

Forest Carbon Partnership Facility (FCPF) Technical Assessment of the Final ER-PD of Costa Rica

I General Approach of the Review

Each TAP member reviewed the parts of the ER-PD in relation to a series of criteria and indicators that are in accordance with his/her professional experience. Teleconferences were held to clarify doubts and divergence of opinions. The coordinator organized and supplemented where necessary the comments of the TAP members, and did the final editing of the text. All criteria and indicators were systematically revised with members of Costa Rica REDD+ staff, TAP members and members of the FMT/BM, during a country visit from October 19 to 23, 2015. During this visit, the TAP members explained in detail why they considered that certain criteria or indicators did not meet the requirements stipulated in the Methodological Framework and how these observations could be incorporated in a revised version of the ER-PD. Costa Rica agreed to submit a revised version of the ER-PD and to consider the revised version as the first draft of the ER-PD proposal. As such, the first report was solely based on the review of the version that was submitted on October 30, 2015 (First Draft) and additional documents provided to the TAP during the first week of December. The TAP coordinator visited the country a second time from April 5 to 7, 2016, to discuss the approach that the country is proposing for the new reference period.

A second draft was submitted on April 18, 2016. Some changes to the safeguard section were added to the second version, and the final version of the second draft of the ER-PD was made available to the TAP on May 24, 2016. The TAP revised this version, paying special attention to those sections that were related to criteria and indicators that were not met in the first report and comments from other sources. **This version was conditionally approved, provided that Costa Rica addresses the following issues: An updated reference level, including (a) additional information on how degradation has been assessed and accounted for in accordance with the Carbon Fund's Methodological Framework; (b) the use of Costa Rica's latest measurement, reporting and verification protocol, including a revision of the forest category "new forests"; and (c) the continued use of the 2011 end date of the reference period.**

A new version of the ER-PD was delivered to the TAP coordinator on April 24, 2017. Estimations of emissions due to forest degradation are now included with the best available proxy data, in accordance with the Carbon Fund's Methodological Framework; the concept of "new forest" is eliminated and replaced by the term secondary forests; and a buffer approach is established that is in agreement with the chair's summary of CF14 (Paris, June 20-22, 2016); the end year of the reference period is maintained at 2011, both for deforestation and degradation, only for degradation a different start date is used namely 2005, due to lack of data of degradation prior to this date. These changes are all satisfactory for the TAP and in accordance to the CF resolution CFM/14/2016/2.

Substantial changes in the text of the report are highlighted in red and a third assessment column is added to identify rapidly the changes in rating for specific indicators between the May 2016 and April 2017 versions of the ERPD.

PART 1 OF TECHNICAL ASSESSMENT: Summary

Date of Current Assessment: April 25, 2017

Date of Current Assessment: Final version ER-PD, Costa Rica, April 24, 2017.

Name of Assessment team members:

Bernardus de Jong: Overall supervision and Indicators 3.1; 6.1; 11 to 13

Gonzalo Griebenow: Social and environmental safeguards expert, Indicators: 17.1; 17.2; 18.1; 24-26.3, 28.1; 34.1-35.2

Ludovino Lopes: Legal expert, Indicators: 22; 23; 28 to 33; 36-38
 Edgar Ortiz, Local expert, Indicators: 9.3; 18.2; 19.1; 27-28; 31.1
 Catherine Potvin: Carbon accounting expert: 3.1 – 22

<p align="center">Summary Assessment of the Quality and Completeness of the ER-PD:</p> <p>Costa Rica has prepared a solid ER-PD document that can lead to a very interesting REDD+ program. Costa Rica has done a very good job of putting together an impressive amount of information, both in the ER-PD and in the various annexes provided to the TAP.</p> <p>The indicators that are <u>not met</u> are outlined in the corresponding sections of the review and refer to safeguards, sustainable program design, and program transactions. Comparing the latest version of the ER-PD with the version submitted to the CF14 meeting, the number of criteria and indicators that are now met increased from 52 to 55, the number of indicators that are still <u>not met</u> decreased from 9 to 6, whereas 17 indicators do not apply. Particularly the rating of indicators 3.3, 15.1 and 21.1 changed to <u>met</u>.</p>	Indicators	1 st Assessment	2 nd assessment	3 rd assessment
<p>II. Level of Ambition → Criteria 1 – 2, including issues relating to legal aspects</p> <p>Costa Rica intends to continue its national Forest Development Plan 2011-2020, as a follow-up of the very successful national forest development program 2001-2010. With this program, Costa Rica managed to convert part of the forestry sector from a very important source of GHG emissions during the 1980s and 1990s due to high deforestation rates, to an essentially CO₂-neutral sector from 2001 onward, thanks to a decrease in deforestation rates and an increase in the category “secondary forests”. Thanks to this early success of the forestry program, the total forest area is recovering and the rate of deforestation in primary forests has been very low since 2001.</p> <p>This early success puts a high constraint on Costa Rica in terms of establishing a Forest Reference Level against which the outcome of the program will be measured. Applying the criteria and indicators of the methodological framework, Costa Rica shows tangible emission reductions through further decreasing deforestation and increasing reforestation. As a whole, the program can be considered very ambitious, as it is designed on a national scale.</p> <p>All three indicators are <u>met</u></p>	<p>1.1 1.2 1.3</p>	<p>YES YES YES</p>	<p>YES YES YES</p>	<p>YES YES YES</p>
<p>III. Carbon Accounting</p> <p>III (a) Scope and methods → Criteria 3 - 6</p> <p>III (b) Uncertainties → Criteria 7 - 9</p> <p>III (c) Reference Level → Criteria 10 - 13</p> <p>III (d) Reference Level, Monitoring & Reporting on Emission Reductions → Criteria 14-16</p> <p>III (e) Accounting for Displacement (leakage) → Criterion 17</p> <p>III (f) Accounting for Reversals → Criteria 18 – 21</p> <p>III (g) Accounting for ERs → Criteria 22 - 23</p> <p>The ER-Program accounts for emission reductions from deforestation, degradation and stock enhancement in Secondary Forests. It includes preliminary estimations based on the best</p>	<p>3.1 3.2 3.3 4.1 4.2 5.1 6.1 6.2 7.1 7.2 8.1 8.2 9.1 9.2</p>	<p>YES YES NO YES YES YES YES YES YES YES YES YES YES YES</p>	<p>YES YES NO YES YES YES YES YES YES YES YES YES YES YES</p>	<p>YES YES YES YES YES YES YES YES YES YES YES YES YES YES</p>

