



# Payments for Environmental Services (PES): A contribution to the Costa Rica's economy

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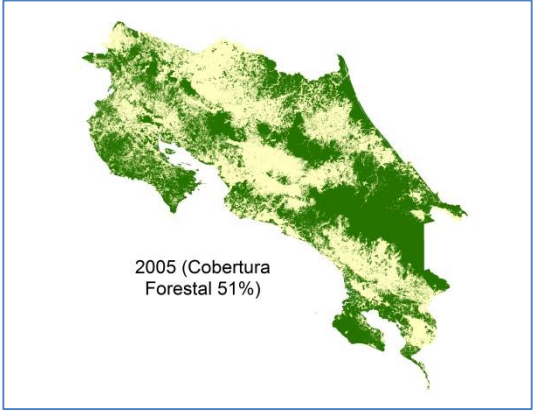
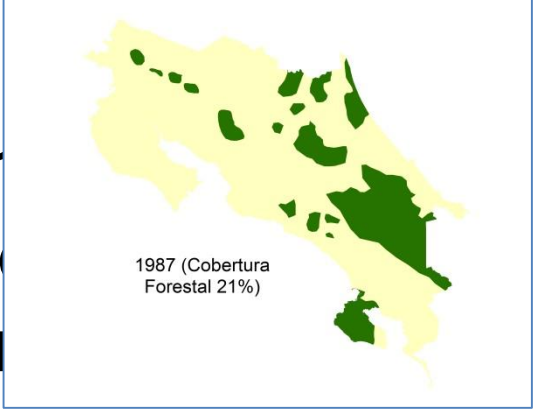
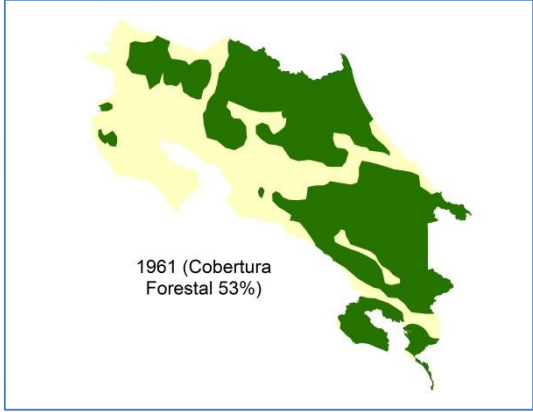
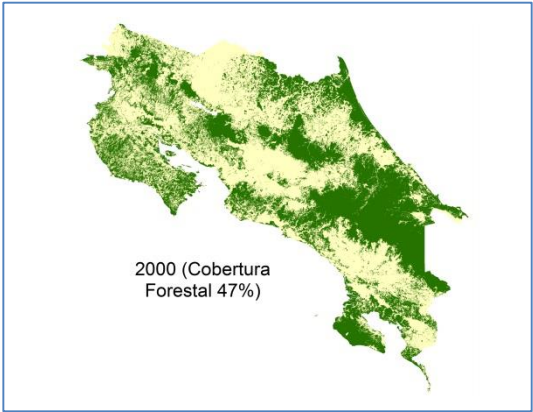
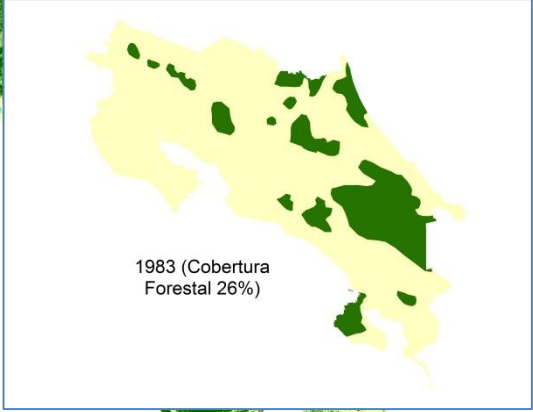
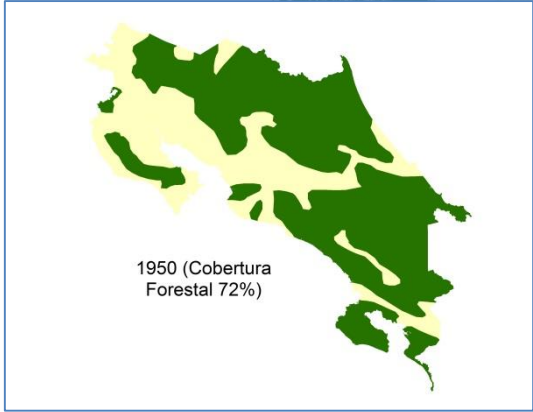
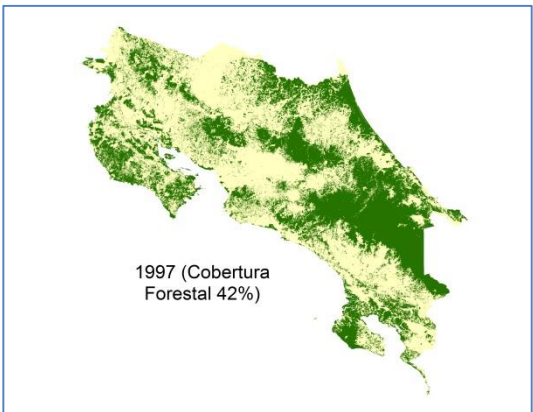
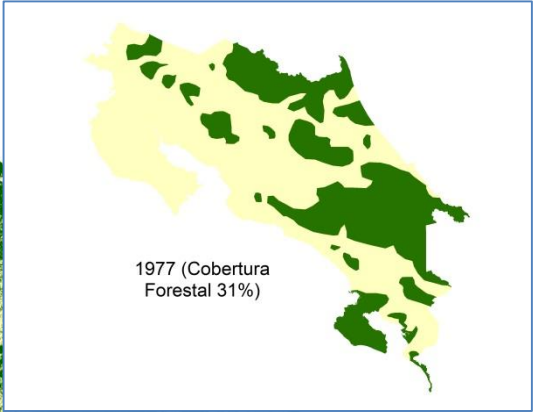
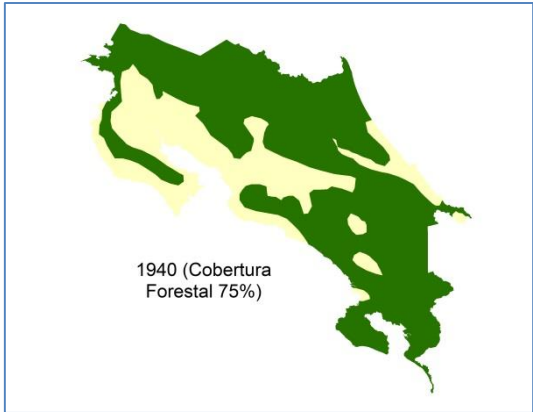
# Agenda

