

## Green Climate Fund Proposal: Costa Rica REDD-plus Results-Based Payments for 2014 and 2015

Costa Rica has taken an ambitious carbon neutrality goal under its Nationally Determined Contribution (NDC) as well as in its Decarbonization Plan 2050, showing the country's strong commitment to the global goal to mitigate climate change. The country is currently seeking international partners to finance its REDD+ results and contribute to this ambitious goal. Costa Rica's carbon neutrality target relies on the country's ability to maintain existing forest cover and increase it to 60%. Currently, the primary source of financing the PES scheme is a 3.5% tax on hydrocarbons. However, as the decarbonization of the country's economy progresses, this will necessarily change. International REDD+ results-based payments are an important source of finance for Costa Rica.

In this context, Costa Rica is seeking REDD+ result-based payments from the Green Climate Fund for the National Emission Reductions of over 14.7 MtCO<sub>2</sub> Achieved in 2014 and 2015. The result-based payments will be used to (1) create enabling conditions for effective REDD+ implementation such as safeguards and forest monitoring, and (2) improve and expand public policies relating to the implementation of the Forestry Law. More specifically, the GCF proceeds will strengthen the Payment for Environmental Services (PES) program as well as strengthen fire prevention measures which have proven their effectiveness in the recent past. The project will also dedicate resources to increasing the participation of all stakeholders in the implementation of the REDD+ National Strategy, both public and private, including indigenous peoples

### **Inclusion and support of women, and IPs and local communities, with appropriate benefit sharing**

Amongst the beneficiaries of Costa Rica's PES Program, in particular for the forest protection modality/activity, are indigenous peoples (IPs). PES payments to IPs are an important transfer of funds from the State to IPs. About 5% of country's total forest area is designated as indigenous peoples' territories lands and much of these IP lands are included in the PES Program. In these territories, potential adverse impacts from the implementation of the PES Program have been identified as part of a safeguards assessment for Costa Rica's proposal to the GCF to receive REDD+ results-based payment for years 2014 and 2015. An Environmental and Social Management Framework (ESMF) and Indigenous Peoples Plan has been developed to address these potential adverse impacts.

With regard to women beneficiaries, FONAFIFO has been strengthening the participation of women within the PES Program, investing 7.3% of the total resources allocated to PES in lands owned or co-co-owned by women in 2019. In 2020, a change has been made to the prioritization criteria that FONAFIFO uses to select PES beneficiaries, rewarding 25 additional points to PES applications submitted by a woman as landowner and/or co-owner.