<p>available data of emission reference scenario and potential reductions from forest degradation, but not of stock changes from sustainable forest management, as spatially referenced data of managed forests is still lacking. The potential for stock conservation is not included in the ER Program.</p> <p>The ER Program includes an extensive section on uncertainty analysis that is performed on uncertainties related to activity data and emission factors, both together and separately. The reference period selected by Costa Rica conform to the indicators, established in the methodological framework. Costa Rica has land cover data for the selected dates and the dates are close to those submitted as the national FREL to UNFCCC, resulting in a slightly lower emission level for the ER-PD compared to the FREL of the UNFCCC.</p> <p>The ER-Program will be implemented on a national scale; as such displacement of emissions will not be an issue, as any activity within the accounting area will be accounted for.</p> <p>The estimated ERs in the ER-Program are highly correlated to the forest reference level and as such, may be prone to adjustments, particularly when better data on the impact of degradation are available.</p> <p>A national carbon registry doesn't exist yet that can reach the level of certainty required to avoid double counting and/or multiple claims to ERs arising from the different Programs/Projects that are undertaken in Costa Rica.</p> <p>In this section 33 indicators are <u>met</u>, 1 indicator is <u>not met</u> and 9 do <u>not apply</u></p>	9.3	NO	N.A.	N.A.
	10.1	YES	YES	YES
	10.2	YES	YES	YES
	10.3	NO	YES	YES
	11.1	NO	YES	YES
	11.2	NO	YES	YES
	12.1	YES	YES	YES
	13.1	NO	YES	YES
	13.2	N.A	N.A	N.A
	13.3	N.A	N.A	N.A
	13.4	N.A	N.A	N.A
	14.1	YES	YES	YES
	14.2	YES	YES	YES
	14.3	YES	YES	YES
	15.1	NO	NO	YES
	16.1	YES	YES	YES
	17.1	YES	YES	YES
	17.2	YES	YES	YES
	17.3	N.A	N.A	N.A
	17.4	N.A	N.A	N.A
	18.1	NO	YES	YES
	18.2	NO	YES	YES
	19.1	YES	YES	YES
20.1	N.A	N.A	N.A	
20.2	N.A	N.A	N.A	
21.1	N.A	NO	YES	
21.2	N.A	N.A	N.A	
22	YES	YES	YES	
23	NO	NO	NO	
IV. Safeguards	24.1	YES	YES	YES
Actions undertaken to meet WB and Cancun Safeguards→ Criteria 24-26	24.2	YES	YES	YES
	25.1	NO	YES	YES
	25.2	N.A	N.A	N.A
The safeguards triggered in the ER-PD respond to the needs identified for the program and are aligned with the ISDS. There is also alignment with the categorization of the environmental impact assessment and a description of the potential impacts that Category B projects may have on the environment. The ER-PD also pays attention to the suggestions regarding the consideration of the Cancun safeguards (Decision 1/CP.16 and its Appendix I as adopted by the UNFCCC) describing the way in which these safeguards are taken into account and how they are related to other supplementary documents, such as the ESMF. There are also indications about monitoring arrangements of the safeguards, though not directly linked to a “safeguard plan” as required by the methodological framework. All of the safeguards triggered need to be considered in the Safeguards Plan and arrangements for their monitoring stated clearly. At this stage it seems that the safeguards plan is under elaboration (Development of safeguards plans, page 163 of the ER-PD), nevertheless, the ER-PD presents an outline of it and a number of elements that points in the direction of a successful completion of this plan. According to the ER-PD, the safeguards plan will	26.1	YES	YES	YES
	26.2	YES	YES	YES
	26.3	YES	YES	YES

