

**Grading for ER-PIN Assessments:**

Color	Qualification	Analysis
Green	The indicator is clearly addressed and supported by country stakeholders and other sources of evidence;	Reasons for attributed grade should be clearly stated and supported by evidence.
Yellow	The indicator is partially addressed, ER-PIN claims are contested, and/or supporting evidence is weak;	
Red	The indicator is not addressed or is mentioned but not defined/explained, nor supported by evidence and local stakeholder input.	

**Section 1: ADVANCING INDIGENOUS AND COMMUNITY RIGHTS TO LAND AND FORESTS:** To what extent does the proposed emission reduction program protect and advance the rights of Indigenous Peoples (IP) and local communities (LC) to land and forests within REDD+ systems and processes?

**1) Stakeholder participation in ER-PIN planning and ERP design**

Grade	Indicators	ER-PIN Assessment
	1a) The ER-PIN design process shows evidence of full and effective engagement of locally affected populations and vulnerable groups, including women, indigenous peoples and local communities	Yes. The ER-PIN describes several instances where civil society, including Indigenous Peoples, participated during the readiness phase and SESA design (ER-PIN, pp. 48; 53; 107). FONAFIFO (National Forest Financing Fund), the coordinating organization of the ER Program and the REDD+ strategy maintained bilateral dialogues with the Integral Indigenous Development Associations (ADIIs) and other Indigenous Peoples' organizations. It also organized workshops for information on the program and risk assessment (ER-PIN, pp. 53). In the design of SESA, Indigenous Peoples were divided according to geographical criteria and in the process, there were many levels of participation of identified organizations (SESA, pp. 21-22; see also SESA, annexes 2 and 3). With reference to women's rights, they had little voice in the consultation processes and REDD+ context itself despite their participation in related events. For this reason, SESA presents a policy framework to improve women participation (SESA, pp. 52; 57-59; 61, 69).
	1b) The ER-PIN presents a clear and realistic approach for ensuring IP/LC involvement in the design and implementation of the full ER Program	Yes. The ER-PIN describes consultation processes as part of the design of the National REDD+ Strategy (ER-PIN, pp. 53-55). Furthermore, besides consultations, stakeholders will be able to present claims and provide information to improve the program through the information system established as part of the grievance mechanism (MIRI) (ERPD, pp. 210-211). Costa Rica has also enacted a decree establishing the program's institutional arrangements. This decree established an executive committee with representatives from IPs and small-scale producers (SESA, pp. 15-16). Indigenous Peoples and small farmers also took part in the identification of deforestation and forest degradation drivers and risk analysis (SESA, p.25). Still, the ER-PD states that monitoring systems will not include community participation at first (ERPD, p. 164).

**2) Land and forest tenure**

Grade	Indicators	ER-PIN Assessment
	2a) Robust tenure assessments (i.e., assessment takes into account customary and legal land hold, disputed areas, challenges, etc.) in the geographical area of the proposed ER Program were conducted as part of the SESA	<p>Partial. A national tenure analysis was conducted a part of the ER-PD, however there is no specific tenure assessment either in the ER-PIN or SESA for the geographical area of the ERP (ERPD, pp. 43-47; 56-57,).</p> <p>Despite having a sturdy regulation of private and public forestry, the country faces troubles of harmonization of different laws and their implementation. This includes problems to resolve overlapping land claims and illegal occupation within reserves and indigenous lands, as well as recognition of remaining indigenous claimed territories (p. 30; SESA; See also the REDD DESK Costa Rica profile<sup>i</sup>).</p>
	2b) Land and resource tenure assessments were publically vetted and endorsed by all concerned stakeholders;	<p>Partial. There have been consultations regarding land and resource tenure as part of ESMF (ESMF, pp. 12; 23) and SESA (SESA, annex 3). Inputs were partially included in the tenure analysis developed as part of the ER-PD (ER-PD, pp.43-47). According to the methodology described, the ER-PD presents a description of tenure strongly based on analysis of the legal frameworks and does not describe how and if the analysis was publicly vetted or endorsed.</p>
	2c) The land use / land tenure context of the proposed ER Program, including implementation risks (conflicting claims) and available arbitration processes is well defined.	<p>Partial. SESA (annex 3), ESMF (e.g. pp. 12; 23; 81) and ER-PD (e.g. pp. 43-47, pp. 56-58) consider the land use/land tenure context of the proposed ER Program. Nevertheless, arbitration process for issues related to REDD+, such as contested or overlapping land registries, is not yet defined, only in the context of expropriation (ESMF, P. 81).</p> <p>The ER-PD presents some approaches for addressing land conflicts, such as invalidation of titles and eviction of illegal holders (p. 58; ERPD). It also acknowledges that the program will contribute to land tenure security, but states it cannot provide a complete solution for a problem with so many variables (p. 59; ER-PD).</p>

