

## 1. General Description:

### 1.1 Project Title:

Repositioning of forest management as competitive land use in the agroforestry landscape of the North Huetar Region of Costa Rica.

### 1.2 Submitting Country/ies:

Costa Rica

### 1.3 Specific Location & Country/ies/regions/areas benefitting from the project:

San Carlos. Alajuela. Costa Rica.

### 1.4 Endorsement from ITTO Focal Point:

DG-OF-042-2021.pdf

### 1.5 Intended Project Duration (in months):

24

### 1.6 Indicative Budget (in US\$):

<b>ITTO</b>	138370
<b>Counterpart</b>	28800
<b>Total</b>	167170

### 1.7 Programme Line Focus (select 1):

Forest Landscape Restoration and Resilient Livelihoods

### 1.8 Project Type (select up to 3):

Pilot/demonstration project, Policy development/implementation, Market/product

development

## 1.9 Proposal Summary:

Selective deforestation consists of the cutting of the most valuable and important species of our forests, which are being harvested through illegal logging, which has led to a skimming and degradation of the forests of the Huetar Norte de Costa Rica Region. Delicious. Reasons and actors behind illegal logging are many, however, despite the fact that small producers are also considered agents of changes in the country's agroforestry landscape, their livelihoods are more dependent on the goods and services provided by forests. . Thus, sustainable forest management (SFM) emerges as a practical tool to contribute to the conservation of forests (avoid deforestation and illegal logging) while, also, Producers strongly avoid adopting on their farms, the SFM, in fact, producers prefer to dedicate their lands to agriculture or livestock and when they have forests, it is better to receive the Payment for Environmental Services (PES) for conserving their forests, without harvesting it, than dedicating it to the MFS. Obviously, the current SFM scheme that is promoted by NGOs and the State Forest Administration (AFE) is not attractive enough for most producers. Despite the fact that SFM is promoted as a viable alternative to improve the competitiveness of the forest against other alternative uses of the land, the owners of the forests, among other things, have serious problems to comply with the legal requirements that are demanded by the AFE, when applying for harvest permits. Added to this, In this context, it is necessary to work on the revaluation of the forest, through the design and execution of a Plan that seeks to reposition SFM as a competitive use of land in the agroforestry landscape of the Huetar Norte Region of Costa Rica.

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## 2. Proponent Information:

### 2.1 Executing Agency Information:

#### Name of Agency/Organization/Institution:

Asociación Comisión de Desarrollo Forestal de San Carlos

#### Name of main Contact Person:

Jhonny Mendéz Gamboa

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**2.2 Type of Organization:**

Private Sector/Industry Association

**2.3 Collaborating Agency/ies:****Name of Agency/Organization/Institution:**

Asociación Comisión de Desarrollo Forestal de San Carlos

**Name of main Contact Person:**

Jhonny Mendéz Gamboa

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## 2.4 Relevant experience of EA:

CODEFORSA is a leading NGO in promoting sustainable forestry development, its mission is to contribute to improving the standard of living of its associates, promoting forestry production processes, to achieve social and economic growth of the inhabitants of the Region, contributing to development forest of the country. CODEFORSA has participated in projects financed by DIFD of the Government of the United Kingdom, the Costa Rica Netherlands Fund, of the AID.

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## 3. Relevance:

