

REDD Readiness Progress Fact Sheet

COUNTRY: COSTA RICA

March 2013

1. R-PP Preparation and FCPF Readiness grant

- A US\$200K FCPF Formulation Grant was signed in June 2009 and was closed in July 2010. This Formulation Grant allowed Costa Rica to contract consultants to support the formulation of the R-PP, to develop a study on land use, to generate a methodology for the determination of the Reference Scenario and MRV, and, principally, to finance information-sharing meetings and workshops with various stakeholders groups, civil society, and Indigenous Peoples about the Government's interest in undertaking a REDD+ initiative.
- The R-PP was assessed by the FCPF PC at PC6 (June 2010), and a Readiness Preparation Grant funding was authorized by the PC.
- A due diligence mission was undertaken by a diverse World Bank team in January 2011, accompanied by a representative of the Bank Information Center as an observer, and representatives of the Costa Rican government. This mission carried out field visits to Indigenous Peoples territories in the Atlantic and Pacific areas where a large proportion of forests are located. The mission spoke to numerous stakeholders, including government officials, non-governmental organizations, and indigenous peoples and representatives in the field and in the capital, San Jose. Discussions were also held with the German technical assistance agency (GIZ) on donor coordination for REDD+ Readiness.
- A national scoping workshop was held in May 2011 to initiate the SESA process. Relevant sectors of society were represented, including Indigenous Peoples, other forest-dependent people, rural landowners, and others.
- The World Bank held an internal review meeting and authorized the Task Team to continue accompanying Costa Rica in the Preparation Phase.
- The \$3.6 million Preparation Grant was signed by Costa Rica's Minister of Environment, Energy and Telecommunications, Rene Castro, and the World Bank Director for Central America, Felipe Jaramillo in July 2012. All requirements for disbursement have been fulfilled. The grant was originally for U\$3.4 million and now includes funds for developing a grievance redress mechanism in its total.
- A consultancy regarding the creation of a National Safeguards Information System will be implemented with UN-REDD financing.
- Gender will be included in the strategy as a transversal theme through a consultancy financed by the REDD/GIZ Project.

2. National REDD Readiness Management Arrangements

- Since 1997 the National Forestry Financing Fund (FONAFIFO) has implemented a Payment for Environmental Services Program in Costa Rica, with support from the World Bank.
- Building on this experience, FONAFIFO's Board of Directors will be the REDD+ Coordinating Entity.
- FONAFIFO's Board of Directors will be expanded to create a REDD+ Executive Board by including one Indigenous Peoples' representative and one civil society representative. Indigenous Peoples and civil society representatives that will form part of the REDD+ Executive Board will be elected based on a self-selection process, which will be supported with funds from GIZ and the \$3.4 M FCPF Readiness Grant.
- Costa Rica has established a methodology to set up the REDD+ Executive Board of Directors and the SESA Working Group within the Board. The country is reviewing the list of representative people so that the Board is highly inclusive and represents all relevant sectors.
- There's a proposal to change the name "Board of Directors" to "Executive Committee".
- The development of networks of organized groups such as UNAFOR (*campesino*), RED GNOBE (indigenous) have been promoted and additionally the Southern Indigenous Red Network is being created.

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3. Stakeholder Consultations and Communication

- FONAFIFO carried out a series of early information dissemination workshops and has engaged in initial dialogue on the REDD+ process with a wide range of stakeholder groups, and with Indigenous Peoples in the Atlantic and Pacific areas through the structure of the ADIIs (*Asociación de Desarrollo Integral Indígena*).
- In order to ensure broad and effective participation as well as culturally appropriate consultations, FONAFIFO conducted an exercise of identifying all key stakeholder institutions/organizations, including Indigenous Peoples representative organizations and the non-Indigenous local communities such as forest-dependent *campesinos*
- 19 ADIIs have participated in the initial discussion regarding the self-selection process of an Indigenous Peoples representative to the REDD+ Executive Board and this process will further include the broad participation of Indigenous Peoples traditional structures at the local level. This process will be finalized with support from the Readiness Grant, also fostering the participation of traditional forms of indigenous people representation.
- A national issue-scoping workshop was held in May 2011 to initiate the SESA process. Key stakeholders, including Indigenous Peoples, campesinos, NGOs, academia and other sector governments provided their respective views on the national REDD+ process.
- The Bribri and Cabecar indigenous peoples network (RIBCA), that includes 8 indigenous peoples territories of the Atlantic region, has proposed a methodology for a consultation process on the National REDD+ Strategy that follows the principle of free, prior and informed consent.
- A specific consultation methodology and process is being designed for campesinos and civil society.