- I. General Data.
- II. Pillars of the PES Program
- III. Results of the Program.
- IV. Learned lessons
- V. Environmental accounts of Costa Rica



# General Data

- ✓ Total Area: 51,100 km<sup>2</sup>
- ✓ Population: 4,7 million
- ✓ 5% of the planet's biodiversity
- ✓ 70% land for forestry
- ✓ Main activities
  - ✓ Tourism (2 millions/year)
- ✓ 30% of the territory is in the state hands and the rest is private property
- ✓ Environmental issues are incorporated in the government policy



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**Institutional Framework**



**Legal Frame**

**Pillars of the  
PES Program**

**Financing sources**

**Monitoring and Evaluation**



# Legal Frame

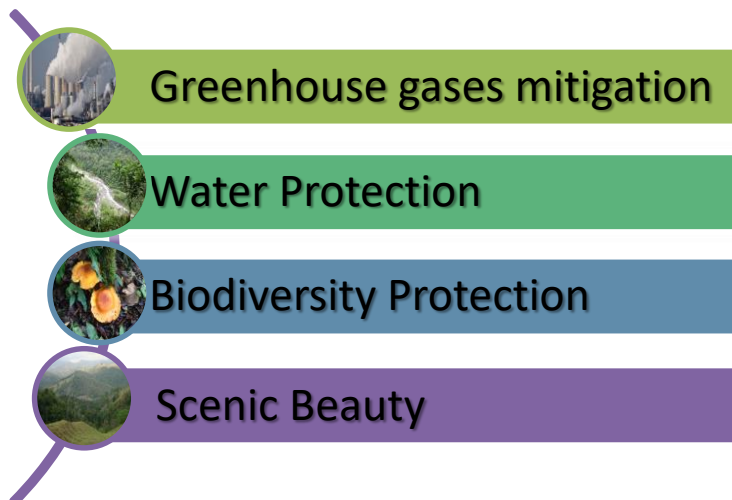
- ✓ **National Constitution (art. 50)**, legal provision to safeguard the right of people to enjoy a healthy and balanced environment.
- ✓ **The 90's, change in the environmental sector in Costa Rica:**
  - New laws to protect and conserve natural resources.
  - Creation of institutions that strengthen the forestry sector.
- ✓ **Global initiatives:** Rio Declaration on Environment and Development, 21 Agenda, United Nations Framework Convention for Climate Change, Kyoto Protocol y, more recently, the Millennium goals, Johannesburgo Summit, COP.
- ✓ **Ratify regional agreements:** Regional Agreement for the management and conservation of natural forest ecosystems and forest plantation development.