### 3.1 Conformity with ITTO objectives (ITTA, 2006) and priorities (current SAP):

Consistent with Article 1 (objectives of ITTO2006) the project seeks to provide a cooperation framework for Regional action, which addresses the ecological, social, economic and governance aspects that have to do with SFM, and with this promote management sustainable development of wood-producing forests. In parallel, the project seeks to contribute to the generation of empirical data that support the objectives c, f, k, m, n and r of ITTO. Each of the products and results that make up the project is directly related to one or more ITTO objectives. Each one d In the 1990s in Costa Rica, the best and most valuable trees were extracted from the forest, there was no planning or technical support, permission was granted and there was no control by the State; the forest was destroyed by up to 56%. At that time, some weak points in the management system that prevailed at that time were corrected, the procedures for the pre-harvest inventory were strengthened, and the regulation of yield, with the intention of minimizing the impact of forest use and avoiding overload. Taking advantage of the most valuable species, these and other changes gave rise to the SFM platform that governs the country. The activities and results are directly related to one or more ITTO objectives, for example: Results 1, seeks to contribute to sustainable development and poverty reduction, through the identification of value chains and revaluation of wood. To this end, better market conditions are promoted to ensure that the producer can obtain a fair price for the wood. Results 2, seeks sustainable management for which promotion and training of SFM is carried out to forest owners, forest managers, public officials, among others, as an alternative to improve the competitiveness of the forest within the agroforestry landscape, achieving an improvement in the competitiveness of the forest with respect to other land uses.

### **3.2 Relevance to the ITTO Programme Lines:**

The proposal is within the programmatic lines of ITTO, which tries to address an approach of the entire supply chain, which bases forest restoration and management for economic reasons, not only in the name of protecting biodiversity or combating climate change. , with the idea that global benefits should be rooted in local benefits and income generation, it will also develop activities to contribute to sustainable forest development, and seek to generate resources for forest producers and motivate owners to carry out proper management of the forest, thus avoiding illegal logging.

### **3.3 Relevance to the Sustainable Development Goals (SDGs) and the Global Forest Goals (GFGs) and other forest related global agenda:**

The proposal is within the Relevant Sustainable Development Goals (SDGs) and Global Forest Goals (GFG), related to forests, this proposal addresses the The role of the sustainable forest management of tropical forests to face the main global challenges, such as: climate change, poverty and the loss of biodiversity, among others, the project deals with the harvesting of wood in sustainably managed forests, are viable alternatives, replacing unsustainable materials, which contributes to achieving several ITTO development objectives

### **3.4 Relevance to submitting country's policies:**

In the country, REDD + strategies, the National Forest Development Plan (PNDF), the National Forest Inventory (INF), seek to implement a set of policies and programs to face the causes of deforestation and / or forest degradation and to be able to potentiate the role of forests in mitigating climate change and reducing poverty. For example: the PNDF, strategic objective 7.1 mentions that SFM should be promoted as a key element for the adaptation strategy, as well as for the mitigation associated with carbon neutrality. Agreement 36-2012 MINAET, C-Neutral Country Program, mentions that compensation sources should be promoted, which are fundamental for the development of the decarbonization Plan that Costa Rica is developing The Region has a significant amount of productive forests, 250,000 ha, however, in the Region there is a direct relationship between the amount of forests and the poorest cantons in the country. The 2013 IDS Index, calculated by MIDEPLAN, which measures the social development of the 81 cantons of the country, shows that Los Chiles is 80, Sarapiquí 78, Upala 76, Guatuso 75, San Carlos 53 with the highest position in the Region. Another key aspect that should be mentioned is the forest culture that the Region has to carry out SFM in tropical forests, due to a significant amount of successful experiences developed by projects

on SFM that came to strengthen local technical capacity, starting in the 1990s, where SFM demonstration areas and the first guidelines for low-impact harvesting were established, such as As a result, today it can be said that the Region has an important local technical capacity to take up past experiences and apply them in new concepts on SFM, while contributing to the local well-being. This knowledge is reflected, in the Region, second harvests are being carried out in forests that had had a first forest intervention through management plans prepared by CODEFORSA.

### **3.5 Linkages to previous/ongoing ITTO and other projects/activities (if any):**

This proposal is part of a project presented to ITTO, it was approved with ITTO ID Code 78115. Master plan for the repositioning of forest management as a competitive use of land in the agroforestry landscape of the Northern Zone of Costa Rica.