	<p>2d) The process for addressing emerging land and forest tenure issues (e.g., conflicting claims, tenure insecurity for IP/LC and women) is clearly defined in the ER-PIN</p>	<p>Partial. The ER-PIN does not clarify, nor address tenure issues. Emerging land conflicts are assessed in the SESA (annex 3) and the ESMF, reflecting stakeholders' inputs (p. 23; ESMF), and summarized in the ER-PD (ER-PD, pp. 43-47; 56-60).</p> <p>To deal with tenure issues, stakeholders suggested as part of the SESA process to strengthen the judiciary system and consolidate Indigenous Peoples' rights over the land, through a national planning process and implementation of relevant laws and decrees (p. 42; 46 97; 133; SESA). These proposals lack, however, concrete implementation measures, since they are not followed by respective budgets and timelines.</p> <p>The ESMF compiles stakeholders' inputs, highlighting the necessity of creating a conflict resolution mechanism (p. 20;23; ESMF), but this mechanism is not yet designed, according to the ER-PD (pp. 89; 91; ERPD). Furthermore, the ERPD also states that current legislation supports invalidation of illegal titles and eviction of illegal holders, but it requires intervention from court offices to apply the framework (p. 58; ERPD).</p>
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### 3) Assignment of rights to forest carbon

Grade	Indicators	ER-PIN Assessment
	3a) The legal framework for carbon rights is defined in the ER-PIN	<p>Yes. Carbon rights will be implemented in the ER program through the Payment for Environmental Services Program (PESP), established by Forestry Act 7575. The mechanism is already in place in Costa Rica since 1997, and, according to the ER-PIN will support REDD+ Strategy in Costa Rica (ER-PIN, p. 20; 29).</p> <p>The benefits generated by such services, through forest, plantation, among other mitigation methods, are considered goods or assets that could be entitled to payments from the state. Hence, carbon rights are linked to the owner of the land. It also establishes that the owner of carbon can sell his rights to a third party (p. 58; ER-PIN).</p>
	3b) The process for dealing with contested and/or overlapping land, forest and carbon claims is defined.	<p>Partial. Carbon rights are mainly linked to land rights, therefore rights over environmental services should be dealt within the scope of tenure rights. However, Costa Rica faces issues concerning overlapping claims to land and illegal occupation, especially by non-indigenous persons within indigenous lands. Moreover, the number of IPs who have successfully appealed to a court of law is limited (<u>See also the REDD DESK Costa Rica profile on land tenure</u>). The program lacks legal certainty for dealing with carbon rights, without a proper and robust mechanism to contest these rights. Furthermore, SESA includes suggested solutions for land rights conflicts, such as legal clarification of indigenous tenure; to supply the ADIs with technical and financial support for possessory registration of indigenous lands; to strengthen local courts to resolve tenure disputes internally, among others. However, a specific process is not in place (p. 96, SESA; p. 83, ERPD).</p>
	3c) The legal basis for the transfer of ER titles is defined.	<p>Partial, although there is a strong legal framework in place for the PES program, there are potential gaps with respect to communities or landowners outside of the PES program but inside the ER program accounting area.</p> <p>Forestry Act nº 7575 from 1996 regulates Payment for Environmental Services Program (PESP) in its articles 45, 46 and 47 (ER-PIN, p. 25). Furthermore, Resolution N° (546-90) from the Constitutional court also ruled that the goods or assets derived from the environmental services are materialized as economic factors and, as such, are rights assignable by the owners (p. 58; ER-PIN).</p> <p>Nevertheless, the ER-PD states that emission reductions are made by forest owners, but the capacity to claim, negotiate and transfer these rights is exercised by the State Forestry Administration. Its two competent offices are FONAFIFO and the National System of Conservation Areas (p. 221; ERPD). Despite the experience with PES, the ER-PD states that there are some underlying issues concerning transfer of land titles and tenure rights that are rarely solved at administrative level and have to appeal to courts or even rely on legislative solutions to be permanently solved (p. 222; ERPD).</p>

