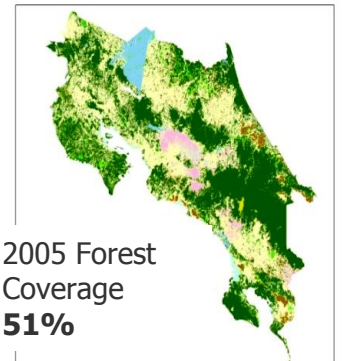
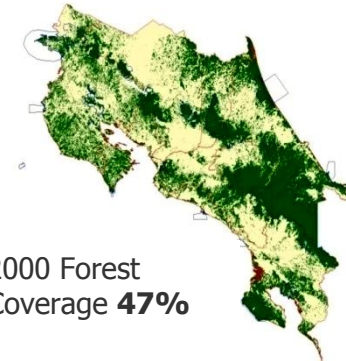
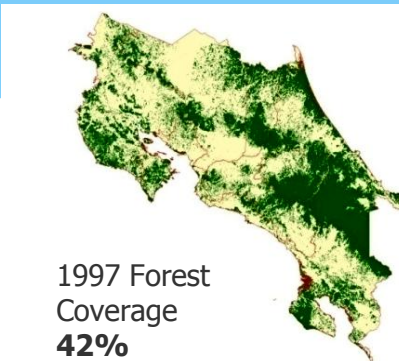
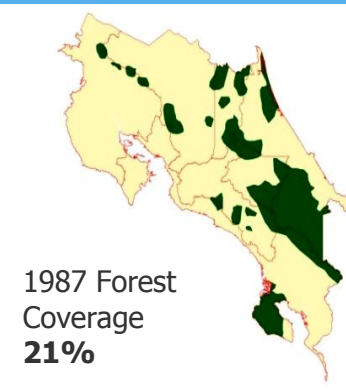
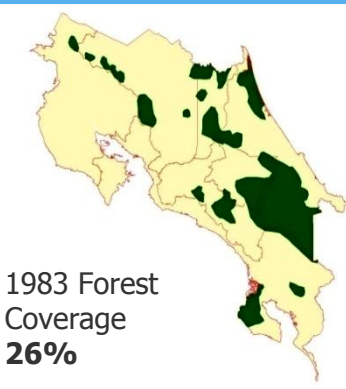
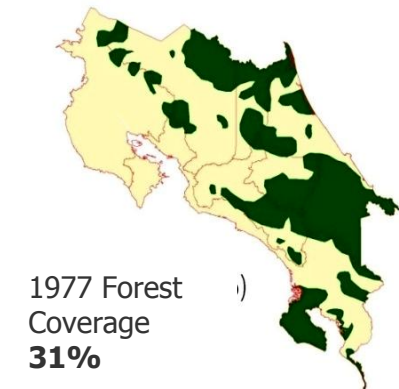
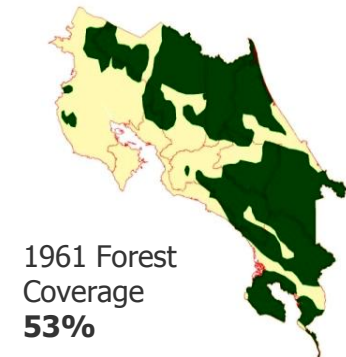
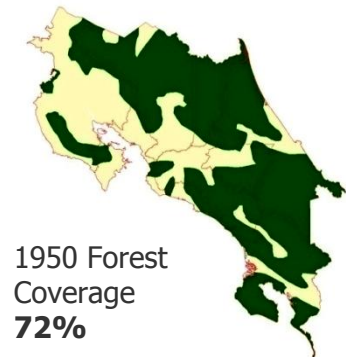
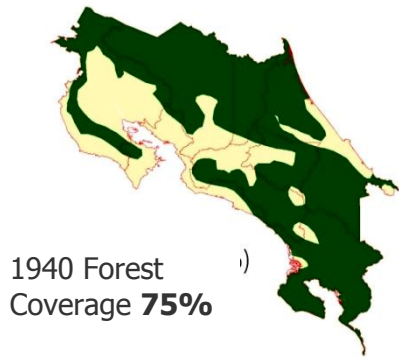