<p>be finalized and disclosed in a culturally appropriate manner among the different stakeholders before the ERPA signature. This should be closely and strictly monitored.</p> <p>In this section, 6 indicators are <u>met</u>, and 1 indicator does <u>not apply</u></p>				
<p>V. Sustainable Program Design and Implementation</p> <p>V. (a) Drivers and Land Resource Tenure Assessment → Criteria 27-28</p> <p>V. (b) Benefit sharing → Criteria 29 – 33</p> <p>V. (c) Non-Carbon Benefits → Criteria 34 – 35</p> <p>The relationship between drivers and proposed measures has been improved, although the presentation is somewhat complicated due to a very extensive action plan without references to the drivers. Proposed measures or actions address key drivers identified. Relevant information is presented regarding the geographic distribution of deforestation that occurs mainly in private lands and regarding the drivers of deforestation for each land ownership category, but all these findings are not used to define geographically differentiated measures in the ER-PD.</p> <p>There are data presented of forest fires, but no data on illegal logging. Detailed fire data are available at least from 1998 onward.</p> <p>The ER-PD indicates that the proposed policies are still subject to a consultation process, therefore they may change in the future.</p> <p>The ER-PD includes information on the potential beneficiaries (Public Institutions; Private Landowners and Indigenous People), the monetary and non-monetary benefits and a summary of the process of designing the benefit sharing arrangements and it also deals with land and resource tenure rights. There is evidence that the Plan will be prepared by consulting relevant stakeholders, including indigenous communities, using a participatory process. There is no evidence that the Plan is actually disclosed in any form.</p> <p>The final version ER-PD introduce changes in item 16.1 and 16.2 (reference is made in 5.1) regarding Non-carbon benefits and how they have been identified from the different strategic options in the R-PP. However, additional work is required to define priorities, assessment and forms of recognition. It is not clear how the stakeholder engagement carried out for the ER-PD design and/or for the readiness phase has informed the identification of the priority non-carbon benefits. That link needs to be better explained and also the concept of priority Non-carbon benefits as it is assumed that the 4 environmental services recognized by the Payment for Environmental Services program represent those priority non carbon benefits.</p> <p>In this section 9 indicators are <u>met</u>, 1 indicator is <u>not met</u>, and 4 indicators do <u>not apply</u></p>	<p>27.1</p> <p>27.2</p> <p>28.1</p> <p>28.2</p> <p>28.3</p> <p>29</p> <p>30.1</p> <p>31.1</p> <p>32.1</p> <p>33.1</p> <p>34.1</p> <p>34.2</p> <p>35.1</p> <p>35.2</p>	<p>NO</p> <p>NO</p> <p>NO</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>N.A</p> <p>N.A</p> <p>N.A</p> <p>YES</p> <p>YES</p> <p>NO</p> <p>YES</p> <p>N.A</p>	<p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>N.A</p> <p>N.A</p> <p>N.A</p> <p>YES</p> <p>YES</p> <p>NO</p> <p>YES</p> <p>N.A</p>	<p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>N.A</p> <p>N.A</p> <p>N.A</p> <p>YES</p> <p>YES</p> <p>NO</p> <p>YES</p> <p>N.A</p>
<p>VI. ER-PD Transactions</p> <p>VI (a) ERPA Signing Authority and Transfer of Title To ERs → Criterion 36</p> <p>VI (b) Data Management and ER Transaction Registries → Criteria 37 - 38</p> <p>Costa Rica has an excellent track record of experience with Data Management Platforms of its national programs, such as:</p>	<p>36.1</p> <p>36.2</p> <p>36.3</p> <p>37.1</p> <p>37.2</p> <p>37.3</p> <p>37.4</p> <p>38.1</p>	<p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p>	<p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p>	<p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p>

<p>a) 'Registry of the National Natural Patrimony' http://www.sinac.go.cr/competencias/ASP/Patrimonio/Paginas/default.aspx</p> <p>b) Program 'Payment for Environmental Services (PSA)' http://www.fonafifo.go.cr/psa/index.html</p> <p>c) Program 'Investments' (Inversiones). http://www.fonafifo.go.cr/inversiones/index.html</p> <p>The first program manages the Public Natural Protected Areas (Areas Silvestres Protegidas) and addresses different protection and management programs (such as illegal logging and fire prevention) on a national scale;</p> <p>The second program manages the Land Owners who have contracts with the Program 'Payment for Environmental Services' (Pago por Servicios Ambientales, PSA). It is a platform to manage the Environmental Payment Services Program in Costa Rica (including the identification of the land owner, the total land area in (ha), the land area to be submitted to the PES project; the PES modality; Limitations and geographical localization of the area, and others). This platform manages the execution and performance of the PES Program.</p> <p>The third Program manages the voluntary projects to be certificated under the methodological standard of PES and C-Neutral Program; it is a registry for internal/national purposes (including the land registry number, the geographical localization, the land area and administrative localization, the project area, and the carbon reductions achieved by the project). This registry allows the national transfer/transaction of carbon reductions to voluntary buyers.</p> <p>The ER-Program tends to transfer (part of the) credits generated by the PSA program. None of the abovementioned data management platforms fulfills the requirements of a carbon credit registry, as referred to in the methodological framework, particularly in relation to indicators 37.2, 37.3, and 37.4, as they do not contemplate a harmonized management and registry of all the national Programs (REDD+ Programs). The "Payment for Environmental Services" registry is not designed to be an international transactions registry (it does not include Carbon Pools and Reference Level) and does not address all the potential programs and carbon reductions in a way that avoid in the future potential multiple claims and assure that double counting ERs on a national scale will not be possible. The voluntary program "Investments" is not mentioned in the ER-PD, so it is not clear how the data of this program will be managed to avoid double counting, nor how the credits, sold in this program, will influence the reference level. There is no possibility to track the tonnes of GHG-reductions geographically, and to attribute these to specific areas, this needs to be taken into account also in the technical criteria of the methodological framework.</p> <p>The country doesn't clarify anymore that it's going to: "maintain its own national ER transaction registry, or instead will use a centralized ER transaction registry managed by a third party on its behalf", and as such the indicator 38.1 changed to not met.</p> <p>In this section 4 indicators are <u>met</u>, 4 indicators are <u>not met</u>, and 3 indicators do <u>not apply</u></p>	<p>38.2</p> <p>38.3</p> <p>38.4</p>	<p>YES</p> <p>N.A</p> <p>N.A</p>	<p>N.A</p> <p>N.A</p> <p>N.A</p>	<p>N.A</p> <p>N.A</p> <p>N.A</p>
<p>SUMMARY SCORE and overall comment:</p> <p>The general idea of the ER-PD is interesting and proposes novel ideas of how to develop a national REDD+ program. The ER-PD is envisioned to be part of an overall REDD+ program, and it builds mainly on already existing very successful programs and strategies. It is also envisioned as</p>				

part of an ongoing process to improve the control of emissions and removals through novel programs that are implemented gradually and to improve the information required to monitor the impact of the programs.

In total, 55 criteria or indicators are met, 6 are not met and 17 do not apply.