**4) Equitable benefit sharing and non-carbon benefits**

Grade	Indicators	ER-PIN Assessment
	4a) The ER-PIN presents a transparent and verifiable process to equitably share carbon-related benefits (e.g., REDD+ revenue streams).	Partial. The Benefit-Sharing mechanism is still in consultation and design phase (SESA, p. 66; ERPD, p. 213). Given criticism of the current arrangement used in the PES Program (ER-PIN p. 59; SESA, p. 66;), the ER-PIN proposes new benefit sharing arrangements, built upon the ones already developed for existing PES (p. 59; ER-PIN; p. 213; ERPD). This should be a unified mechanism (for carbon and non-carbon benefits) with support of grassroots organizations for channeling the benefits to families and communities (p. 66; SESA). Nevertheless it is not yet in place.
	4b) The ER-PIN presents a transparent and verifiable process to prioritize and equitably share non-carbon benefits (e.g., alternative business models and revenue streams).	No. The ER-PIN and ERPD define several non-carbon benefits (ER-PIN, pp. 56-57; ERPD, p. 217). ERPD describes some approaches for prioritizing them; however it states a specific monitoring system is highly costly has not yet been completed (ERPD, p. 184).
	4c) The benefit sharing mechanisms outlined in the ER-PIN are broadly supported by indigenous and forest dependent communities, including women.	Partial. The Benefit-Sharing mechanism is still in development phase (p. 59, ER-PIN; p. 66, SESA; p. 10, ESMF; p. 213, ERPD). Costa Rica is developing a new mechanisms partially in view of the criticism made by Indigenous Peoples to the one currently in place under the PESP (p. 59, ER-PIN; p. 66, SESA). Specifically regarding women, according to SESA, stakeholders have proposed that the designed benefit-sharing system should include specific mechanisms for balancing benefit distribution between men and women as well as mechanisms to channel such benefits directly to women. If this happens, environmental services cannot depend only on property owners. A priority criterion will have to be included, describing the percentage of benefits directed to women and IP's (SESA, P. 61).

**5) Alignment of ERP strategies with main drivers of deforestation**

Grade	Indicators	ER-PIN Assessment
A	5a) The drivers of deforestation and forest degradation identified in the ER-PIN are consistent with expert analyses and local stakeholder input.	<p>Yes. The analysis presented in the ER-PIN (pp. 24-32; ER-PIN) is consistent with expert analysis and includes stakeholders' feedback. It includes previous studies as sources (Barrantes, Salazar and Salas, Ferraro, Brockett and Gottfried, among others), with updated data from FONAFIFO and FONAFOR (pp. 24-32; ER-PIN). A more detailed description is presented in the R-PP (pp. 35-38; R-PP).</p> <p>According to the SESA, Indigenous Peoples, representatives of farmers' organizations and agro-forestry production groups were able to include their inputs on the identification of deforestation and forest degradation drivers (SESA, p. 12; 25) and after a new series of consultations in 2014 and 2015, stakeholders were able to identify new drivers of deforestation and forest degradation, according to geographical regions (SESA, P. 85)</p>
A	5b) Challenges to overcoming identified drivers (i.e., technical, institutional, political or economic) are clearly defined.	Yes. The ER-PIN defines challenges to overcoming identified drivers (ER-PIN , pp. 25-28;). The challenges are also addressed in the SESA in response to consultations (SESA, pp. 29-31; 37-38;) and summarized in the ERPD (pp. 44-46; ERPD).
B	5c) Proposed ER Program interventions specifically target the main drivers and their related challenges.	Partial. The proposed strategic options are linked to main drivers and barriers, and seem, in general, feasible within the ER-Program. Policies are linked to the type of land ownership (ER-PIN, pp. 25-28), and also described in the R-PP (R-PP, P. 51). Still, tenure insecurity is a considerable barrier to the implementation of the program (ERPD, p. 44), and proposed policy actions such as strengthening of legal courts do deal with these issues and legislative reform, could show results only in long-term (see section 2).

