COSTA RICAN Tropical Forests: a motor for green growth

Ministry of Environment and Energy
COSTA RICA
Costa Rica: (Forests) Striptease

Source: Estudios de cobertura forestal de Costa Rica - FONÁFIFO
Forest coverage increases due to domestic incentives

2010
Forest Coverage
52,38%

More than 790 000 ha.
87% protection
13% other activities

Source: Estudio de cobertura forestal de Costa Rica 2009-2010 -FONAFIFO

Employment generation more than 25000 work/year
Since the 70’s, an ambitious mechanism referred as the Protected Areas System has been operative

Map of protected woodland areas of Costa Rica Year 2011

27% of territorial land.

A persevering and evolutionary process...

* “First Generation Financing”: tax credit

* 1988-1992: “Forestry Aid Certificates”, to fund plantations

* 1992 extended to forest management

* 1995 to forest protection “Second Generation Financing”.

* 1994-1998: stakeholders made efforts to correct distortions: payment for “environmental services” (PES)

* Modern Forestry Law Nº 7575

* 1997 on, “Forestry Aid Certificates” were substituted by PES: “Third Generation Financing” funding: tax on gas and other fuels, and from internal PES.
Forest coverage, GDP and poverty rate, 1990-2010

Meeting on Forest policy with Heads of Forestry Administrations of the MENA countries
Forest coverage, GDP and female’s participation on working force, 1990-2010
Forest coverage, GDP and child’s mortality, 1990-2010

- Forest coverage, GDP and child’s mortality are shown on the graph.
- The x-axis represents the years from 1950 to 2020.
- The y-axis on the left represents the thousand of millions of USD.
- The y-axis on the right represents the percentage.

Meeting on Forest policy with Heads of Forestry Administrations of the MENA countries
...Part of the money must come from the CO2 market?

Pioneer in 1997: Certified tradable Offsets (CTOs),
Standardized 2005: Certified Emissions Reductions (CERs)

Ref: Castro et al. 2005
Perspectives for the future

This kind of project requires short term funding to support long term initiatives.

New sources of funding are needed to provide sustainability.

At present time:
- Tax of hydrocarbon consumers
- Hydroelectric generators, owners of tourist hotels,
- Large scale water users.
- Local citizen’s involvement and 2% surtax on water bill is paid by domestic consumers in Heredia Province
- International cooperation: WB and KfW
- NGOs
- Eco competitive Enterprises (private contracts to compensate)
Sustainable Biodiversity Fund (FBS)

Is a patrimony incorporating financial resources to assure long-term payment for environmental services in areas of high biodiversity.

Instrument of Banco Nacional, which latter institution directs 10% of its commission to the FBS.

BN-Ecomarchamo is a voluntary emission mitigating program introduced by the SBF valid for a one-year compensation of average emission per vehicle.

The tendency to wooden housing has dropped from 30% in 1984 to 10% in 2000.

Continued success of the reforestation program depends on increasing of plantation-grown sustainable wood.

Sustainable wood consumption would benefit the country:
- bound carbon storage in buildings and furniture would be increased,
- ecologically large footprint materials will be reduced.
- private farmland could be converted to multipurpose or forestry use.

Regeneration and retention should be emphasized in terrains where PES is cost-effective.
Challenges and opportunities: REDD+

* REDD+ Credits are a carbon market-based mechanism with co-benefits.
* It allows a new concept that integrates:
  * carbon sequestration,
  * displace products of high carbon footprint,
  * sustainable handling forest,
  * rising of carbon stocks and
  * a greater supply of raw material in the forest industry

* REDD+ commitments: monitoring, verification, and reporting land use change (MRV)
* Indispensable for transparency, international credibility and environmental integrity of forestry projects
The world's tropical forests should increase after 2010 and the Cancun Agreements. Is it possible to save tropical forests from virtual extinction?

It is estimated an annual investment of $5-6 billion to replicate Costa Rica’s PES system over the tropical belt and realize an increase in forest coverage in those countries.
Costa Rica’s success can be replicated in other tropical countries if their particularities are considered in each case.

* For sustainability Costa Rica depends on:

  - The people and the government keeping forestry as priority (education, policies, financing and institutional strengthening)
  - Transparent and participative process
  - A new market for a new century: we require participation by international society through a free market for transactions of compensations for greenhouse gasses, and recognizing the existence of inequities