COSTA RICAN Tropical Forests: a motor for green growth

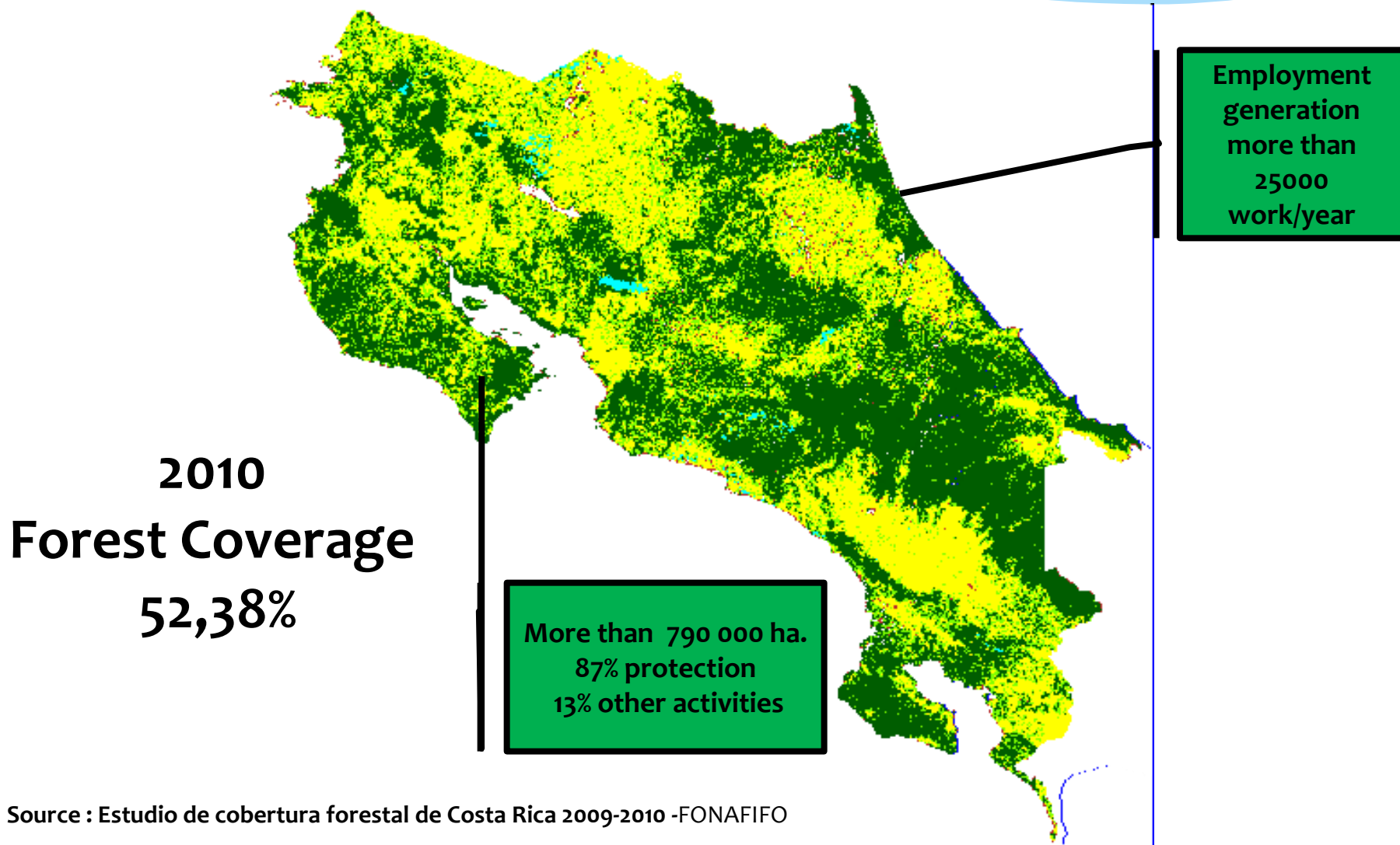
**Ministry of Environment and Energy
COSTA RICA**