## 6) Safeguards framework

Grade	Indicators	ER-PIN Assessment
	6a) The country has completed its SESA and elaborated an ESMF (yes/no; if yes then consider b through e; if no, got to 6f)	Yes; Yes
	6b) The assessment of social and environmental considerations was conducted in a transparent and participatory manner.	Yes. According to SESA, the document was designed through consultations with specific representatives of affected groups, including local communities, groups of farmers and indigenous peoples. A consultation system was established for each sector, and their inputs are described in the SESA (SESA ,pp. 20-26; 75).
	6c) FPIC is presented as a requirement of the ESMF.	Yes. FPIC is presented as a main principle in the ESMF. The ESMF also suggests the inclusion of FPIC mechanisms for National Forestry Development Plan (PNDF) (ESMF, pp. 19, 91;).
	6d) The EMSF identifies key steps, including budget and timeline, to strengthen forest governance issues within the national legal framework	Yes. The ESMF included a detailed cost table for the first year of implementation, divided by expenses, including social and environmental specialist, and the ERPD made financial projections for the program until 2025 (ESMF, p. 7 3; ERPD, p. 227;). The ESMF also has as a framework basis the National Forestry Development Plan 2011 -2020 (PNDF), which contains gradual goals to be achieved in the forestry sector and within the program, such as institutional arrangements and planning of forest land (p. 33; ESMF).
	6e) The ER-PIN presence a credible grievance/dispute resolution mechanism, based on the FGSM assessment.	Yes, an Information, Feedback and Disconformities Mechanism (MIRI) was developed under the supervision of FONAFIFO for the REDD+ National Strategy and the ER program (ERPD, p. 210). A general scheme describing how stakeholders can participate and give their feedback is presented in the ERPD (ERPD, p. 211;).
	6f) The ER-PIN describes the design of the Safeguard Information System and its application in the context of the ER-P.	Partial. The ER-PIN affirms a proposal was made to design the Safeguard Information System (ER-PIN, p. 51). According to the ER-PD and the official Costa Rica REDD+ website there is a Safeguard Information System module in the Sistema Nacional de Información Ambiental (SINIA) (ER-PD, p. 211-212; see also the official Costa Rica REDD+ website <sup>ii</sup> ). The ER-PD lacks, however, a description of its actual functioning and the Internet link to the actual SIS module is currently unavailable.
	6g) Proposed safeguards adequately address the land and resource rights of Indigenous Peoples, forest communities, and women	Yes. Safeguards were addressed within the SESA, ESMF and ER-PD. Indigenous representatives expressed some reservations regarding PESP and made some recommendations within stakeholder consultations processes (SESA, P. 94-97).

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		<p>Some of these proposals are integrated into ESMF submitted to the World Bank as guidelines (p. 204; ERPD). The ESMF also presents a Planning Framework for Indigenous Peoples (MMPI) for addressing indigenous safeguards related to IPs, such as FPIC and respect for their livelihoods (pp. 89-98; ESMF). According to SESA, suggestions of small and medium producers were also integrated to the framework (SESA, P. 90). Furthermore, reacting to the risk of lack of women's participation, eight workshops were held with support of the Asociación Comunitaria de Mujeres Indígenas de Talamanca (ACOMUITA) to discuss the framework concerning women within the program (SESA, P 81). The SESA presents a strategic framework on gender issues, with recommendations to the effective participation of women in the program (SESA, P. 61). No progress was observed regarding gender inclusiveness, however, in the ERPD.</p>
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**Section 2: BROADER GOVERNANCE CHALLENGES FOR ADDRESSING DEFORESTATION DRIVERS:** To what extent does the proposed emission reduction program consider other key forest governance challenges for achieving REDD+?