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PART 2 OF TECHNICAL ASSESSMENT: DETAILED ASSESSMENT

<p>C. 1 The proposed ER-PD is ambitious, demonstrating the potential of the full implementation of the variety of interventions of the national REDD+ strategy, and is implemented at a jurisdictional scale or programmatic scale.</p>	
<p>Ind. 1.1 The ER-PD Measures aim to address a significant portion of forest-related emissions and removals</p> <p>[Ambition and strategic rationale for the ER-PD – 2.2]</p>	<p>YES</p>
<p>The ER-PD aims to reduce forest-related emissions and increase forest-related removals. The calculations of the forest-related emissions and removals show that the forestry sector of Costa Rica has been almost CO₂ neutral this century. This is a direct result of the policies and actions that Costa Rica put in place to reduce emissions and increase removals long before the discussions about REDD+ were started (2005) and these policies and actions have had very positive impacts that are demonstrated with the data presented in the ER-PD. The estimations of the emission reductions in the ER-PD are based on a reference level that follows the methodological framework (see indicator 11.1 and 11.2) and agree with the observed emissions/removals for the last 14 years. As such, the ER-PD is intended to maintain or improve the current emission/removal level based on three REDD+ activities (emission reductions from deforestation or degradation and stock enhancement) and at the same time to collect more information about the potential REDD+ activities related to stock management from sustainable forest management. The ER-PD intends to work on a national scale, which avoids problems related to the displacement of emissions.</p>	
<p>Ind. 1.2 The ER-PD is ambitious, uses new or enhanced ER-PD Measures to reduce Emissions or enhance removals, is undertaken at a jurisdictional scale and/or takes a programmatic approach (i.e., involves multiple land areas, landowners or managers within one or several jurisdictions), and reflects a variety of interventions from the national REDD+ strategy in a coordinated manner.</p> <p>[Ambition and strategic rationale for the ER-PD – 2.2, 2.3]</p>	<p>YES</p>
<p>The ER-PD proposal is considered ambitious in terms of the total emission reductions it intends to achieve and is developed at a national scale. It intends to enhance existing programs related to conservation of nationally protected areas and the PSA program, but the government is negotiating with indigenous groups and private landowners to celebrate new PSA agreements and develop new instruments (sub-arrangements) under the ER-Program rules that will facilitate the access of other land use types to the ER-Program benefit sharing mechanism.</p> <p>The ER-PD proposal is focused on the combination of three REDD+ activities, namely emission reductions from deforestation, degradation and stock enhancement in secondary forests. Information about the impact of forest management is not available at the moment, as such, sustainable forest management is not considered, although stakeholders have indicated their interest to have this activity included in the REDD+ program. The REDD+ activities are not spatially segregated, but only the net effect of the ER-PD on the total balance of emission reductions from deforestation or degradation and increase in removals from stock enhancement will be accounted for. The definition of the temporal aspects related to deforestation, degradation and stock enhancement that will be due before the ER-PA signature will help to distinguish between the three REDD+ activities to be developed by Costa Rica.</p>	
<p>C. 2 The Accounting Area matches a government- designated area that is of significant scale</p>	
<p>Ind. 2.1 The Accounting Area is of significant scale and aligns with one or more jurisdictions; or a national-government-designated area (e.g., ecoregion) or areas.</p>	<p>YES</p>

[Accounting Area of the ER-PD – 3.1]	
<p>The accounting area is of significant scale (4.98 millions of hectares) or 97.4% of the territory of Costa Rica. The ER-PD activities will have a national scope, but the accounting area is smaller than the total territory of the country. The Accounting area of the ER-Program is consistent with the one used by other instances, for example the “The National GHG inventory Costa Rica”.</p> <p>The accounting area is clearly defined, it includes urban areas, and “paramos”, and the ER-PD presents a clear statement for the definition of forest that will be used for the implementation of the ER-Program. The definition of forest is identical to the one reported by the country to the UNFCCC, and the adopted definition allows the use of remote sensing techniques to estimate forest cover in the future, therefore it will be possible to monitor land use changes during different MRV events.</p> <p>The section presents clear rules to identify the accounting area currently and in the future. The accounting area may change in the future; some areas may be excluded, due to lack of information at any given reporting event, or due to non-anthropogenic causes, such as volcanic or river disturbances. The area excluded now and in the future will be accumulated, until a new historic sequence of maps of the accounting area can be prepared. That is, no new areas will be included in the accounting area until a new series of maps allows it, and, if the accumulated difference is more than 5% of the current accounting area, it will trigger a modification of the present reference level.</p> <p>The accounting area is therefore transparently defined from the beginning to avoid possible conflicts in the future. For example, it presently excludes 115,364 hectares due to clouds and cloud shadows identified in the current forest cover map, and this area will be excluded in the future. Care will be taken that cloud gaps in the satellite information will be filled with global data sources, such as the Global Forest Change project (Hansen et al 2013). Excluding the areas covered by clouds in any year from the whole analysis is considered the best available solution to treat areas covered by clouds in a particular year.</p> <p>Environmental and social conditions in the Accounting Area of the ER-PD are distinguished, using both the life zone ecological classification of the country, and the MIDEPLAN (Ministry of Planning and Development) socio-economic zones. Key aspects are mentioned, such as biodiversity values (500,000 terrestrial species or 6% of global biodiversity), and differences in the socio-economic conditions in the MIDEPLAN regions (for example overall unemployment close to 8.5%, and poverty rate of 20%)</p> <p>Data of forest cover in the accounting area for the year 2007/2008 presented in this section indicate a forest cover of 59.4%, distributed in 44.3% primary forest, and 15.1% new forests (forest plantations + secondary forests). These data should be reviewed, since previous forest cover maps estimate a total forest cover close to 30% for the year 1991, therefore, these data are not consistent with an estimation of 44.3% of primary forest for the year 2007/2008. It seems that there is an overestimation of 14.3% for the primary forest cover class, and an underestimation of the new forests cover class. SINACs 2013 National Forest Inventory (NFI) official forest type map estimates a total forest cover of 51.7%, distributed in 31.8% of primary forest, and 18.4% of secondary forest and 1.5% of forest plantations.</p>	
<p>C. 3 The ER-PD can choose which sources and sinks associated with any of the REDD+ Activities will be accounted for, measured, and reported, and included in the ER-PD Reference Level. At a minimum, ER-PDs must account for emissions from deforestation. Emissions from forest degradation also should be accounted for where such emissions are significant.</p>	
<p>Ind. 3.1 The ER-PD identifies which anthropogenic sources and sinks associated with any of the REDD+ Activities will be accounted for in the ER-PD</p>	<p>YES</p>