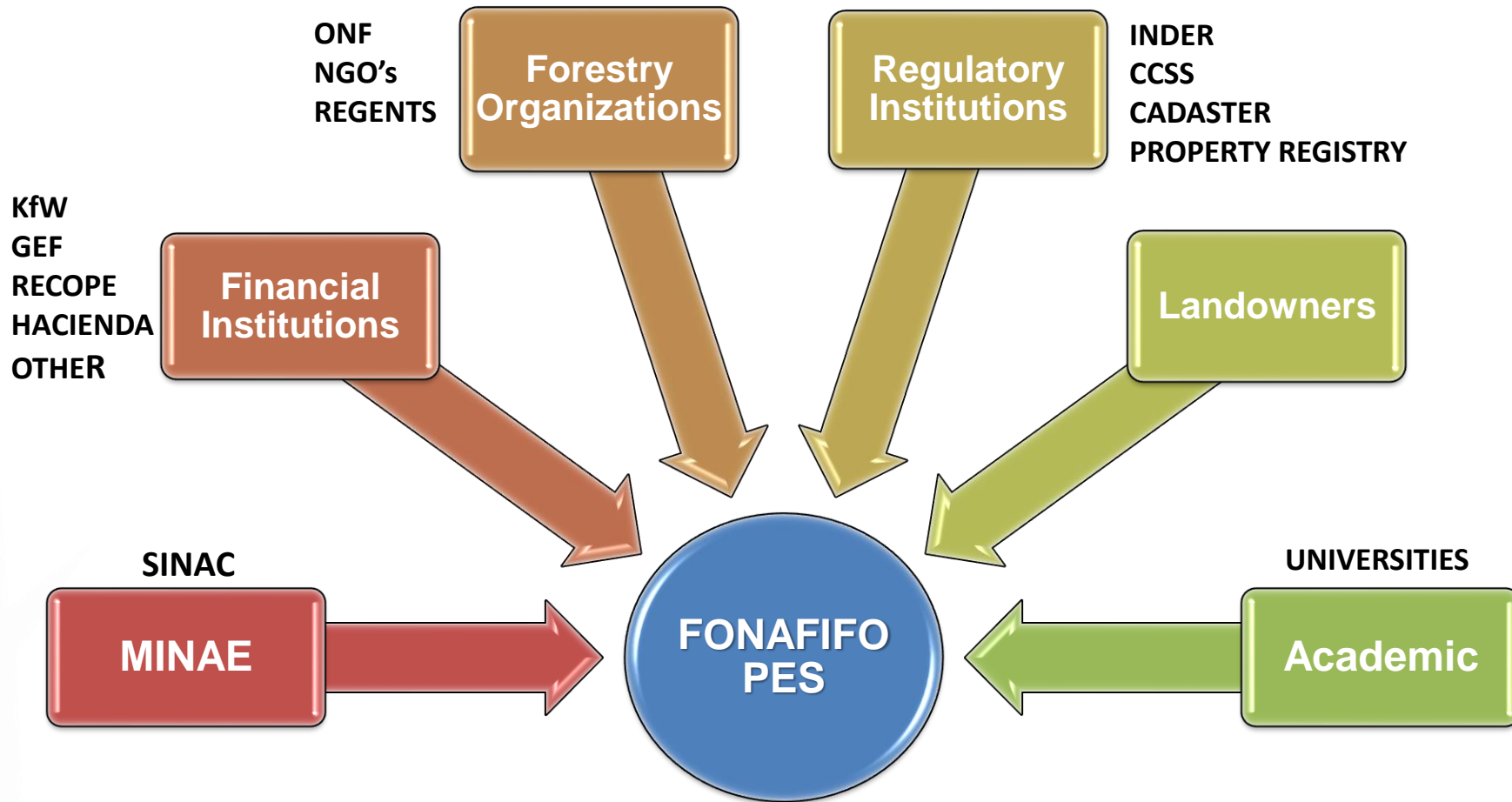
# Legal Frame

## Forestry Law N° 7575, 1996

- ❑ Art 46, FONAFIFO's creation.
- ❑ Art 47, FONAFIFO's patrimony.
- ❑ Art 69, Financing sources.
- ❑ Art 3, paragraph k. Environmental Services:



# PES Institutional Framework





# PES Financing sources

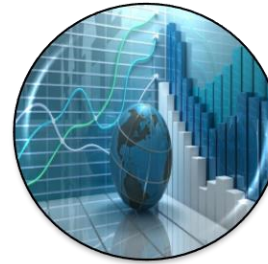