Costa Rica: (Forests) Striptease

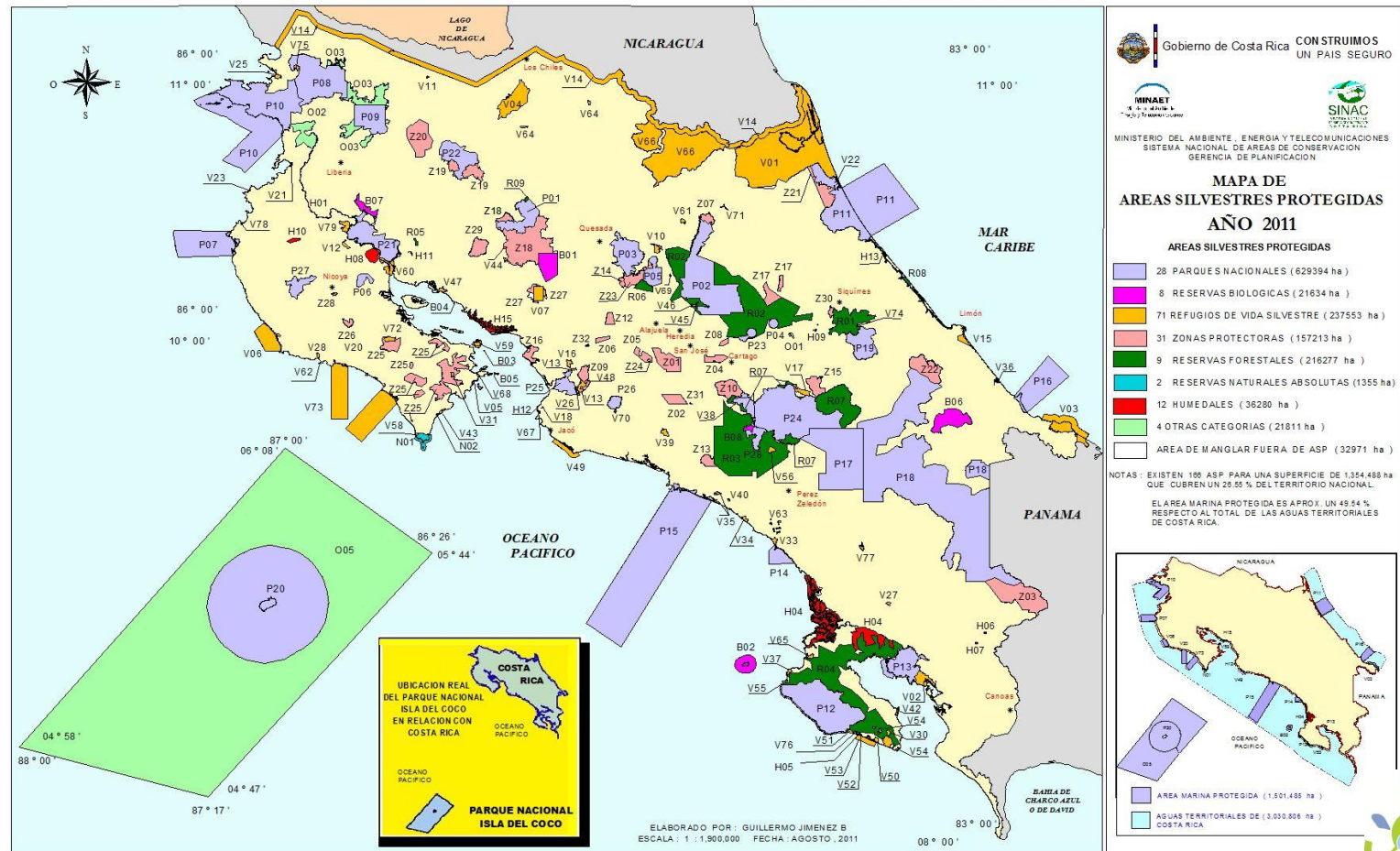


Forest coverage increases due to domestic incentives



Since the 70's, an ambitious mechanism referred as the Protected Areas System has been operative

