

**REGULATION, TAXATION AND INSURANCE**

**PROJECT TITLE:** **Costa Rica REDD-plus Results-Based Payments for 2014 and 2015**

**ACCREDITED ENTITY:** **UNDP**

*Please provide the following information:*

- *Details of any government or regulatory approvals, licenses or permits required for implementing and operating the project/programme, the relevant issuing authority, and the date of issuance or expected date of issuance. If there are no regulatory or government approvals, license or permits required, please state so in this document.*
- *Describe applicable taxes (or exemptions thereof) and foreign exchange regulations related to the project/programme.*
- *Details of any insurance policies or requirements related to the project/programme. If insurance is not applicable, please state so in this document. If insurance is applicable, please indicate whether it has been included in the project budget; or it will be covered from external sources not accounted for in the budget.*

Both the National Forestry Financing Fund (FONAFIFO) and the National Conservation Area System (SINAC) are agencies of the Ministry of Environment and Energy.

FONAFIFO and the national program of Payments for Environmental Services (PES) were created by the Regulation to Forest Law No. 7575 of 1996. The regulation was officially published on January 23rd, 1997. From this date, the Payment for Environmental Services Programme (PES) has been under implementation. The official regulation covering the PES operations manual can be updated periodically, the latest update was published in the official journal of Costa Rica on April 14<sup>th</sup> 2020 (can be found [here](#)). No additional regulatory or government approvals, license or permits are required for the implementation of the PES activities.

SINAC was created by Article 22 of 1998 Biodiversity Law No. 7788. It is responsible for managing the response to forest fires and leads National Commission on Forest Fires (CONIFOR acronym in Spanish). Forest Fire prevention activities are established in the National Strategy for Integrated forest Fire Management 2012-2021. No additional regulatory or government approvals, license or permits are required for the implementation of forest fire prevention activities.

The United Nations Development Programme, a subsidiary organ of the United Nations, has entered into a standard basic agreement with the Government of Costa Rica signed on 07 August 1973.

UNDP is exempt from paying taxes in Costa Rica according to Law No. 5878 Art. IX, Inc. 1, of 12-01-76 and Section 8 of the United Nations Convention on Immunities and Privileges.

Insurance is not applicable for this project.