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## **4. Project synopsis:**

### **4.1 Objectives (reflecting reference to elements within all ITTO Guidelines as applicable):**

The proposal is framed within the elements of ITTO guidelines, for example: End of poverty and zero hunger, Decent work and economic growth, Responsible production and consumption, Climate action (avoiding the change from the use of forests to crops) and Life of terrestrial ecosystems

### **4.2 Key problem(s) to be addressed:**

At the beginning of the 90s (1990), a change was brewing in Costa Rica, which allowed going from destructive exploitation to the effective implementation of silvicultural forest management systems, where forest management procedures were improved, by including of inventories of stocks and topographic surveys as additional planning requirements, as well as with the restriction of the use to 60% of the commercial volume over the minimum diameter of 60 cm, dbh. All these changes based on principles, criteria and indicators of sustainability developed for our country, supported by government incentives for management. For the year 2019, it is estimated that to the primary wood transformation industry in Costa Rica, forests contribute 20,640 m<sup>3</sup>-r, which represents only 2% of consumption, These percentages of wood mostly come from the forests of the northern zone of Costa

Rica, where there is a significant amount of natural forests, where at least one harvest has been made, under the technical assistance of CODEFORSA, which is close to the time for a second forest harvest. Today the main problem encountered is that the Forests of the North Zone are not being managed to improve the income of the producers and ensure their sustainability and within the causes are mainly cited: Little support to the owner in the commercialization of wood, Lack of monitoring the experiences generated in natural forests and Lack of promotion of SFM as an alternative for the forest owner. At the regional level, producers, Timber industrialists and forest managers agree, excessive paperwork and long waiting periods for permit approval have resulted in higher transaction costs. All of the above discourages reaching the legality of the forestry procedure.

#### **4.3 Main stakeholders and beneficiaries:**

-Local producers: Forest owners interested in receiving income from the SFM, with a lack of capital to invest in the SFM procedures, with experience in SFM on their farms. -AFE ACAHN: Mowing permits approved, willingness to face the administrative ban. Empowered to promote SFM. -Wood industry: wood buyers, Wood flow from the MFS, possibility of rewarding the wood from the MFS, improve the value of the wood. -Forest Regents: professionals who develop and execute SFM, the paperwork and waiting times limit SFM, have technical and specialized knowledge of SFM, accompany local producers in SFM. -ONF / FONAFIFO: Institutions in charge of promoting SFM, lack of agreements for producers to access forestry credit Economic resources to favor the forestry sector.

#### **4.4 Key activities:**

- Two years into the project, there are 5 new demonstration units of sustainable forest management, of 50 hectares each.
- The experiences on SFM will be documented by means of two technical sheets, one per year.
- Information on SFM is collected within the REDD + process, so that it is available.
- A training program is carried out for the regents and the owners in the marketing area with an annual activity.
- To reduce distortions in marketing, at the end of the second year of the project, 6 producers have achieved linking processes with the wood industry, negotiating the purchase and sale of wood defined by the project with clear rules.
- For year two, there are two agreements with state institutions to promote the use of wood in their tenders.
- The technical and administrative capacity of those involved in the SFM is increased, decreasing up to 25% in the time of the approval of the management plans by the AFE.
- A campaign is carried out in public and private institutions, where the consumption of wood from the SFM is promoted.
- Show the public, private and producer sectors the productive value of forests, through four field

days. • Training is carried out for the regents, AFE officials and owners in the techniques of the MFS. • In the training to promote the consumption of wood from the SFM, the correct concept of conservation is disclosed. • Through posters, flyers, technical sheets, advertising guidelines, radio and television programs in the northern area, the consumption of wood from MFS wood is promoted at a general level.