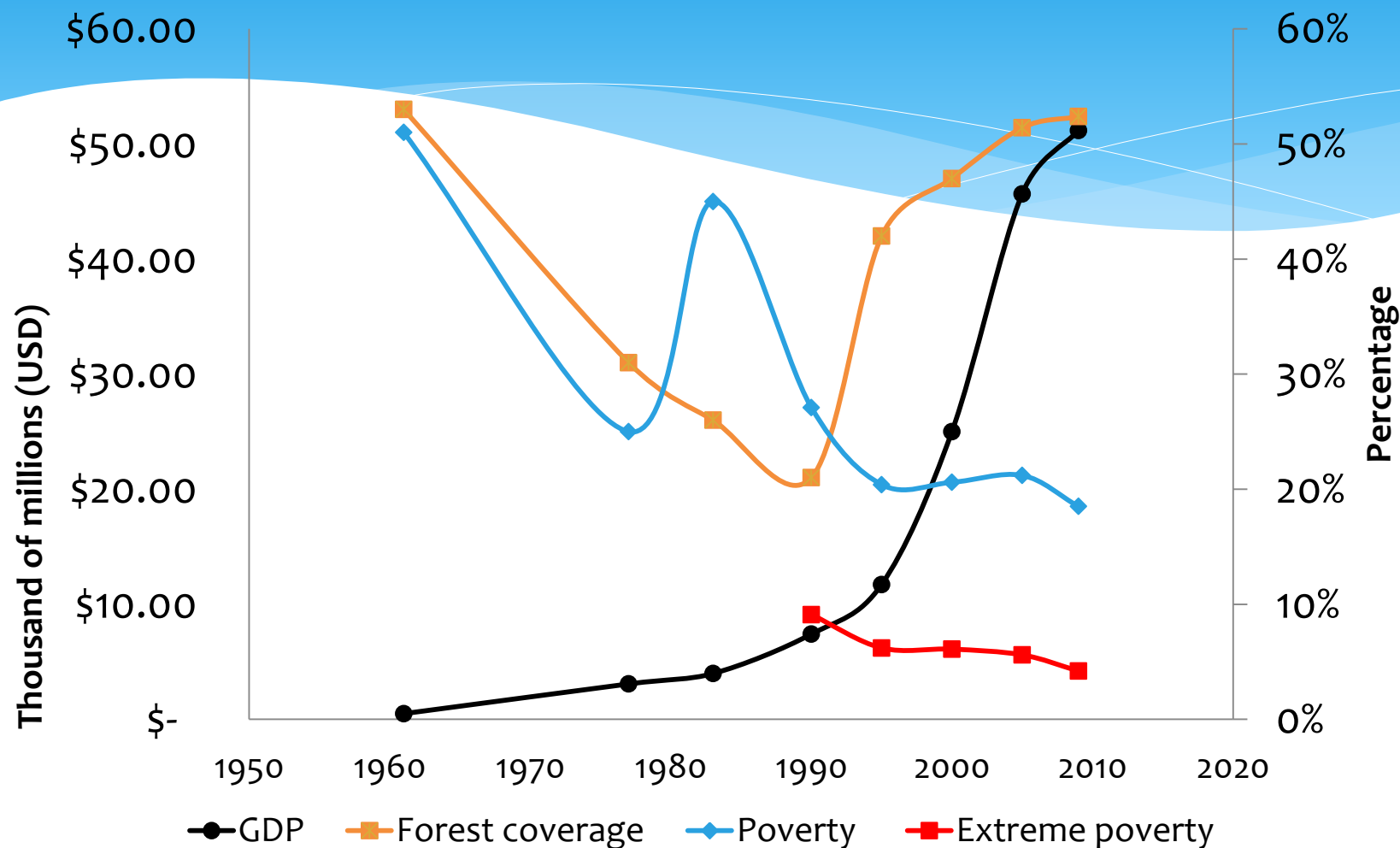
Map of protected woodland areas of Costa Rica Year 2011
27% of territorial land.