**7) Government capacity and coordination in ERP planning and implementation**

Grade	Indicators	ER-PIN Assessment
	7a) The ER-PIN shows evidence of coordination across sectors, line ministries, and levels of government (local, sub-national, national).	Yes, a general scheme is presented in the ER-PIN (; ER-PIN, pp. 47-48) and SESA (SESA, pp. 15-16). An Interinstitutional Commission is also in process of being constituted ensure interagency strategy and implement (pp.45-46; ESMF). The ERPD does not present any details on the Interinstitutional Commission, but it specifies with detail the division of program activities among governance institutions (ERPD, pp. 84-85)
	7b) The ER-PIN identifies opportunities for community-based interventions, including natural resource management, tenure recognition, and other dedicated REDD+ investments.	Partial. The ER-PIN does not describe community-based interventions. It affirms that it is still pending on interinstitutional arrangements (ER-PIN, P 106). The ERPD says monitoring systems will not include community-based participation unless it is necessary to fill any gaps. It states, however, communities already participate in processes such as the “Forest fire brigades”, volunteers associations that monitor compliance of governance and the Colegio de Ingenieros Agrónomos (Agronomists Association), responsible for different modalities of PESP (p. 164; ERPD).
	7c) The ER-PIN discusses efforts to combat corruption and the measures that will be used in the ER Program	No. The ER-PIN only briefly mentions the possibility of establishing a Fraud Control Unit, (ER-PIN, P. 42). The ERPD is also silent.

**8) Transparent monitoring and oversight of REDD+**

Grade	Indicators	ER-PIN Assessment
-	8a) The ER-PIN shows evidence of an open-access information management systems for REDD+	No. The ER-PIN presents a general description of the institutional arrangement of this program and defines the institutions in charge of the future MRV system (ER-PIN, P. 96). SESA acknowledges the need of having an information system, but does not define it (SESA, p. 66). The ERPD explains that an official information system will be reflected in the national forest monitoring system, but it is still being designed (pp. 163-164; ERPD).
	The ER-PIN proposes mechanisms to independently and transparently:	
-	- 8b) Monitor the social and environmental impacts of REDD+ investments;	Yes. The ESMF describes how social and environmental impacts will be evaluated (ESMF, pp.56-57).
-	- 8c) Monitor the application of safeguards via the Safeguard information system	Partial. As stated in section 6f, there is a SIS in place according to the ERPD and the official REDD+ Costa Rica website, but how it will be monitored is not described in detail.
-	- 8d) Monitor the effectiveness of governance-related interventions;	Yes, through the participative structure, with the inclusion of stakeholders and main partners (p. 47; ER-PIN; p. 15; SESA; pp.45; ESMF).
-	- 8e) Track and coordinate international finance flows;	Partial. There is no description of a transparent and independent mechanism per se to monitor finance flows, nevertheless all contracts signed government agencies are public in Costa Rica. According to the ER-PIN, the entities in charge of coordinating and ensuring financial flow within the program are the Ministry of Finance and the Ministry of Planning (ER-PIN, P 15). A preliminary financial plan is presented in the ER-PIN and contains operational costs until 2020 (ER-PIN, P. 113). The ESMF also presents a more detailed cost table for implementing the program in its first year (ESMF, P. 73).
-	- 8f) Monitor the distribution of carbon and non-carbon benefits	Partial. There is no specific mechanism for monitoring non-carbon benefits to date (ER-PD, p. 219;). However, the ESMF addresses the distribution of benefits among stakeholders through field visits, related to the program impacts. The technician should draft a monitoring record, with inputs from institutions responsible for REDD+ activities and beneficiaries, which will lead to a final report within the National REDD+ Strategy (ESMF, P. 64).

**Section 3: OVERALL ASSESSMENT**

Grade	Indicators	ER-PIN Assessment
	9a) The proposed emission reduction program protects and advances the rights of indigenous peoples and local communities to land and forests within REDD+ systems and processes.	Partial. While Indigenous Peoples and local communities' inputs have been partially included in the program, there are some important issues that still need to be further considered, notably resolution of illegal occupation of indigenous lands, as well as monitoring of international finance flows and corruption.
	9b) The proposed emission reduction program presents a credible plan for addressing governance issues at national and sub-national levels, and establishes clear processes for monitoring progress on critical risk factors.	Partial, while the program presents a credible plan for addressing governance issues, it does not establish clear processes for monitoring progress on critical risk factors.

<sup>i</sup> <http://theredddesk.org/countries/costa-rica#land-tenure>

<sup>ii</sup> <http://reddcr.go.cr/en/safeguards-information-system-product-redd>