[Description of Sources and Sinks selected – 8.1]	
<p>The ER-PD identifies all anthropogenic sources and sinks that will be accounted for, particularly the emission reductions from deforestation and increase in removals due to stock enhancement in new forests. Although proxy data that were presented in the earlier version of the ER-PD indicated that emissions from forest degradations may be very significant, these will not be considered in the ER-PD until better data are available concerning the amount of emissions from degradation, although the main drivers behind the degradation process are identified and actions defined in the program. Also excluded are the possible impacts of sustainable forest management on emissions or removals. Sustainable forest management is excluded in the ER-PD due to lack of information and methods to detect the impact of management alternatives on emissions and removals. However, it is important to generate the information, as the stakeholders involved in forest management are requesting their participation in the ER-PD (see section on stakeholder consultation). Emissions from natural deforestation are excluded from the reference level and accounting area but will be reported transparently in future reports and will be excluded from the results of the ER-PD. Stock conservation is also not considered in the ER-PD.</p> <p>Forest degradation is an important issue in Costa Rica that is now considered accordingly in the ER-PD, both in terms of area that is degraded or being degraded and a preliminary estimation of the gross and net emissions and removals derived from the degradation and recovering processes. The ER-PD indicates that the estimation of emissions and removals derived from the degradation process will be improved before signing the ER-PA.</p> <p>The issue of how to separate “new forest” from “forest temporarily without tree cover” is now clarified and all “new forests” are considered as secondary forest. The ER-PD indicates that the temporal limits of the various processes will be improved. This is important, as these influence the way carbon dynamics in for example “forests temporarily without forest cover” (such as fast growing plantations) will be estimated. These forests cannot be considered as continuously growing secondary forests, as the biomass will be periodically removed during harvest.</p>	
<p>Ind. 3.2 The ER-PD accounts for emissions from deforestation. [Description of Sources and Sinks selected – 8.1]</p>	<p>YES</p>
<p>The CO₂ emissions from deforestation are accounted for in the ER-PD. The ER-PD also transparently separates anthropogenic emissions from natural emissions, which are excluded from the Program. However, the non-CO₂ emissions from forest fires that cause deforestation are not yet included. Since these gases have a much higher global warming potential than CO₂ (CH₄ around 25 times and N₂O around 300 times, taking a 100-year time horizon) it is important to include the emissions of these gases derived from forest fires in the carbon accounting, even though these estimations may create high levels of uncertainty. The latter is particularly important as part of the strategies and actions designed to reduce emissions from deforestation are directed towards the control of forest fires.</p> <p>Aboveground dead wood and litter are included in the estimations of emissions from deforestation, which are important sources of information required to estimate the non-CO₂ emissions from forest fires. Detailed forest fire statistics are available at least from 1998 onward, separated for type of forest burned, geographic location, and type of fire.</p>	
<p>Ind. 3.3 Emissions from forest degradation are accounted for where such emissions are more than 10% of total forest-related emissions in the Accounting Area, during the Reference Period and during the Term of the ER-PA. These emissions are estimated using the best available data (including proxy activities or data). [Description of Sources and Sinks selected – 8.1]</p>	<p>YES</p>

The TAP was concerned about the way degradation was treated in the May 2016 version of the ER-PD. In our earlier report, it was suggested to account for degradation, as the data presented in the first version of the ER-PD indicated that these may be very significant. It was also stated that data would be collected in the short term to improve the estimations of this source. The TAP mentioned that the implications of not including degradation as a source of emissions are particularly important in relation to the possible impact of degradation on the emission factors of deforestation. Assuming that the EF factors do not change over time, neither for the reference level nor during the ER-PD, may cause an overestimation of the amount of emissions for each hectare deforested and as such also for the hectares for which deforestation has been avoided. The new approach is similar to the first approach presented in the first draft of the ER-PD that was considered acceptable for the TAP as a proxy to estimate the importance of degradation. The plan to improve the estimations of emissions derived from the loss and gain of canopy cover, as outlined in section 8.8 of the ER-PD, will reduce the uncertainties of the proxy estimation currently applied. As this will be carried out before the signature of the ER-PA, possible adjustments of the reference scenario will not influence the final commitments of Costa Rica. The changes made are in substance satisfactory to the TAP.

C. 4 The ER-PD should account for, measure and report, and include in the ER-PD Reference Level, significant carbon pools and greenhouse gases, except where their exclusion would underestimate total emission reductions.

<p>Ind. 4.1 The ER-PD accounts for all Carbon Pools and greenhouse gases that are significant within the Accounting Area, both for Reference Level setting and Measurement, Monitoring and reporting (MMR). [Description of Carbon Pools and greenhouse gases selected – 8.2]</p>	<p>YES</p>
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All carbon pools are included in the carbon accounting, except for soil organic carbon (SOC), due to lack of confident information to estimate the changes in carbon stocks under different land-use transitions. The exclusion of SOC can be considered conservative, except for those cases where forests grow under high levels of water and/or accumulated litter carbon (wetlands such as mangroves and peat soils). The exclusion of SOC may also create differences with the national GHG inventories (INGEI), as the fluxes from SOC are included in the INGEI reporting.

