Costa Rica submission on "Stakeholder Consultation for TREES 2.0"

Costa Rica welcomes the opportunity to comment on version 2.0 of "The REDD+ Environmental Excellence Standard (TREES" from the Architecture for REDD+ Transactions (ART)[1].

Costa Rica has more than 30 year of concrete experience on developing and implementing policies, actions and measures targeting the reduction of deforestation and forest degradation; conservation of forest; sustainable management of forest and enhancement of carbon stocks. The country has already submitted to UNFCCC all elements required by the Warsaw REDD+ Framework.[2] And has received result-based payments from the Green Climate Fund (GCF).[3] Costa Rica is also an active member of the World Bank Forest Carbon Partnership Facility (FCPF)[4] , having signed an "Emission Reduction Payment Agreement" on December 9, 2020.

Based on the ground-based experience of the country and drawing on the technical support from our international partners, this submission has been developed based on a technical assessment around the real possibilities, constrains and challenges that developing countries may face when applying TREES 2.0.

Our comments focus on 2 main elements of TREES 2.0:

    I.   Optional approach for High Forest Cover/Low Deforestation (HFLD) countries to calculate a crediting level; and
   II.   Removals.

Optional approach for High Forest Cover/Low Deforestation (HFLD) countries to calculate a crediting level

Section 5.2 have been included in TREES to allow HFLD countries the opportunity to calculate a crediting level based on a "linear trend line based on historical emissions that can be extrapolated over the 5-year crediting period". To this end, the ART Secretariat has made available an on-line tool that should be used by Participants[5].

Costa Rica believe that such an approach is beneficial for HFLD countries and preliminary results indicates that the country could benefit from applying such approach.

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[1] https://www.artredd.org/stakeholder-consultation-for-trees-2-0/
[2] Available at: https://redd.unfccc.int/submissions.html?country=cri
[3] Information about Costa Rica progress and milestones at GCF are available at:
https://www.greenclimate.fund/project/fp144
[4] Information about Costa Rica progress and milestones at FCPF are available at:
https://www.forestcarbonpartnership.org/country/costa-rica
[5] Available at: https://artredd.shinyapps.io/art_hfld_tool/

However, TREES 2.0 is no complete clear and transparent on how the crediting level for removals should be established under the "HFLD scenario". We assume that the use of linear regression for HFDL is to be applied only for "Deforestation" and "Degradation" emissions; and not for "Removals". Therefore, the "Removals" estimates resulting from applying guidance of section 5.3 (equations 2) and section 10 (equations 11 and 12) is to be used in both scenarios: HFLD and non-HFLD.

Costa Rica suggest that TREES 2.0 make clearer how to estimate "Removals" under the "HFLD scenario," by confirming the understanding above or by clearly presenting the guidance and equations to be used.

Removals

Costa Rica welcomes the inclusion of "Removals" in TREES 2.0. The country believes that is critical to correctly quantify the efforts to enhance carbon stocks and to reward such efforts.

When estimating "Removals" using guidance of section 5.3 (equations 2) and section 10 (equations 11 and 12), Costa Rica realized that due to the approach chosen by TREES 2.0 (in particular the use of the average of "Area of conversion of non-forest to forest" to establish "Crediting level for removals (RRA)") "inherited removals" from years of the reference period are not taken into consideration. We assume that such an approach is due to consideration of additionality.

Costa Rica suggest that TREES 2.0 present a brief explanation about the rationale behind the "Removals" approach, in particular reasons for not allowing consideration of "inherited removals" when establishing the "Crediting level for removals (RRA)"[6].

In addition, the approach chosen creates "negative results" for Costa Rica, resulting in "Removals" that are lower than the RRA and the country is penalized for not "keeping" the reforestation at the same level as previous years.

Costa Rica suggest that TREES 2.0 includes the possibility that "negative results" for "GHG REMV$_t$" are discarded when applying Equation 13.

In conclusion, Costa Rica thanks the efforts of ART to enhance TREES and looks forward to the results of the stakeholder consultation process. We are available to further discuss the suggestions presented here.

San Jose, April 1, 2021

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[6] Costa Rica have preliminary results for scenarios with and without "inherited removals" that can be shared and discussed if needed.