy and ecologically balanced environment... The State shall guarantee, defend and preserve that right”



Legal Foundation

Forestry Law No.7575

- Art 3, subsection k.
 - Greenhouse gases mitigation.
 - Protection of the Water.
 - Protection of the Biodiversity.
 - Scenic Beauty.
- Art 46, FONAFIFO's creation.
- Art 47, FONAFIFO's patrimony.
- Art 69, Economic content.



Environmental Services Payments Program

Definition

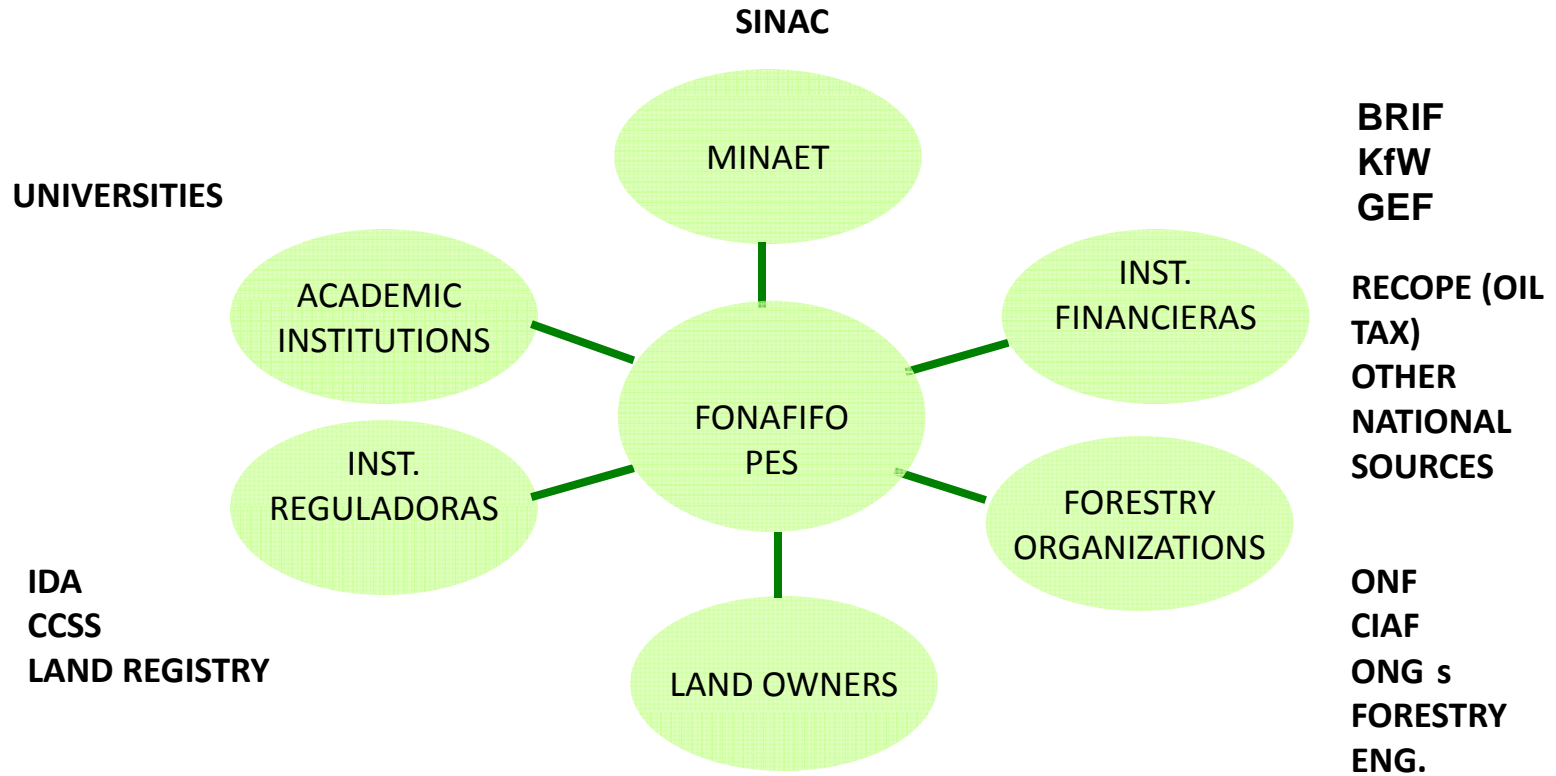
- Greenhouse gases mitigation (reduction, absorption, fixation and carbon storage).
- Water protection for urban or rural hydropower
- Protection of the biodiversity to preserve it. And for sustainable scientific and pharmaceutical use, investigation, genetic improvement, ecosystem and life forms protection
- Protection of the natural scenic beauty for ecotourism.