**Fuel Tax: 3,5%**



**Water Tax: 25% of the total collected.**

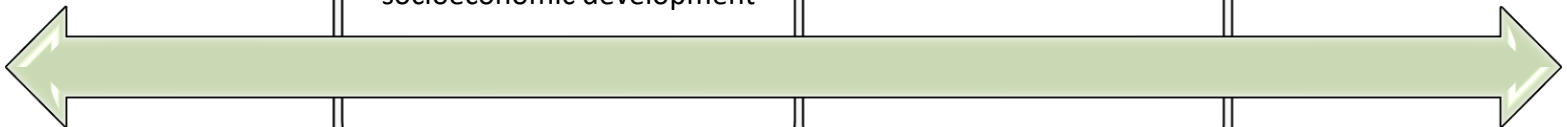
This tax is an economic instrument to regulate the use and administration of water, for human consumption and socioeconomic development



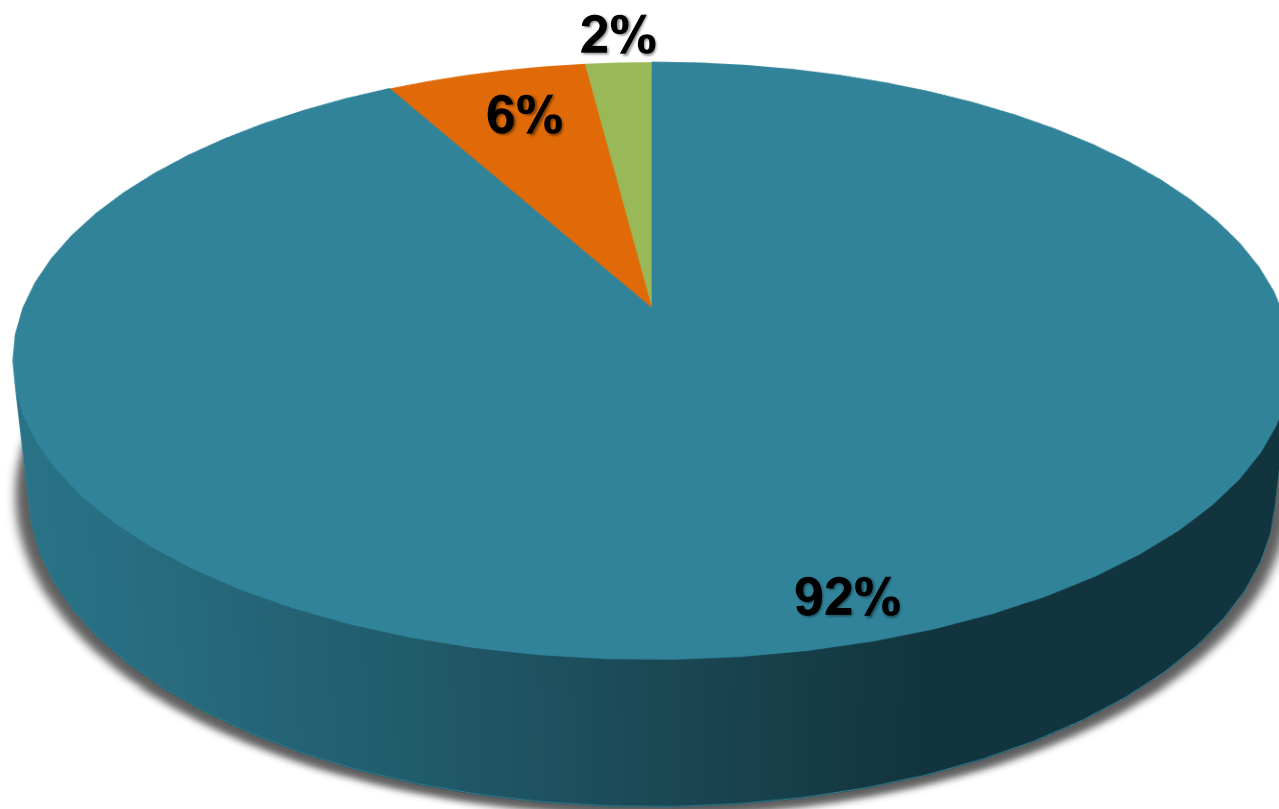
**International Financing: 2 loans with World Bank**