#### **4.5 Expected outcomes and impacts, including innovation/transformation:**

- It achieves an increase of between 2 and 5% in the income of the owner. • 10% increase in farms subjected to MFS. • The paperwork and waiting times for approval of short permits are reduced by 25% in response to the training program. • The trainings provided help to improve the repositioning of the MFS in the Northern Zone.
- The priority actions to follow to reposition the SFM are agreed by the different actors in a work plan for the period 2022-2023. • 50% of the people in training will be women. • At least 300 ha of forest are sustainably managed per year and are included in the Forest Cadastre. Of which 50% will correspond to women forest owners. • For 2022 and 2023, 15 owners are trained and their farms are incorporated into the MFS, in addition to 40 actors between regents and SINAC officials involved in MFS. Of which 15 will correspond to women forest owners. • By 2023, 5 new demonstration units are created, which have PPM. Of which 50% will correspond to women forest owners. • By 2023, the scientific information generated by the project has been documented, which will be available for the REDD + process in Costa Rica. • For 2023, the potential volumes of the wood supply that annually from the MFS for the period comprising 2022-2023 are known. • By 2023, 6 producers achieve a process of linking with the wood industry and there are agreements with two state institutions for the purchase of MFS wood. Of which 50% correspond to women forest owners. • For 2022 and 2023, a promotional campaign of the MFS was carried out, impacting on these government institutions in the northern zone consume wood that comes from the MFS. • By 2023, there are updated studies on chaining and profitability of wood from the MFS.

#### **4.6 Existing funding for (related) initiative(s)/established contacts to potential donors:**

They do not exist

#### **4.7 Any other information deemed necessary/important:**

In the 1990s in Costa Rica, the best and most valuable trees were extracted from the forest, there was no planning or technical support, permission was granted and there

was no control by the State; the forest was destroyed by up to 56%. At that time, some weak points in the management system that prevailed at that time were corrected, the procedures for the pre-harvest inventory were strengthened, and the regulation of yield, with the intention of minimizing the impact of forest use and avoiding overload. Taking advantage of the most valuable species, these and other changes gave rise to the SFM platform that governs the country. The current SFM platform has not been attractive enough for it to be adopted voluntarily by small producers. In 2019, the ONF showed that the contribution of wood from the SFM had been drastically decreasing, reaching 6% of the national total and that in the short term there would be a deficit that would exceed 60% of the apparent consumption of wood. This despite the fact that the country has recovered its forest coverage to 53%, which presupposes that there are at least 1,600,000 ha of privately owned forest (primary and secondary) with the potential to produce wood sustainably. Hence, the premise arose that there are distortions that prevent the SFM from regaining its importance in supplying wood and, at the same time, generating greater local welfare; Therefore, this proposal sees an alternative to reposition the SFM, which must first validate the pros and cons of the implementation of SFM at a regional scale, so that later it can be taken to a national level.

#### **4.8 Risk mitigation measures:**

The north zoneThe country has a large amount of forests with potential for SFM, these areas are in the hands of various owners, many of whom do not know the advantages they can have when SFM is carried out, for which the project will develop a series of activities that help the owner to become interested in sustainably managing his forest, such as picnics, informative material, provide facilities so that logging permits can be processed, improve timber market conditions, etc. Another risk is the government policy regarding the use of forests, which at the beginning of this millennium was very restrictive and unclear regarding forest management, but in recent administrations it has become aware that SFM is possible. It is based on the fact that the Costa Rican State, through the AFE, maintains a policy that promotes and supports SFM, the associated risk would be that a change in government policies may discourage SFM, which must be mitigated by CODEFORSA and the Organizations Forestry of the country maintaining a close relationship with the AFE. It starts from the key assumption that forest owners are willing to implement SFM and improve their income. The risk is the long approval times by the AFE, for that close coordination with the AFE and the high costs of the paperwork are contemplated, for which the project will have resources to pay for the MFS plans. Wood buyers are willing to establish a fair market for wood from natural forests, the risk is that the market does not lend itself so that within a fair market there is an increase in the price of wood. to mitigate this risk it will be necessary create

agreements with institutions that promote the consumption of national wood.

## 5. Indicative Budget (in US\$):

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Description	ITTO	Counterpart	Total
<b>Personnel</b>	41751	16800	58551
<b>Sub-contracts</b>	0	0	0
<b>Travel and DSA</b>	43674	0	43674
<b>Capital Items</b>	5912	12000	17912
<b>Consumables</b>	24773	0	24773
<b>Publication / Dissemination</b>	10000	0	10000
<b>Miscellaneous</b>	12260	0	12260
<b>Total</b>	138370	28800	167170