Principles

- Increase the value of the forest.
- “the one who contaminates, pays”
- Environmental and social sustainability.
- To promote development in the areas with low social rates.
- To protect the water and biodiversity sources.
- To make progress in REDD+ to achieve environmental integrity.



PES INSTITUTIONAL FRAME



Funding Sources for the PES



Fuel Tax



Water Tax



International funding projects



Environmental Service Certificate (CSA)

The biggest challenge: Sustainable development

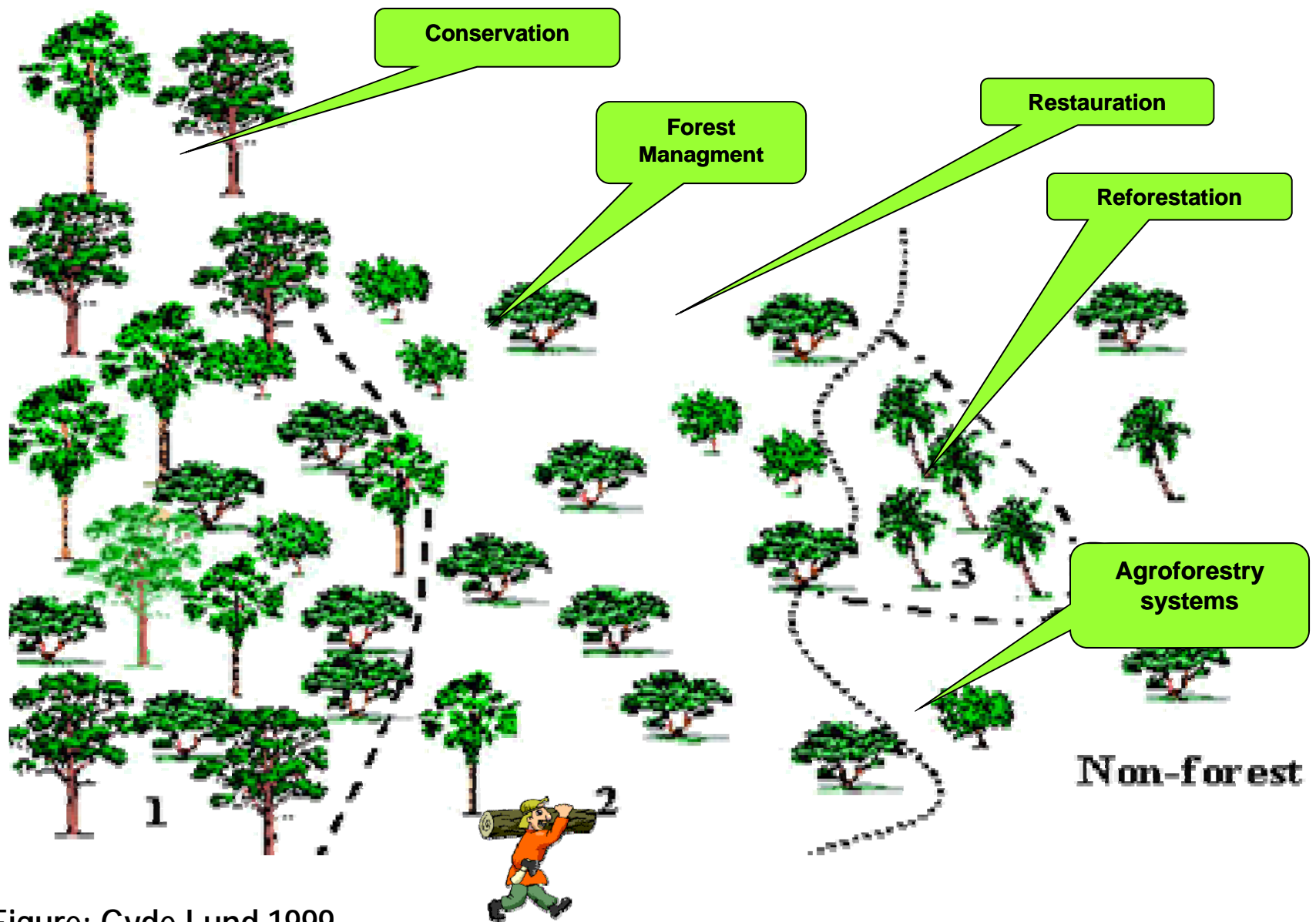


Figure: Gyde Lund 1999

ENVIRONMENTAL SERVICES PAYMENTS MODALITIES



**Natural
Regeneration**

\$205 /ha distributed in 5 years

\$41/ha/year

2 ha min - 300 ha max

5 years contracts



Reforestation

\$980 /ha distributed in 5 years

1-50%, 2 -20%, 3 -15%, 4 -10%, 5 -5%

1 ha min - 300 ha max

15 years contracts



**Agroforestry
Systems**

\$1.3 /tree distributed in 3 years

1- 65%, 2- 20%, 3-15%

350 trees min - 3500 trees max

5 years contracts



ENVIRONMENTAL SERVICES PAYMENTS MODALITIES



Forest Protection

\$320 /ha distributed in 5 years

\$64/ha/year

2 ha min - 300 ha max

5 years contracts



Water Resource Protection