**Agreements: Public Sector and Private Sector**



# PES Financing sources



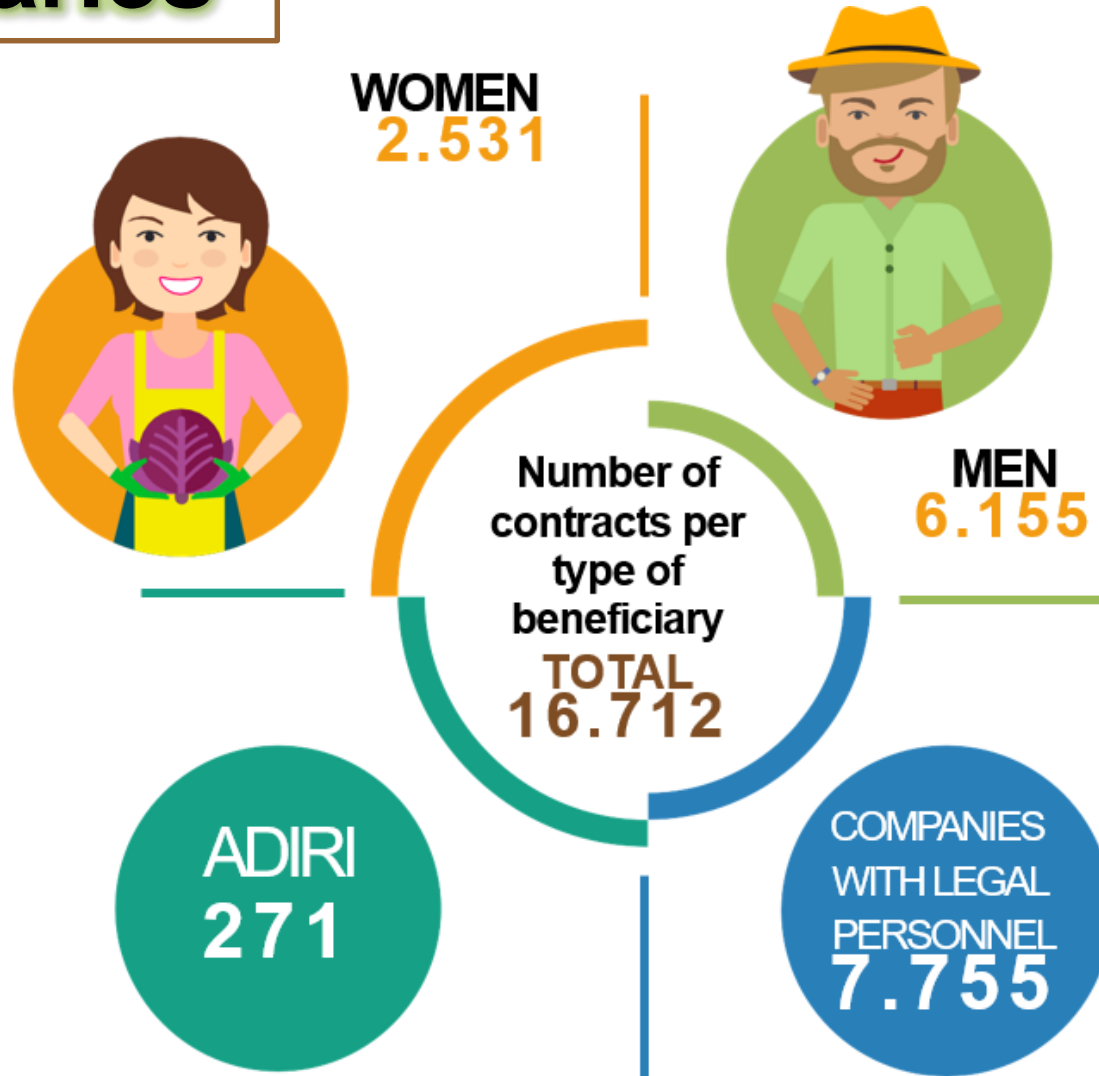
■ Fuel tax   ■ Water tax   ■ Other initiatives