Methane (CH₄) and nitrogen oxide (N₂O) emissions are included as part of burning in shifting cultivation, although emissions of CH₄ and N₂O from forest fires are excluded in the reference level, as no spatially explicit data are available for the whole time series.

See also the response in indicator 3.2 in relation to non-CO₂ emissions from forest fires. The argument that there are no spatially explicit data is not valid, as there are a lot of spatially referenced data available on forest fires, at least from 1998 onward. According to Costa Rican National Commission on Forest Fires (Conifor), the average area burned each year is about 35,000 hectares, of which about 50% belong to grasslands. The expected non-CO₂ emissions from these fires may be in the same order of magnitude as the emissions derived from slash-and-burn.

<p>Ind. 4.2 Carbon Pools and greenhouse gases may be excluded if:</p> <ul style="list-style-type: none"> I. Emissions associated with excluded Carbon Pools and greenhouse gases are collectively estimated to amount to less than 10% of total forest-related emissions in the Accounting Area during the Reference Period; or II. The ER-PD can demonstrate that excluding such Carbon Pools and greenhouse gases would underestimate total emission reductions. <p>[Description of Carbon Pools and greenhouse gases selected – 8.2]</p>	<p>YES</p>
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SOC is excluded due to lack of confident information to estimate changes in SOC-stock under different land-use transitions. See also comments in indicator 4.1.

C. 5 The ER-PD uses the most recent Intergovernmental Panel on Climate Change (IPCC) guidance and guidelines, as adopted or encouraged by the Conference of the Parties as a basis for estimating forest-related greenhouse gas emissions by sources and removals by sinks.

<p>Ind. 5.1 The ER-PD identifies the IPCC methods used to estimate emissions and removals for Reference Level setting and Measurement, Monitoring and reporting (MMR).</p> <p>[Description of method used for calculating the average annual historical emissions over the Reference Period – 8.3]</p> <p>[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER-PD within the Accounting Area– 9.1]</p>	<p>YES</p>
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Precise references to IPCC guidelines, including chapter and page numbers are included in the ER-PD, particularly in the section of the Forest Reference Level.

Furthermore, the methodology used to estimate the FRL is well explained in the ER-PD and can be understood without reading the various annexes, where detailed information or models are presented to verify the calculations and to test assumptions (see also indicators 11.1 and 11.2).

C. 6 Key data and methods that are sufficiently detailed to enable the reconstruction of the Reference Level, and the reported emissions and removals (e.g., data, methods and assumptions), are documented and made publicly available online. In cases where the country’s or ER-PD’s policies exempt sources of information from being publicly disclosed or shared, the information should be made available to independent reviewers and a rationale is provided for not making these data publicly available. In these cases, reasonable efforts should be made to make summary data publicly available to enable reconstruction.

<p>Ind. 6.1 The following methodological steps are made publicly available:</p> <ol style="list-style-type: none"> I. Forest definition; II. Definition of classes of forests, (e.g., degraded forest; natural forest; plantation), if applicable; III. Choice of activity data, and pre-processing and processing methods; IV. Choice of emission factors and description of their development; V. Estimation of emissions and removals, including accounting approach; VI. Disaggregation of emissions by sources and removal by sinks; VII. Estimation of accuracy, precision, and/or confidence level, as applicable; VIII. Discussion of key uncertainties; IX. Rationale for adjusting emissions, if applicable; X. Methods and assumptions associated with adjusting emissions, if applicable. <p>[Forest definition used in the construction of the Reference Level 9.2] [Description of method used for calculating the average annual historical emissions over the Reference Period 8.3] [Activity data & emission factors used for calculating the average annual historical emissions over the Ref. Period 8.3] [Measurement, monitoring and reporting approach for estimating emissions occurring under the ER-PD within the Accounting Area 9.1]</p>	<p>YES</p>
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Key data and methodological steps are either publicly available or made available to the TAP reviewers. Below is a short description and comments on information derived from the available documents.

I Forest Definition:

Costa Rica provides a clear definition of forest and takes care to ensure coherence vis-à-vis other similar processes such as GHG accounting for the Convention.

II Definition of classes of forests, (e.g., degraded forest; natural forest; plantation), if applicable;

Costa Rica used the land use category of IPCC-2006 and considered the Holdridge life zone to sub-categorize forest types. The ER-PD includes an additional stratification that is not used in IPCC terms, that is “new forests”, to deal with forest regrowth and stock enhancement and to allow increments in forest carbon stock to be considered as a land use change category during the calculation of the reference level. This category merges secondary forest and plantation and Costa Rica indicates that, in the future, efforts will be deployed to separate both categories. One of the shortcomings of the methodology used by Costa Rica to define forest and “new forest” is the fact that the same land area can be deforested and return to “new forest” several times in a relatively short time span (one cycle every 5-10 years, depending on the type of forest), and as such it will be difficult to report the outcome of the 5 REDD+ activities separately. Only net total emission reductions or removals can be reported, since deforested areas are allowed to be considered “new forests” between 4-8 years after clearing (which is the time required to detect “new forest” in the satellite imagery).

III Choice of activity data, and pre-processing and processing methods;

The ER-PD includes a section on the REDD+ activities to be considered that provides the clarity needed to understand construction of the reference level. The ER-PD provides a thorough explanation of the processing of activity data. Costa Rica indicates that two land use changes will be considered for activity data: deforestation and enhancement of forest carbon sink, although these activities will not be separated into specific areas.

IV Choice of emission factors and description of their development;

The choice of emission factors is summarized in the ER-PD with additional details being provided in the annex of Carbon Decisions International “Reference Forest Emission and Removal Level of Costa Rica submitted to FCPF Carbon Fund: Methods and Results”. Because the data from Costa Rica forest inventory are not completely available, Costa Rica complemented these with published data obtained from a meta-analysis. It will be important for Costa Rica to get better insight into the effect of forest degradation on the emission factors used for deforestation, as the lower C-densities in degraded forests compared to intact forests may overestimate the reference level and ER-PD outcome.