\$400 /ha distributed in 5 years

\$80/ha/year

2 ha min - 300 ha max



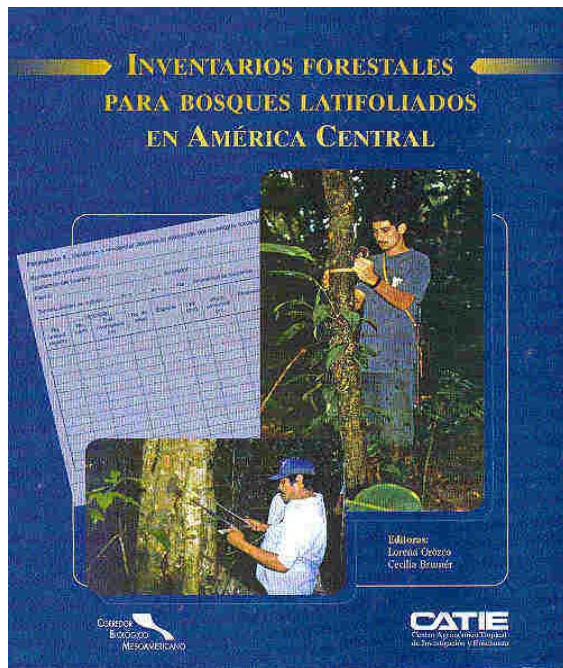
Conservation Gaps Forest Protection

\$375 /ha distributed in 5 years

\$75/ha/year

2 ha min - 300 ha max

ENVIRONMENTAL SERVICES PAYMENTS MODALITIES



Forest Management

\$250 /ha distributed in 5 years

\$50/ha/year

2 ha min - 300 ha max

5 years contracts

Inversionistas Nacionales / Internacionales
Socios Estratégicos

Fuerza Hidráulica

Industrial



Comercial



Agropecuario



Agroindustrial



Azucarera El Viejo S.A.
Corporación Cooperativa



Agrícola Tayutic S.A.

Publicidad y Mercadeo



TRIBU / NAZCA
SAATCHI & SAATCHI

Personas Físicas

Ing. EDGAR ORTIZ MALAVASSI

Deportes



Servicios



Sector Turismo



Playa Nicuesa Rainforest



ONG's y Asociaciones



Other initiatives

PARA PROTECCIÓN DEL BOSQUE
Mecanismos financieros más verdes

A credit card with a green and blue design featuring a frog and the text 'SERVIBANCA VERDE' and 'BANCO NACIONAL'.

SERVIBANCA VERDE —
El banco tiene derecho a una comisión por el uso de las tarjetas. En este caso, el 10% de esa comisión se destinará al Fondo para la Biodiversidad Sostenible (FBS).