# PES important Results

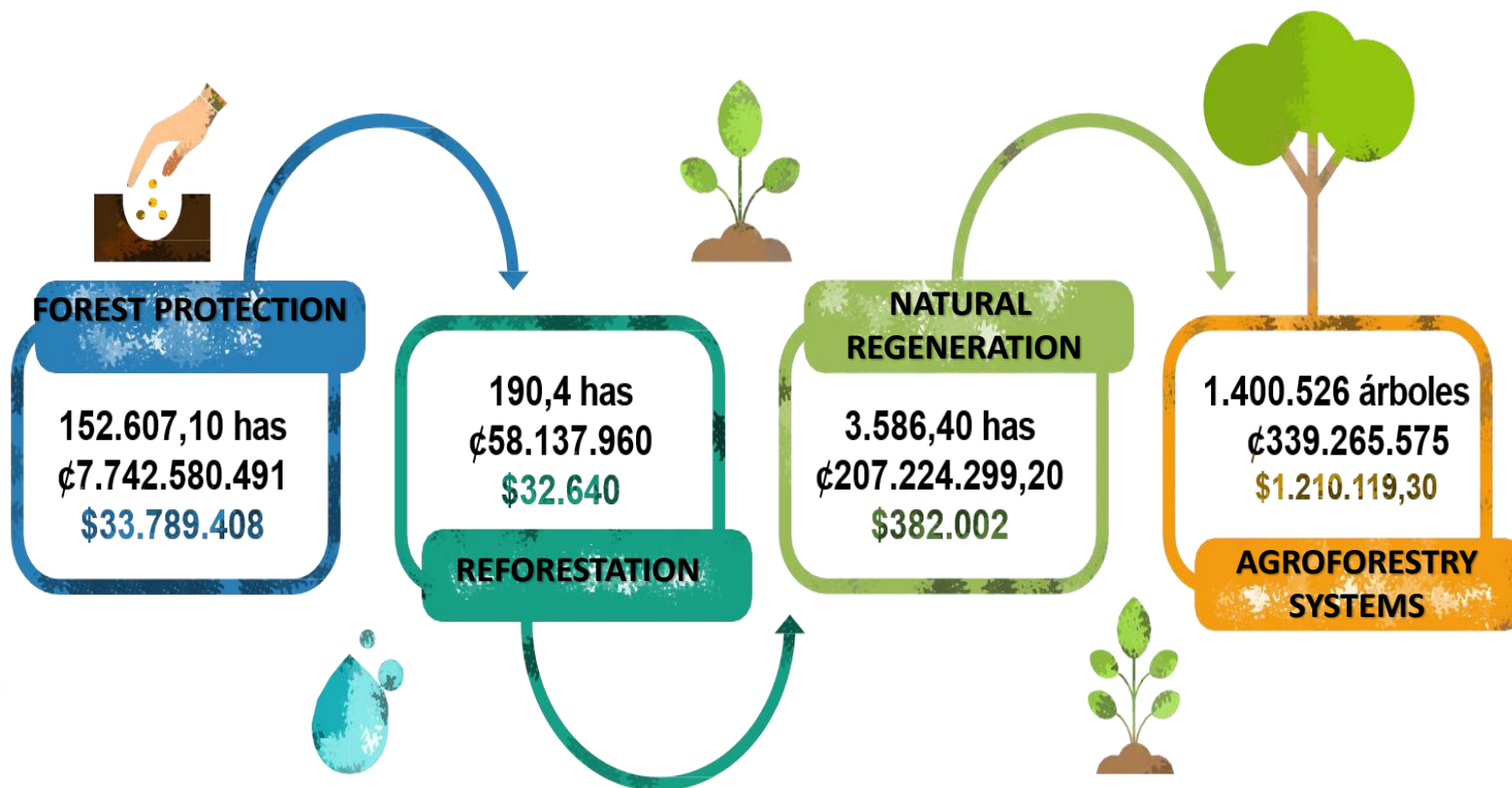
- 17,000 families benefited from the PES Program during the period 1997-2018.
- The Program has contributed to maintaining and recovering the forest cover of the country.
- 1.2 million hectares under PES contracts: 90% Forest Protection, 6% forest plantations, 3% forests that were managed, 1% in regeneration.
- 7,090,357 trees formalized in agroforestry systems.
- Indigenous territories with special conditions for their entry. The PES promotes the participation of this communities in the protection of forests
- Increase in the participation of women, mainly in Agroforestry projects.
- Accumulated investment of more than \$ 600 million dollars (approximately \$ 30 million / year), distributed in rural areas.
- About 3000 hectares under contracts remain in annual management