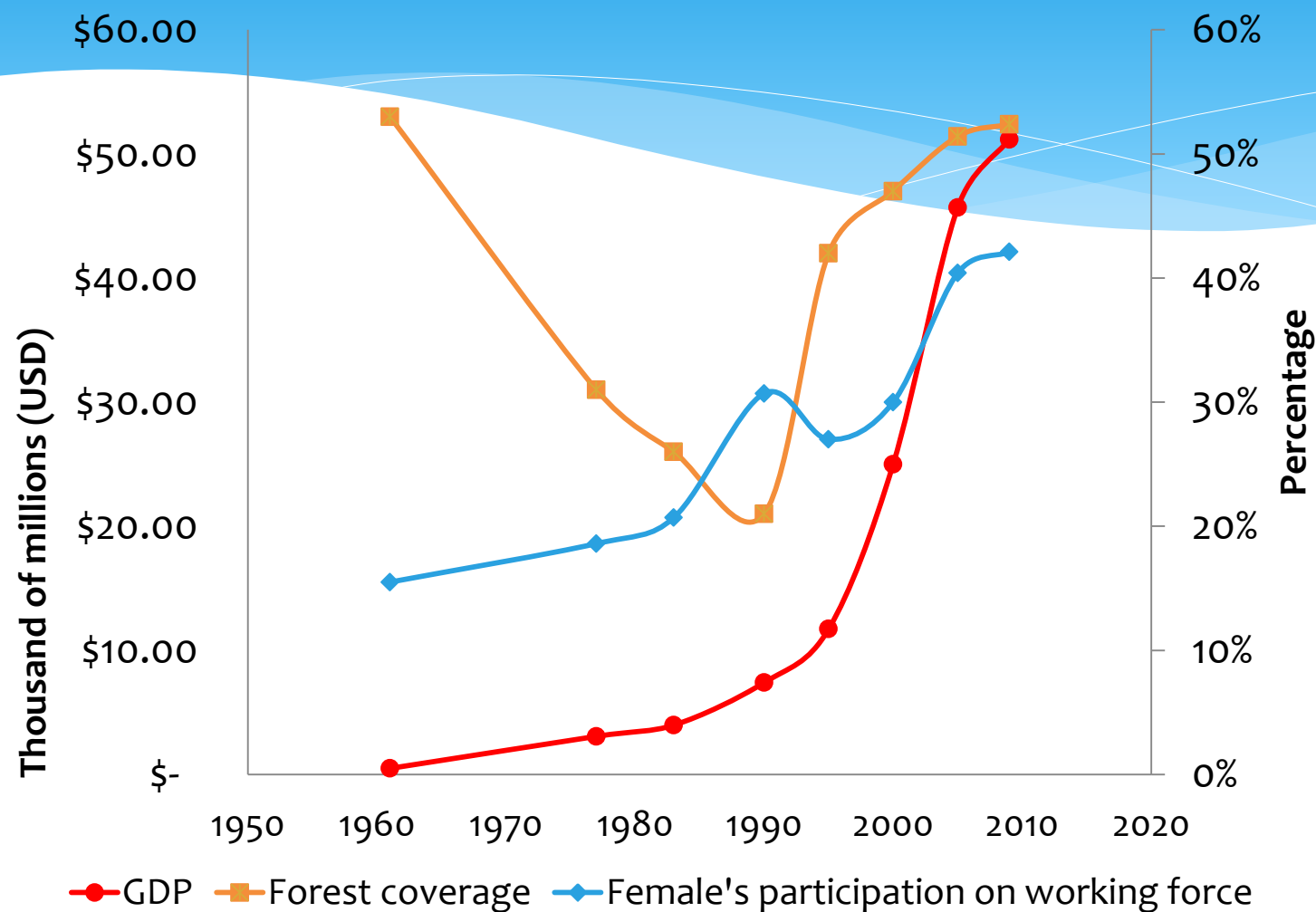
A persevering and evolutionary process...

- * “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 N°7575
- * 1997 on, “Forestry Aid Certificates” were substituted by PES : “Third Generation Financing” funding : tax on gas and other fuels, and from internal PES.