4. REDD Strategy Preparation

- Vision: Strengthen and broaden the Payment for Environmental Services (PES) program. PES is an innovative program that has been implemented in Costa Rica that pays private and community landholders for conserving and restoring forests, in order to generate environmental services. The REDD strategy will be discussed in this framework, and it is hoped that REDD+ can help overcome a few imperfections in the PES mechanism and create a few complementary elements, such as sustainable forest management, to achieve a more effective program.
- Strategic actions have been reviewed and the country has now rearranged a group of ten strategic actions.
- As part of the REDD+ strategy an ER PIN was prepared for an Emissions Reduction Program at the national level that was presented at the Carbon Fund Meeting in October 2012 that was held in Paris.

5. Implementation Framework

- Costa Rica is a signatory of ILO Convention 169, and thus has committed to obtain the free, prior, and informed consent of Indigenous Peoples for activities that could potentially affect them in the context of the REDD+ strategy; and to identify appropriate traditional decision-making mechanisms.
- FONAFIFO has suggested the creation of a Patrimonial Fund (endowment fund) to help finance the REDD+ strategy and to include the forest sector in a compensation scheme to support Costa Rica's carbon neutrality.
- Costa Rica recognizes carbon and other environmental services as property of the land owner, by law.
- There has been an initiative, supported by the Inter-American Development Bank, to gather information regarding the status of land tenure and land claims (for example, Indigenous and non-indigenous communities). The project resulted in a titling and cadaster report and database, which identifies the status of land tenure and rights for the

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indigenous peoples territories will inform the design of the national REDD+ strategy.

6. SESA

- With technical assistance from the World Bank, FONAFIFO is preparing the draft SESA Workplan to be discussed with key stakeholder groups. Four key issues were initially identified: (i) land tenure; (ii) sustainable forest management; (iii) differentiated PES program that will reflect the realities of indigenous peoples and campesinos; and, (iv) economic activities and access to natural resources by communities.
- Specific environmental and social safeguards policies were identified for the readiness phase and the preparation of the ESMF (Environmental and Social Management Framework) as part of the R-Package.
- A national SESA workshop was held in May 2011. Key stakeholders, including Indigenous Peoples and *campesinos*, took part of an issues-scoping exercise of the potential risks and benefits of the proposed strategic options for REDD+. Proceedings of the national workshop were disseminated to stakeholders, with responses to questions and concerns that had been identified in the workshop.

7. Development of a Reference Scenario

- Data available: 2005 forest cover map, and research on carbon fraction of forest types in country. A 2010 forest cover map is currently under development.
- Considering using historical data to allow for compensation for early actions that have contributed to increasing forest carbon stocks relative to a base year such as 2005.
- Plan to organize a national workshop to discuss the selection of a reference scenario.
- Costa Rica held an experts workshop to discuss reference level scenarios. A document is being edited and it shall be distributed for comments to all stakeholders.

8. MRV

- Plan to develop a permanent national forest inventory to estimate biomass stocks.
- A Working Group was established to develop the MRV proposal for Costa Rica.
- Two workshops including Indigenous Peoples participation have been held to design the MRV.
- A Workshop of experts was held to review the methodology established in the R-PP, in order to evaluate new methodological elements which can improve the levels of uncertainty and to exchange experiences with other LCR FCPF countries, considering the need of Costa Rica to comply the R-package requirements.
- Workshop with experts to propose general guidelines for the design of national forestry inventory
- Thesis that compiled all of the studies in the country which report biomass contents per zone for primary and secondary forest.
- A GIZ consultancy was financed by GIZ for:
 - National Forestry Inventory Pilot 2001
 - Permanent sample plots
 - Definition of direction for the design of National Forestry Inventory
 - Digital compilation of information

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- Biomass documents
- Estimation of costs of IFN
- Acquisition of RAPIDEYE images. Cartography to carry out the National Forestry Inventory of Costa Rica
- Formulate a proposal for the design and preparation of the National Forest Inventory

9. Other

- Costa Rica presented initial ideas for an ER PIN to the participants of the Carbon Fund of the FCPF in the meeting held at Paraguay in March 2012. The draft ER PIN was presented in October 2012 at the Carbon Fund Fifth Meeting in Paris, where it received a series of comments from the CF Participants in the form of key issues to be addressed in a revised version of the ER-PIN that will be officially presented for potential inclusion in the Carbon Fund's pipeline in March 2013 during the Carbon Fund 6th Meeting.
- Relevant key stakeholders from Costa Rica participated in two video-conferences about the R-Package and Benefit sharing organized by the FCPF.