# Beneficiaries



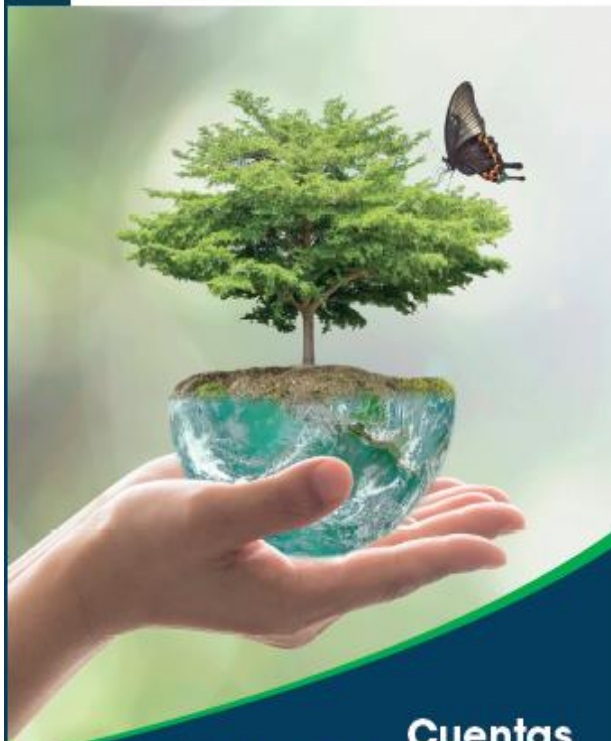
# PES in Indigenous territories 1997-2018



# Lessons learned

- ✓ The PES Program is very dynamic due to external conditions and the financiers, ability to adapt.
- ✓ PES is an effective tool to stop illegal logging and land use change.
- ✓ The alliances with the Private Company, Public Institutions or International Entities in areas of common interest, reduces the investment cost of the State.
- ✓ The impacts of the PES Program must be measured.





Cuentas  
**Ambientales**  
de Costa Rica

# Environmental accounts

✓ The Central Bank of Costa Rica, recognizing the contribution of natural resources to the economy and the country's sustainable development, created the Environmental Statistics Area in order to:

i.

Strengthen and update existing environmental accounts

ii.

Develop other environmental accounts useful for the macroeconomic analysis of the country

iii.