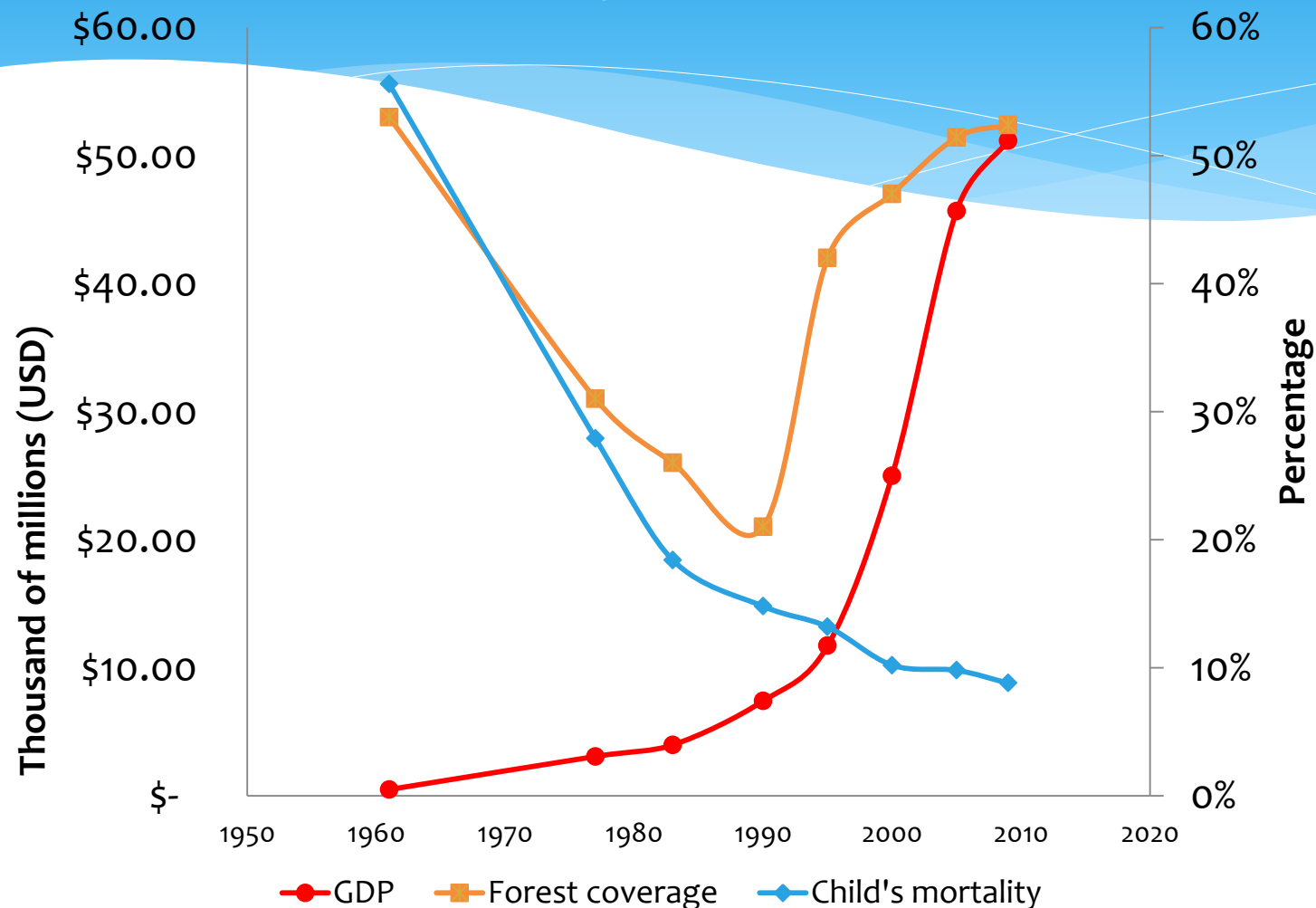
Forest coverage, GDP and poverty rate, 1990-2010



