



Woodrow Wilson
International
Center
for Scholars

Latin American Program

Interview:

The Country Has Only Three More Years to Act

Christiana Figueres, Executive Secretary of the UN Framework Convention on Climate Change

Her message: Costa Rica must hurry to become an experimental farm for the new generation of carbon certificates.

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With the World Carbon Market so restricted, what other financing opportunities do you see for Costa Rica?

“The biggest opportunity I see is to access funds linked to what we know of today as National Appropriate Mitigation Actions (NAMA).”

And what is that?

“NAMAs are the next generation of mitigation efforts in developing countries, like a new generation of carbon certificates.”

How do they work?

“It’s a kind of certification that is not provided for in the current emissions market. It’s not about selling certificates for reducing emissions. It’s an investment plan the country would have to design to make significant changes in its energy structure or in its solid waste management. After that is done, it would apply to obtain foreign investment in these initiatives.

“The modernization of urban transportation in the Central Valley could be an example of this. You could also think about the organization of the roads in cities of the metropolitan area and include improvements in the fuel the vehicles are using.

“All of this is systematized in an investment plan. It is quantified and taken to the international community for them to approve and fund.”

Which countries would be required to fund us?

“All of the industrialized countries will be obligated in some way but that’s not totally decided yet. It is part of the negotiations that will take place at the next summit in Cancún (November). We can say that Germany, the United States, France, and Japan have shown interest.”

What do those countries get out of funding our actions?

“It’s not that they will want to do it. It’s that they will have to do it and fund us. They are going to have to create a fund to channel donations from industrialized countries toward developing countries. But not all of the developing countries are going to be able to take advantage of the opportunity to go the NAMA route.”

Why not?

“Because, in order to take advantage of it, they have to have a fairly well developed public institutional structure and the capacity for effective collaboration between the private and public sectors.

“Costa Rica has both things: a mature public institution and good interaction between the public and private sectors. I would say that this gives Costa Rica a big advantage as compared to the other countries.

“I think that the best opportunity for Costa Rica, if not the only one, is to bring in international funding to implement the measures we need to be declared carbon neutral through the NAMA process. That is the fantastic thing about it. It’s a unique opportunity to regain the attention of the world!

“The best thing is that the country has already taken several steps towards proposing these measures because the Costa Rican government has identified what it needs to do through the National Climate Change Strategy, for example.

“The country already knows where it needs to increase energy efficiency and which technology it needs to change. The main issue is that it has to move and it has to move fast.

“These international resources can only be accessed as a country, not as businesses or private initiatives, though many of the necessary measures must be taken up and supported by the private sector. That’s why the public-private relationship is going to be so important.”

This is a potential opportunity, but it’s not a real one yet. Is there anything we can do right now?

The National Fund for Forestry Financing (FONAFIFO)—which offers payment for the environmental services of a forest area, for example—is part of the voluntary market right now. But it is trying to be included as a player in the official market. There is a whole chapter in the negotiation about this.

“But, I must reiterate: I don’t think that this is the biggest opportunity that Costa Rica has. I think that the most interesting option is to ask for resources to implement measures that we want and that we need in the country, but through the NAMA mechanism.

“Perhaps what we are doing today in the area of forest protection and environmental services could come to be considered part of this new generation of certificates for international mitigation, but we don’t know that yet.

“What I’m sure of is that the modernization of transportation and of the energy , industrial, and agricultural sectors are definitely areas that offer very interesting opportunities for obtaining external resources and in that way achieve the modernization we want in order to become a carbon neutral country as it hopes to do by 2021.

“There is a window of opportunity that will close within three years and Costa Rica is in a good position to be one of the first countries to organize its NAMA packages and present them to the international community for funding.

“But we do have to hurry. When the biggest countries do the same thing, we will simply be out of the market, sidelined by the countries that can obtain more carbon reductions.

“My message to the government is very clear and direct: please hurry because there is a window of opportunity that will close on Costa Rica in three or four years.

“The fact that we are beginning a new government is like a gift being served up on a golden platter. I would ask them to organize and do it soon.”

To be clear, how much money are we talking about with NAMA?

They aren’t talking about numbers yet, but that’s good because there is no limit yet either. Since it is something that has never been done in the world, the mechanism needs to be designed and that’s why they are looking for countries that might want to volunteer in order to learn how to do it.

“As Don Pepe used to say [Reference to former president José María Figueres] ‘Costa Rica is not just a country, it’s an experimental farm.’ I really believe that we could be a laboratory for the world in terms of how to make this new generation of greenhouse gas mitigation measures work.

“The big countries, like China, India, and Brazil, have to wait until everything is ready, designed, and decided in order to make their calculations and decide whether to go the NAMA route. Costa Rica is a small country and it could volunteer to be a test case for learning how to design the rules of the game for the new generation of mitigation certificates and, in the process, we could obtain the funding we need to prepare ourselves for global warming.

“[We shouldn’t] wait until everything is defined, but instead volunteer to be a pilot project so that the world can decide how they want this to work.

“Unfortunately, the matter isn’t so new that Costa Rica can afford to just sit and wait. Some other countries are already making progress in this process; Mexico, Turkey, and Chile are moving very quickly.

“Though NAMAs as such don’t exist yet, there is a current instrument that could be considered a predecessor. If you look at the World Bank webpage (www.bancomundial.org) you can see that some countries are already learning to make the most of climate change mitigation actions, and they are already receiving money from the Climate Investment Funds.”

If Costa Rica is as prepared as you say we are to receive funding, why hasn’t it received money like those other countries?

“That’s the question exactly! The government has to make the investment plan: the ministries of Transportation, Environment, Treasury, Planning, and Foreign Relations.

“These are amounts that are much higher than what Costa Rica could reach with the mechanisms we have established today. What we have now is very small and it is not transformative.

“If we are going to be carbon neutral like we hope to be, we have to transform the economy and choose investment plans that change the way we consume and use energy. That’s the only place we have opportunities. Otherwise, the country will not have alternatives or leadership in the environmental arena.”

[Pull-out quote]

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