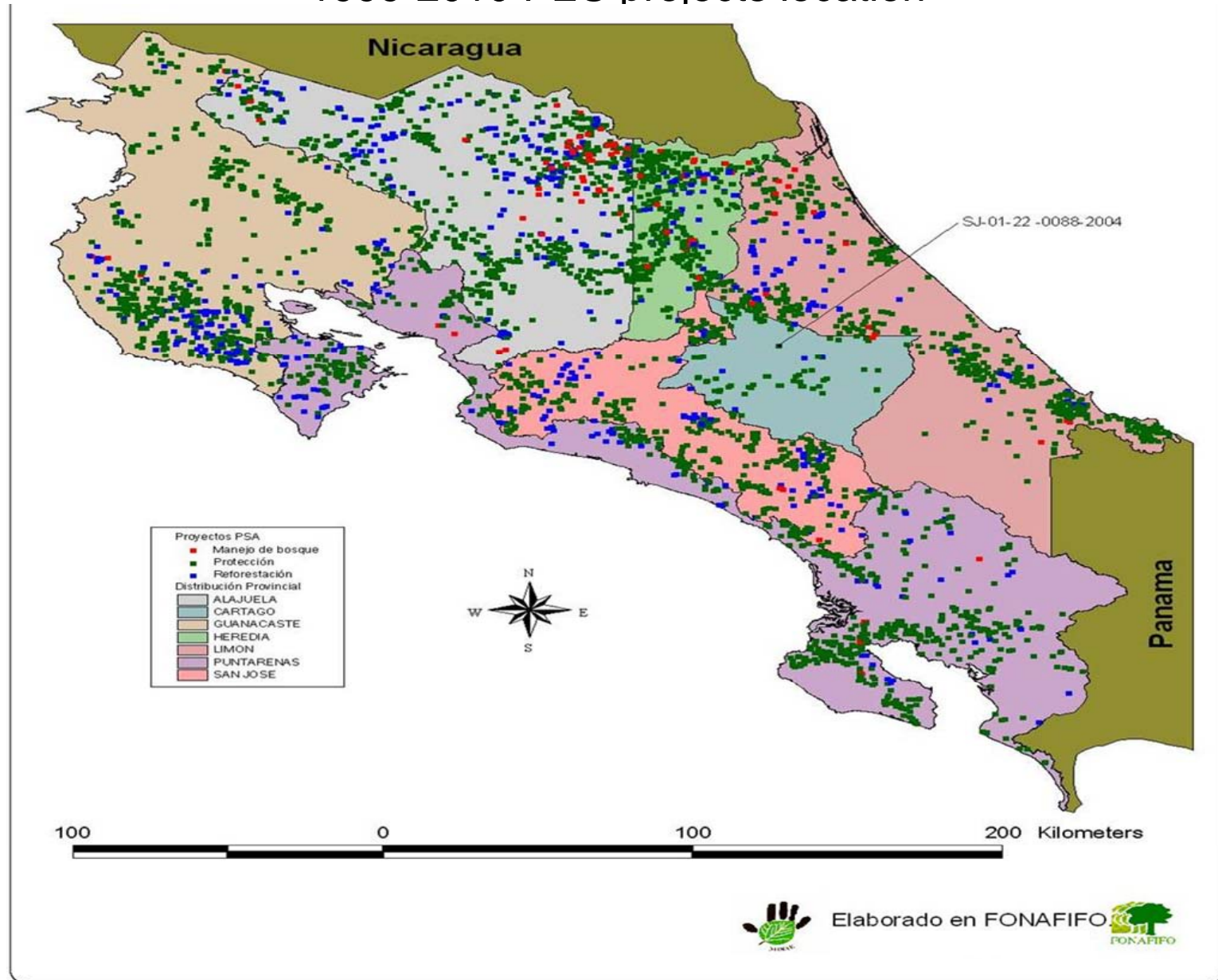
A circular seal with a tree in the center, the text '100% COMPENSACIÓN DE EMISIONES DE CARBONO', and 'FONDO PARA LA BIODIVERSIDAD SOSTENIBLE' around the perimeter.

ECOMARCHAMO —
Aparte del derecho de circulación que se paga anualmente, se puede cancelar \$12 y adquirir este ecomarchamo que ofrece el 100% de compensación de emisiones de carbono.

FUENTE: BANCO NACIONAL

MONITORING AND FOLLOW UP PES

1999-2010 PES projects location





The PES National Policy with Social Impact

- 798.000 has under the program, from 1997 to 2010, 87% under forest protection modality.
- 10.000 families involved in the program.
- The investment goes over \$225 million in rural areas
- Employment generation.
- More than 70.000 PES hectáreas placed on indigenous territories and investment of nearly \$ 20 million.

PES: National Environmental Policy with Social Impact

- Strengthening of support networks.
- Governance strengthening
- The investment increased in education and health
- Fund for Sustainable Biodiversity: ensuring co-benefits.
- Reduction of Indigenous land sale.



