Program of Payments for Environmental Services in Costa Rica

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Deforestation process in Costa Rica
¿What is the PES program?

IS A FINANCIAL MECHANISM FOR THE RECUPERATION AND CONSERVATION OF THE FOREST COVER
Enviromental Services Payments Program

- Institutionality
- Legal Frame
- Monitory and Evaluation
- Financing

PES
“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.
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

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Cost</th>
<th>Distribution</th>
<th>Minimum Area</th>
<th>Maximum Area</th>
<th>Contract Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Natural</strong></td>
<td></td>
<td>$205 /ha</td>
<td>distributed in 5 years</td>
<td>2 ha min</td>
<td>300 ha max</td>
<td>5 years contracts</td>
</tr>
<tr>
<td><strong>Regeneration</strong></td>
<td></td>
<td>$41 /ha/year</td>
<td>1-50%, 2-20%, 3-15%, 4-10%, 5-5%</td>
<td>1 ha min</td>
<td>300 ha max</td>
<td>5 years contracts</td>
</tr>
<tr>
<td><strong>Reforestation</strong></td>
<td></td>
<td>$980 /ha</td>
<td>distributed in 5 years</td>
<td>1 ha min</td>
<td>300 ha max</td>
<td>15 years contracts</td>
</tr>
<tr>
<td><strong>Agroforestry</strong></td>
<td></td>
<td>$1.3 /tree</td>
<td>distributed in 3 years</td>
<td>1-65%, 2-20%, 3-15%</td>
<td>350 trees min - 3500 trees max</td>
<td>5 years contracts</td>
</tr>
</tbody>
</table>
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

$250 /ha distributed in 5 years
$50/ha/year
2 ha min - 300 ha max
5 years contracts
Other initiatives

La Nación, 22 octubre, 2010
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.
• 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.
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.
Thank you!
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