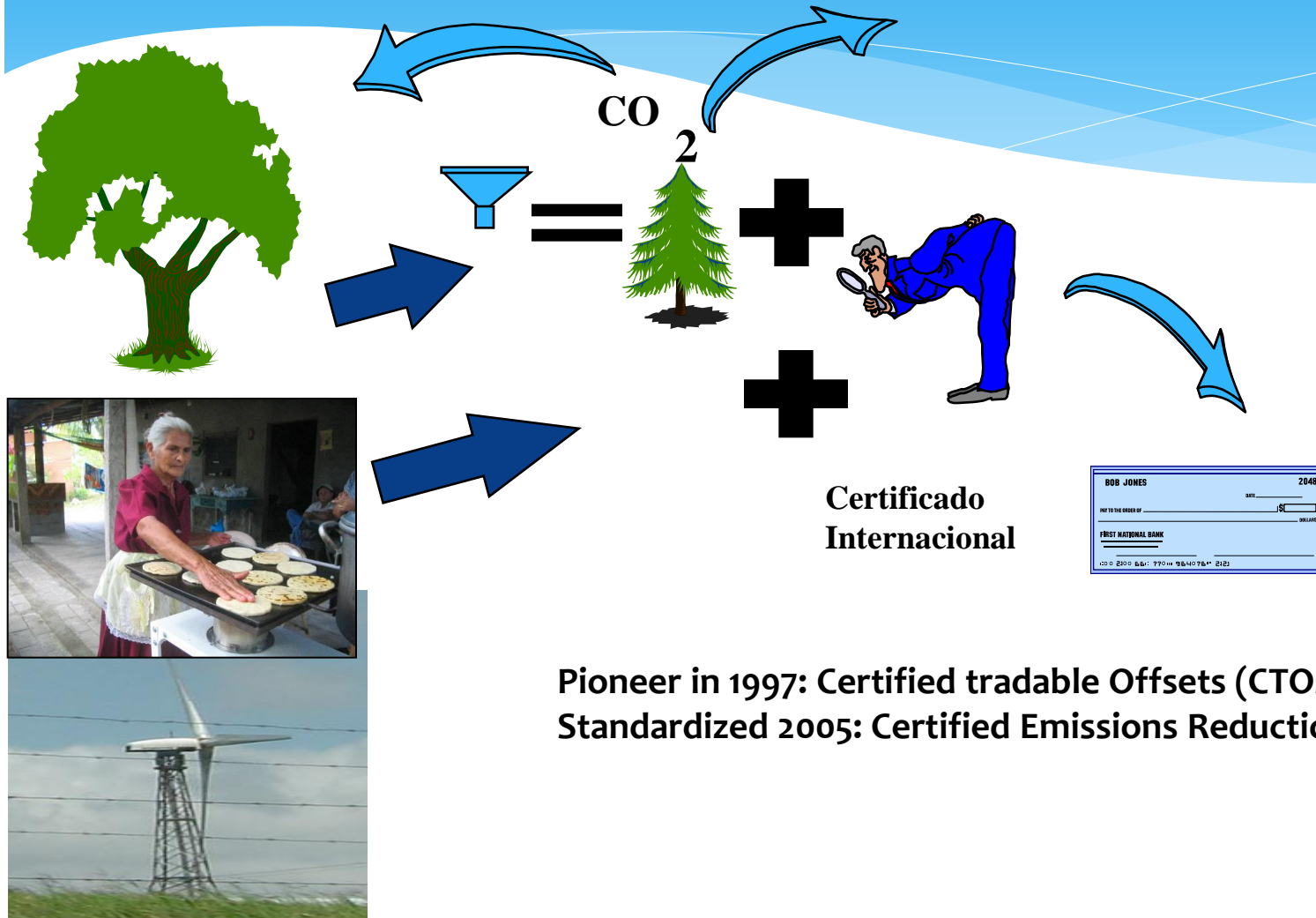
Forest coverage, GDP and female's participation on working force, 1990-2010