V Estimation of emissions and removals, including accounting approach;

The ER-PD indicates that in the case of forest land remaining forest land, changes in emissions was set to zero. The ER-PD further indicates that the low level of confidence in data on harvested wood products led the country to decide to exclude these from the calculation of emission factors. The accounting approach currently excludes degradation from the accounting procedure, as Costa Rica will take a “stepwise approach” that contemplates the estimation of emissions due to degradation in a later stage. As the proxy data presented in an excel data sheet that was used as a proxy, indicate that forest degradation may be a very important issue, it is highly recommended to take early steps in order to detect the impact of degradation on the emission factors used in the calculation of the emissions from deforestation and to delimit the areas affected by degradation. **The REDD+ activities are not spatially segregated, but only the net effect of the ER-PD on the total balance of emission reductions from deforestation, forest degradation and increase in removals from stock enhancement will be accounted for.**

VI Disaggregation of emissions by sources and removal by sinks

The “new forest” concept is eliminated to avoid confusion with areas considered deforested or “forests temporarily without a tree cover” and is now considered as secondary forests.

VII Estimation of accuracy, precision, and/or confidence level, as applicable

All data sources that are used in the carbon accounting include estimations of error (90% confidence levels), which in turn are used as the basis for the uncertainty analysis, which is treated in criteria and indicators of section 7 to 9. **The uncertainty related to the estimations of emissions due to degradation are currently not available, but will be presented before the signing of the ERPA, including their possible impact on the emission reduction discount, applied to the estimations of reductions.**

VIII Discussion of key uncertainties

The ER-PD has a separate section dedicated to the uncertainty analysis of the FRL, and will be discussed under criteria and indicators of section 7 to 9.

IX Rationale for adjusting emissions, if applicable

Costa Rica applies a downward adjustment to the estimated emission in the FRL to be submitted to the UNFCCC, which is acceptable (see also indicators 11.1 and 11.2).

X Methods and assumptions associated with adjusting emissions, if applicable

See above.

Ind 6.2 For the following spatial information, maps and/or synthesized data are displayed publicly, and reasonable efforts are made to explain how these were derived from the underlying spatial and other data, and to make key data sets or analyses publicly available:

- I. Accounting Area
- II. Activity data (e.g., forest-cover change or transitions between forest categories)
- III. Emission factors
- IV. Average annual emissions over the Reference Period
- V. Adjusted emissions

Any spatial data used to adjust emissions, if applicable.

[Forest definition used in the construction of the Reference Level 9.2]

[Description of method used for calculating the average annual historical emissions over the Reference Period 8.3]

[Activity data & emission factors used for calculating the average annual historical emissions over the Ref. Period 8.3]

[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER-PD within the Accounting Area 9.1]

YES

Section 8 explains how spatial information on land use changes has been developed to generate the reference level. Costa Rica adopts a pixel-to-pixel approach in which each pixel is followed from one time interval to the next. The resulting matrices are the basis used to calculate the reference level. The data available are spatially explicit, although Costa Rica does not assign REDD+ activities (reducing deforestation, stock enhancement) to different zones of the country.

The reference level is estimated for the entire country and can only be used as an estimate of total net emissions and removals (see also indicators 6.1 II, VI) but cannot be separated into individual REDD+ activities.

<p>It was not possible to import the available spatial information to Arc-GIS, so it was not possible to verify which data sets are publicly available.</p>	
<p>C.7 Sources of uncertainty are systematically identified and assessed in Reference Level setting and Measurement, Monitoring and reporting</p>	
<p>Ind 7.1 All assumptions and sources of uncertainty associated with activity data, emission factors and calculation methods that contribute to the uncertainty of the estimates of emissions and removals are identified.</p> <p>[Activity data and emission factors used for calculating the average annual historical emissions over the Reference Period 8.3]</p> <p>[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER-PD within the Accounting Area 9.1]</p> <p>[Identification and assessment of sources of uncertainty 13.1]</p>	<p>YES</p>
<p>The ER-PD in section 12 provides a detailed explanation on how uncertainties have been addressed. Material has been provided that allows understanding how uncertainties around estimates of emissions factors have been calculated.</p>	
<p>Ind 7.2 The sources of uncertainty identified in Indicator 7.1: are assessed for their relative contribution to the overall uncertainty of the emissions and removals.</p> <p>[Identification and assessment of sources of uncertainty 13.3]</p>	<p>YES</p>
<p>The ER-PD provides information on uncertainties pertaining to the reference level. It is noteworthy that Costa Rica did Monte Carlo simulations to test for the contributions of uncertainties due to activity data and emission factors separately.</p>	
<p>C 8 The ER-PD, to the extent feasible, follows a process of managing and reducing uncertainty of activity data and emission factors used in Reference Level setting and Measurement, Monitoring and reporting.</p>	
<p>Ind 8.1 Systematic errors are minimized through the implementation of a consistent and comprehensive set of standard operating procedures, including a set of quality assessment and quality control processes that work within the local circumstances of the ER-PD.</p> <p>[Activity data and emission factors used for calculating the average annual historical emissions over the Reference Period, 13.2]</p> <p>[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER-PD within the Accounting Area]</p>	<p>YES</p>

Section 8 shows that measures were taken to improve quality at the data collection stages. These measures were successful to different degrees. Changes in land cover during the reference periods were assessed from Landsat images providing methodological consistency. In addition, a systematic rule to date the images was adopted and applied to the whole time series. It addresses the fact that the time interval between images of a certain date varies by a few months to over a 14-month interval. The methodological decisions contribute to lowering uncertainty at the data collection time for activity data.