PES local action with global impact

Global Impact

With the 7.1 % of forest recovery between 1997 and 2005 is estimated that 19.45 million tons of CO² were removed from the atmosphere

It contributes to the conservation of the Environmental Services in the forest ecosystems

Neutrality of Costa Rica in 2021: forestry offset provider.

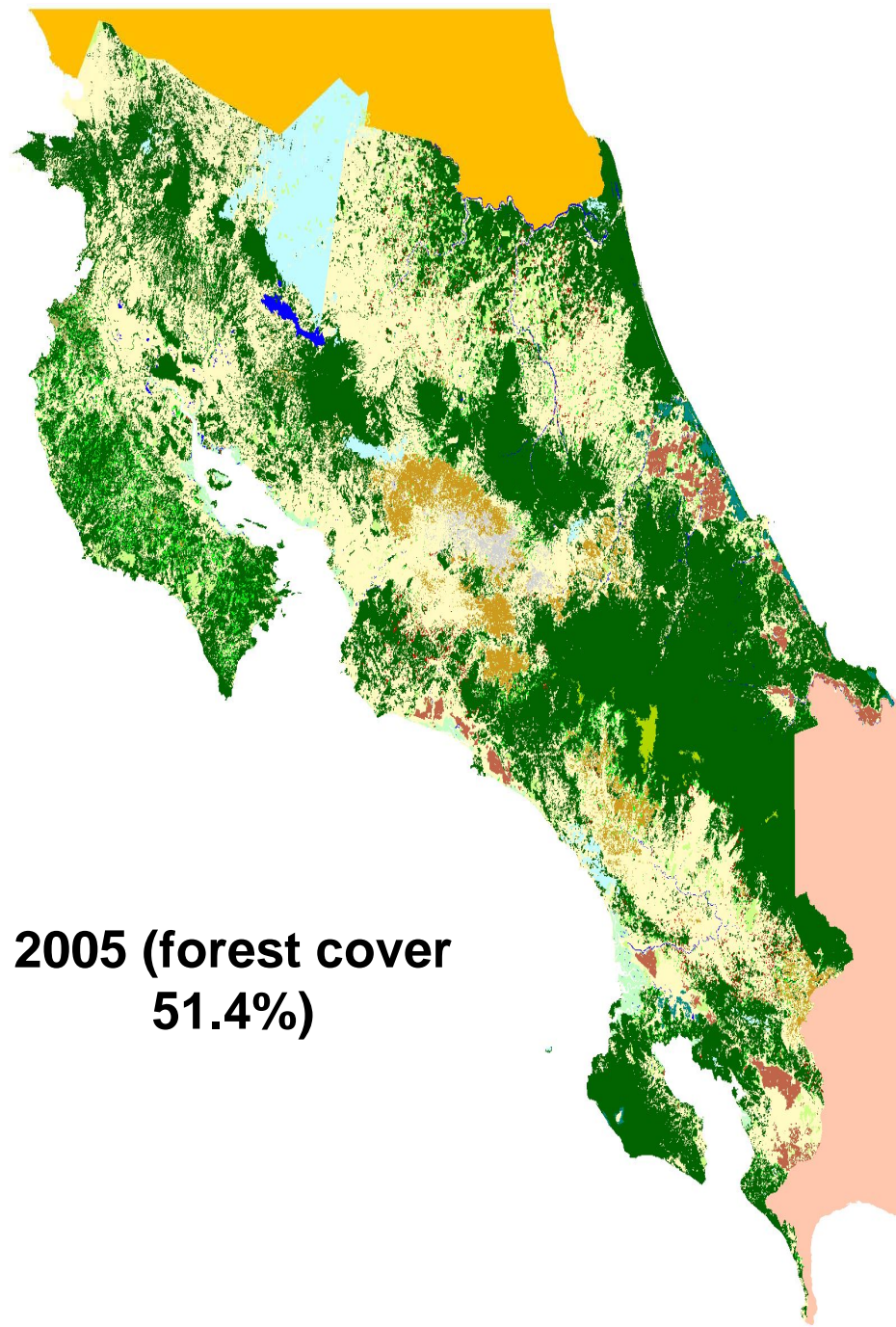
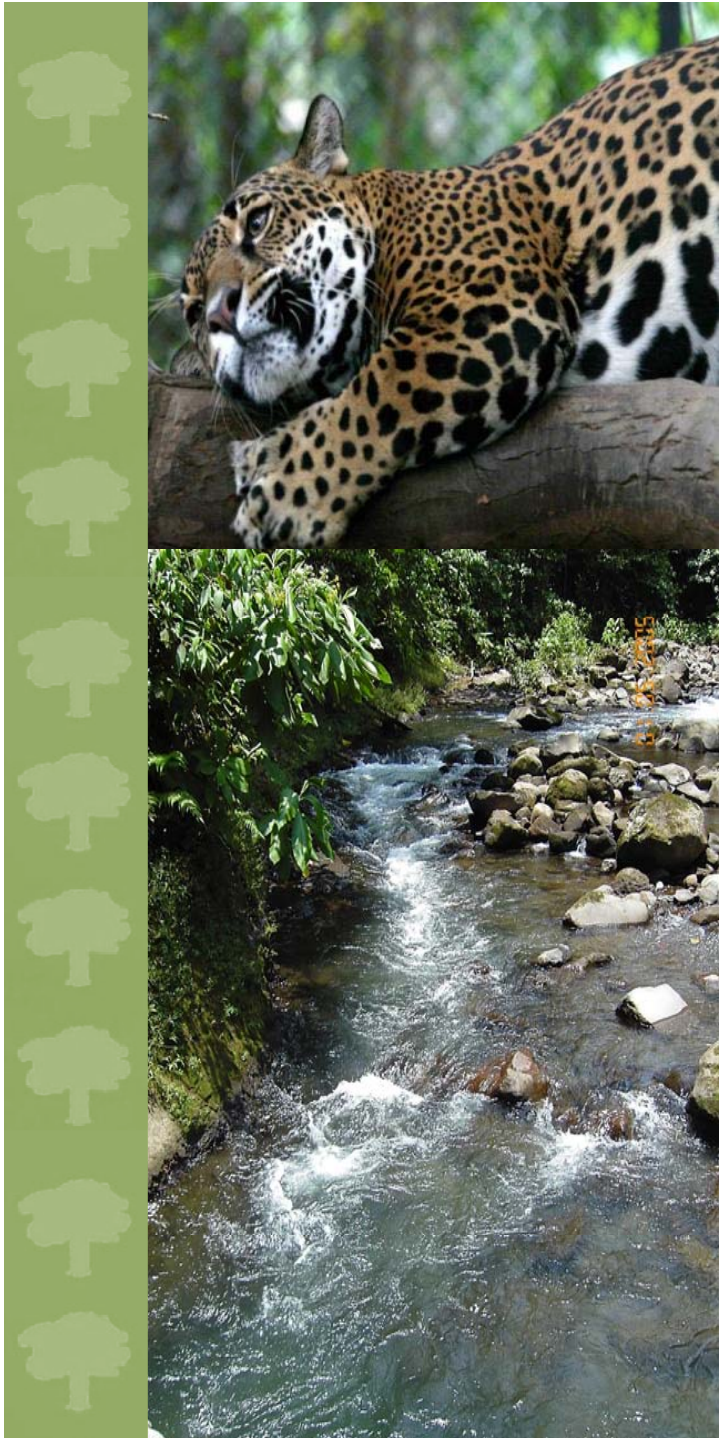
Contribution with other countries with our learned lessons

Lessons Learned from Costa Rica, Mexico and Ecuador on PES and Other Instruments to Advance REDD+

Presented by National Commission for Forestry, Mexico (CONAFOR)



L-R: **Michael Jenkins**, Forest Trends; **Sergio Graf Montero**, CONAFOR; **René Castro Salazar**, Costa Rica; **Marcela Aguiñaja Vallejo**, Ecuador; **Juan Manuel Torres Rojo**, CONAFOR; **Jorge Mario Rodriguez**, FONAFIFO; and **Marco Chiu**, Ecuador.



**2005 (forest cover
51.4%)**



Limiting aspects of the PES in Costa Rica

- Not all possible beneficiaries have the legal requirements to enter the program.
- We need to improve the impacts of the PES.
- Lack of adequate accounting record of the importance of PES in the GDP and the Forestry Sector in general.
- Not enough resources for all the demand.

A wide-angle photograph of a lush, green forest. The trees are dense and cover a hillside. The sky is overcast and grey, with some light breaking through the clouds. The overall mood is serene and natural.

Thank you!

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