



Capacity Building Program for the development of a system of **Payment for Environmental Services** in Rwanda

Legal and Institutional context of the Environment Sector in Costa Rica

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Building a success story on sustainability: the beginnings

- 1948-49 Consolidation of the democratic system
 - ▣ New Political Constitution
 - ▣ Abolition of the army
 - ▣ Former military budgets allocated to education, health and social welfare programs
 - ▣ Independent electoral body (Supreme Electoral Court)
- ▣ Creation of the National Electricity Institute (95% clean electricity / hydropower, geothermal, wind)
- ▣ 6 % national budget allocated to education



Historic features: 60's to mid 80's:

- Rapid economic growth
- Government promoted the clear-cutting of forests to provide “value” to the land
- Land use change: Lands required for cattle, coffee, sugar cane and banana plantations (agro-export activities)
- High deforestation rates (TOP # 1)
- Loss of 70 -75 % of the national forest cover
- Awareness on the need for conservation and management policies rised

Forestry Policy drivers / approaches

1950 -1970 : Clear-cutting of forests for agriculture linked to global markets

1970- 1985: Reforestation (wood for local market) National Protected Areas System (protect the remaining forested areas)

1985 – 1995 Forests + wildlife: protected areas, Forest and wildlife conservation in private lands

1995: Environmental protection, Biodiversity Conservation, Integral resource management



1969 - 1985

- First Forest Law enacted (1969)
- Creation of the Forestry Department and Wildlife (Ministry of Agriculture)
- Logging Permits regulation
- National Park System created (1970)
- Two forestry schools established in Public Universities (1975)
- Reforestation Incentives (operational by 1979) through the First National Forest Development Plan

Main political objective: Production of raw material for the forest industries to reduce pressure on natural forests

1986 -1995

- Sustainable forest management was introduced into the legal framework on the basis of criteria and indicators (Management plans to reduce ecological impact of harvesting)

- Creation of the Ministry of Natural Resources (1982)
- Several local, regional and national organizations created: DECAFOR, CODEFORSA, AGUADEFOR, ETC...
- Package of financial incentives for reforestation and forest protection

Main political objective: Consolidation of Protected Areas, Reforestation/Natural regeneration to increase forest cover.

1986 -1995: Incentive trends: Reforestation, SFM and Forest Conservation

A new generation of incentives:

- The FIC (Forest Investment Certificate) tax exempt titles that were used to pay future taxes. (The farmers were expected to finance the total costs for the first year of the plantation).
- The FICA (Forest Investment Certificate in Advance) provided to small and medium scale owners, starting with 50% of the total cost the first year. (Reforestation)
- The FMIC (Forest Management Investment Certificate) Bonds issued by the government distributed in 5 years; verification of the accomplishment of the Management Plan requirements. (Sustainable Forest Management)
- The CFP (Certificate of Forest Protection): oriented to the protection of water resources, biodiversity, the buffer zones of the wildlife protected areas and other forest related services (Forest Conservation)

From 1996 on (Renewed Environmental legal framework)

- The National System for Conservation Areas (Wildlife, Forestry and Biodiversity) is created to promote the integral management of the national territory

- The National Forestry Financing Fund –FONAFIFO- legally consolidated
- Land use change legally abolished
- A National Forestry Office created to promote dialogue between the Government and private sector
- Creation of the ESP concept and a funding source (tax on fuels to compensate GHG emissions)
- CES and other instruments (Clean trips, SBF)
- National Forest Development Plan (2nd)
- Broader “Environmental Policy” concept applied: sustainability

Environmental policy and governance

- Environmental policy and capacity building are one of the youngest areas of public policies (80's – 90's Rio Summit)
- Differently to industrialized countries, where emphasis is placed on pollution control and water protection , in Costa Rica adopted a highly concentrated “green” approach focusing on forests and protected areas.
- A Constitutional Amendment included Art. 50 (Right to a healthy environment) and the Environmental Law (1995) marked a shift and providing a broad scenario for public policy and action but did not allocated required resources to fully accomplish the desired goals (Land-use planning, Impact Assessment Evaluation, Law enforcement, etc.)

Environmental policy and governance

- 75% of overall institutional effort of the Ministry of Environment and Energy (waters, biodiversity, forests, protected areas, geological and mining resources, marine protected areas, energy) is devoted to the green agenda and some areas continue to deserve more attention and investments (environmental degradation -water, soils and air)
- Growing official recognition of critical environmental problems (waste management, air pollution, increase of healthcare system costs due to environmental related diseases , degradation of basins, disordered housing and urban growth, over-exploitation of soils and overuse of agrochemicals, transportation and more recently gas emission in the sectors of transportation and energy).

Environmental policy and governance

Last 5 governments included an environmental agenda into the National Development Plans but clear political will is still needed to politically and financially support measure to fully address those problems (green economy and fiscal reform).

The main environmental problem is the lack of managerial capacity in the public sector to design and implement integrated policies: sectoral approaches continue to beat cross-sectoral planning: traditional planning sectors continue to deserve the bulk of political and financial interest and support. ODA plays a role

Still: Lack of clear understanding of the role of environmental policy within sustainable development strategies.

Instruments: National Protected Areas System

Protected Areas System

- Since 1970 more than 150 PA created
- Many PA have no official administration capacity on the ground
- Several management categories: National Parks and Biological reserves (Absolute protection), Forestry Reserves and Protection Areas (Sustainable forest management), Wildlife Refuges (limited activities allowed)
- 26 % of the land surface protected and -10% marine area (1.2 Million Hectares)
- Land-planning for conservation as baseline (recently updated)
- Need to enlarge current PA, create new ones and link them (biological corridors strategy)
- Need to improve biodiversity conservation in private areas outside PA (SBF)
- Need to address integrated resources management (Socio-ecologic management, adaptation to CC)

Ensuring policy coherence

Development policies:

- National Development Plan (2018-2022) and National Decarbonization Strategy (2050)
- National Decarbonization Plan 2050

Environmental policies:

- National Forestry Development Plan (2011-2020) and its REDD+ Strategy
- National Biodiversity Strategy (Biodiversity Gap Analysis, Protected Areas and water resources conservation, fire prevention and management strategy, Illegal logging control)
- Sustainable Development Goals Action Plan
- Climate Change Strategy and National Determined Contribution to the Paris Agreement

Socioeconomic policies

- Poverty reduction strategies
- Energy
- National Budget/Financing plans



BASIC ELEMENTS TO LINK FINANCIAL INSTRUMENTS AND POLICY DESIGN

<p>Policies (Asses & adjust)</p>	<p>Economic instruments</p>	<p>Institutional Capacity</p>
<p>Identify national policies, objectives and goals and legal framework.</p>	<p>Fiscal incentives, taxes, tariffs and fees for users, seals, environmental services, environmental damage</p>	<p>Design, implementation, monitoring, evaluation and feedback of policies and actions (Information systems)</p>
<p>Environment: Water resources, Climate change, soils, biodiversity, etc.) > Social (Poverty alleviation, rural and agricultural development) Economics (Competitiveness: transportation, energy, incentives and subsidies, public debt)</p>	<p>Usefulness / ability to achieve goals and objectives</p> <p>(Valuation, charging, distribution, funding)</p>	<p>Existing technical, operational and administrative capacities to manage the system</p>

STAKEHOLDERS INVOLVEMENT



Thank you!!!

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