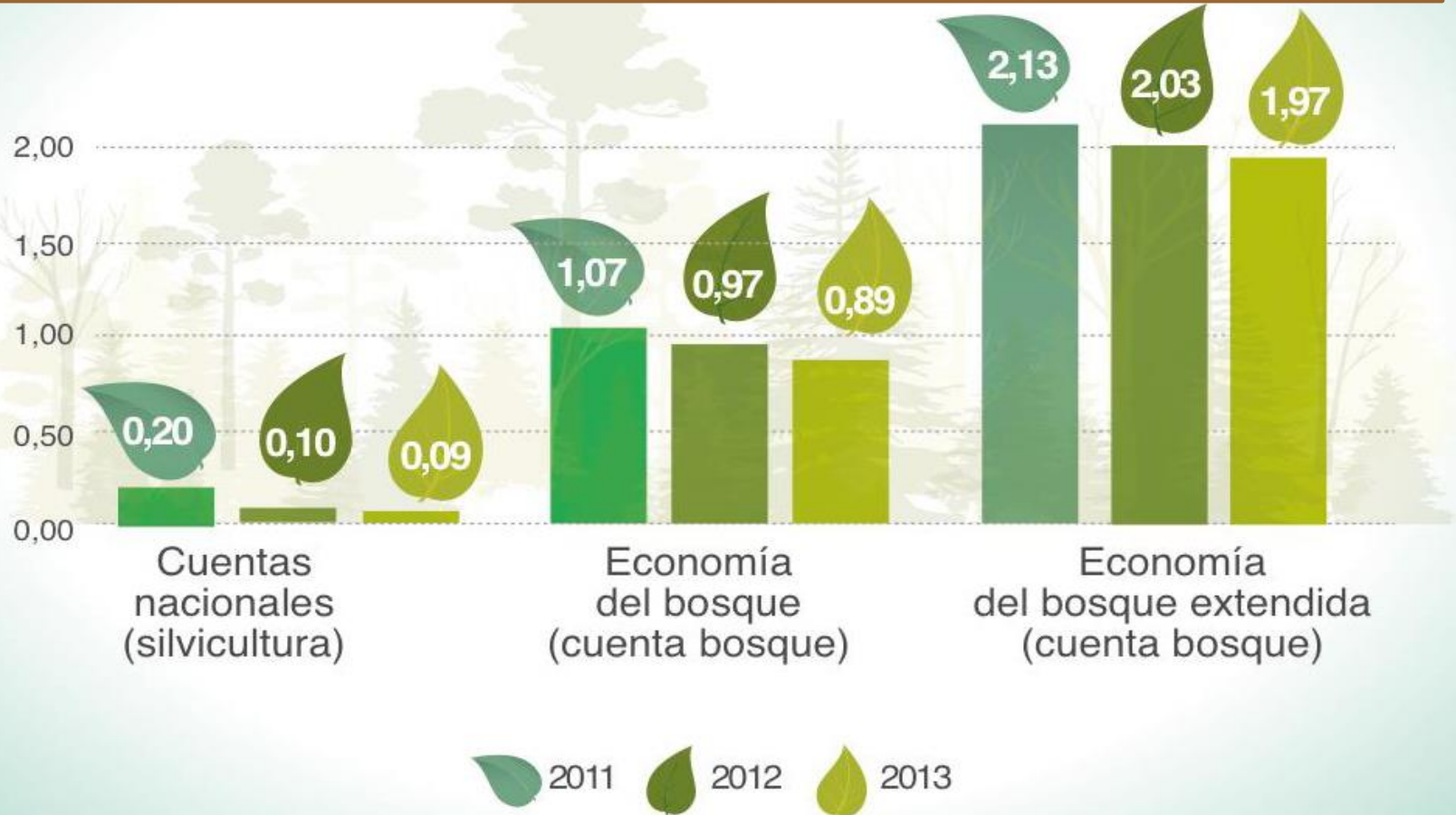
Contribute to economic research and the process of modeling.



- ✓ Currently, the Central Bank produces three environmental accounts for Costa Rica:



# Contribution of the forest (%) to GDP



Source: BCCR, Forest Account, 2011-2015.



For more information visit:

- <http://www.fonafifo.go.cr/>



**Thank you**  
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