Forest coverage, GDP and child's mortality, 1990-2010



... 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



Other actions



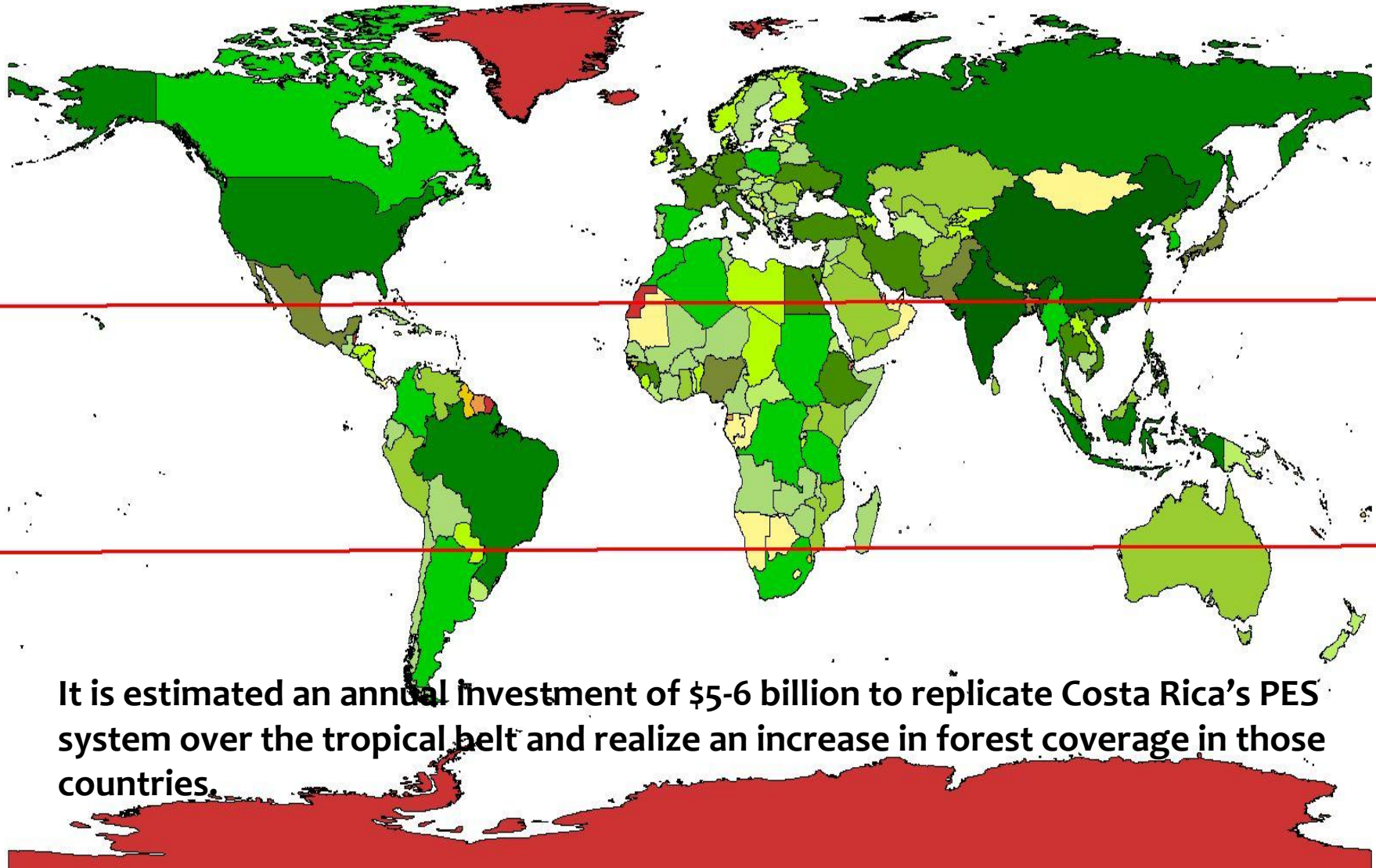
- * The tendency to wooden housing has dropped from 30% in 1984 to 10% in 2000.
- * Continued success of the reforestation program depends on increasing of plantation-grown sustainable wood.
- * Sustainable wood consumption would benefit the country:
 - bound carbon storage in buildings and furniture 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.

The path ahead

- * 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