Establishing Carbon Sinks in the Cabagra, Ujarras, and Salitre Indigenous Territories of the Costa Rica's Pacific Zone (Dikes I Sub-Project)

Project description and proposed activities

Deforestation and human activities have substantially modified the vegetative cover of the indigenous lands in Costa Rica's Pacific Zone. Except for the areas at high elevation, pastures have replaced the forest cover over. Dense forest areas declined about 63% in 1972. By 1997, only about 44 % of the watersheds remain under dense forest cover, much of it restricted to high elevation areas of the indigenous territories. Indigenous people of the Cabagra, Ujarras and Salitre are willing to revert the deforestation process that suffered their lands. They will introduce forestry production activities in their lands through the Payment for Environmental Services program (PESP) implemented by FONAFIFO. The project will generate a net anthropogenic absorption of near 32,938 tons of CO_2 per year and total of 1,976,267 tCO_2 in 60 years, which would not occur in the absence of the proposed project.

In a period of three years 90,000 trees will planted in agroforestry systems, and 3000 hectares will be dedicated to reforestation through natural regeneration.

Developer
FONDO NACIONAL DE FINANCIAMIENTO FORESTAL (FONAFIFO)
Organizational category: Government agency

Type of Project

Greenhouse gases targeted CO_2	Sequestration	Rehabilitation of degraded lands to forest Rehabilitation of lands to agroforestry

Location of the project

The geographic location of the project is latitude North 9° 5' 28" to 9° 22' 51", and longitude West 83° 4' 5" to 83° 22' 33" (DATUM WGS84). It is located in the Buenos Aires County of the Puntarenas Province of Costa Rica

Environmental benefits and risks

Baseline scenario

The base line is near 55,000 tm CO2e

Estimate of carbon sequestered or conserved
(in metric tonnes of CO_2 equivalent – tCO_2e

Up to a period of 14 years	Up to a period of 20 years	Up to a period of 60 years
469,109 tm CO2e	685,620 tm CO2e	1,976,267 tm CO2e

Socio-economic benefits and risks

There are 14 rural communities near the project area. Their main economic activities are based on agriculture and cattle-raising.

The project incorporates activities that energize the local economy, generating incomes from PESP payments, and employment, near 91.5% of the carbon incomes will be invested in the project area in the form of payments to the farmers for the environmental services produced by them.

Indicative Carbon Credit Value: US$ 4.23 /ton C02e

Sources of finance to be sought or already identified	
Equity (20 years project)	US$ 202,874 FONAFIFO US$ 2,898,200 Carbon Sales
Debt – Long-term	NONE
Debt – Short term	NONE
Not identified	NONE
Contribution sought from the Carbon Sales. (20 years project)	US$ 2,898,200 Carbon Sales
Indicative tCER price *(subject to negotiation and financial due diligence)*	US$ 4.23 /ton C02e (20 years project)

Emission Reductions Value
(= price per tCO_2e * number of tCO_2e)

Emission Reductions Value *(= price per tCO_2e * number of tCO_2e)*	Value (US$)
For 14 years	US$ 1,984,331
For 20 years	US$ 2,900,172
For 60 years	US$ 8,359,609