The data suggest that quality control did take place allowing an estimate of accuracy of the different land cover maps. The results from the evaluation are reported in Tables.

IPCC methodology and equations have been applied where required.

Ind 8.2 Random errors and other uncertainties are minimized to the extent practical based on the assessment of their relative contribution to the overall uncertainty of the emissions and removals.

[Activity data and emission factors used for calculating the average annual historical emissions over the Reference Period 10, 13]

[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area 9.1]

[Identification and assessment of sources of uncertainty 13.1]

YES

The ER-PD acknowledges that measurements contain random and systematic errors with random errors being associated with tree measurements. The discussion is well informed with appropriate scientific evidence. The ER-PD concluded that the measurement errors at the tree level average out at the plot level and need not be corrected for. In addition, see **Ind 7.1** for information contained in Section 12.

C 9 Uncertainty of activity data and emission factors used in Reference Level setting and Measurement, Monitoring and reporting is quantified in a consistent way, so that the estimation of emissions, removals and Emission Reductions is comparable among ER-PDs

Ind 9.1 Uncertainty associated with activity data and emission factors is quantified using accepted international standards, for example by providing accuracy, confidence interval, distribution of error, and propagation of error. Where errors in data and methods are considered large as defined in IPCC Guidelines, Monte Carlo methods (numerical simulations) should be used to estimate uncertainty

[Activity data and emission factors used for calculating the average annual historical emissions over the Reference Period 13.1]

[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER-PD within the Accounting Area 9.1]

YES

See indicator 7.2 for discussion

<p>Ind 9.2 Uncertainty of the estimate of Emission Reductions is quantified using Monte Carlo methods. Underlying sources of error in data and methods for integrated measurements of deforestation, forest degradation and enhancements (e.g., as in a national forest inventory) are combined into a single combined uncertainty estimate and are reported at the two-tailed 90% confidence level</p> <p>[Quantification of uncertainty in Reference Level setting 13.2]</p>	<p>YES</p>
<p>This indicator is met, see indicator 7.2 for discussion</p>	
<p>Ind 9.3 Uncertainty of Emissions Reductions associated with deforestation, forest degradation and enhancements are reported separately if measured through separate (i.e., non-integrated) approaches and when degradation is estimated using proxy data.</p> <p>[Quantification of uncertainty in Reference Level setting 13.2]</p>	<p>N.A.</p>
<p>The ER-PD separates the analysis of activity data and emissions factors. With respect to activity data, the inconsistency noted by TAP in December 2015 between (Table 12.2.1) and (Fig. 12.2.1) for spatial distribution of the control points persists. Table 12.2.1 indicates that control points were taken in 1985/1986 and twice in 2012/2013. The figure legend mentions 1986/1987 and 2014. In December 2015, the TAP also noted that Table 12.2.15 was confusing, suggesting it should be summarized to present the required information to evaluate this indicator. The present version of the ER-PD did not modify the table and clarity did not improve. The December 2015 TAP review concluded by saying that the process used to estimate uncertainty coming from activity data is partial. The situation remains identical. For example, in section 12 the ER-PD indicated “an analysis of accuracy was made on several land use maps and an analysis of the land-cover change map 2001/02 – 2011/12. The analysis of accuracy showed an underestimate of the deforested area and of the new forest area (26% and 51% respectively), which was determined with an accuracy of 22% and 20% respectively, even though the estimated deforestation area was not far from being significantly different, not in the case of secondary forests, for which the overestimation is clear.” Yet the accuracy for land use change reported in Table 12.2.12 are 62% (user) and 49% (producer) for deforestation which is incoherent with the value of 22% given in section 12.1 and cited above. Likewise it is unclear how the adjusted areas reported in Tables 12.2.3, 12.2.5, 12.2.7, 12.2.9 and 12.2.11 are estimated.</p> <p>With respect to emission factors, the TAP in 2015 noted that “: the process to estimate uncertainty from emission factors is not clear, and in this last case the results are not properly reported”. It further pointed to Table 8.3.22 and 8.3.23 that did not appear in the text. As far as we can tell the text providing information on uncertainty evaluation for emissions factors was not changed and the tables mentioned above are likewise absent from the latest version of the ER-PD.</p> <p>The TAP suggests that the abovementioned observations are being taken into account, when the emission reductions are estimated from future monitoring and reporting.</p>	
<p>C 10 The development of the Reference Level is informed by the development of a Forest Reference Emission Level or Forest Reference Level for the UNFCCC</p>	
<p>Ind 10.1 The Reference Level is expressed in tons of carbon dioxide equivalent per year</p> <p>[Estimated Reference Level 9.7]</p>	<p>YES</p>

The reference level is expressed in tonnes of CO ₂ -equivalent for each year.	
<p>Ind 10.2 The ER-PD explains how the development of the Reference Level can inform or is informed by the development of a national Forest Reference Emission Level or Forest Reference Level, and explains the relationship between the Reference Level and any intended submission of a Forest Reference Emission Level or Forest Reference Level to the UNFCCC</p> <p>[Relation between the Reference Level, the development of a FREL/FRL for the UNFCCC and the country's existing or emerging greenhouse gas inventory 9.8]</p>	YES
<p>The ER-PD indicates that the reference level used is the reference level exclusively used for the ER-PD and is consistent with the National GHG inventories that in turn will be submitted soon. The reference level may also be adjusted, once the UNFCCC approves the FRL to be re-submitted. The reference level of the ER-PD shows a downward adjustment to the FRL to be submitted to UNFCCC.</p>	
<p>Ind 10.3 The ER-PD explains what steps are intended in order for the Reference Level to achieve consistency with the country's existing or emerging greenhouse gas inventory</p> <p>[Relation between the Reference Level, the development of a FREL/FRL for the UNFCCC and the country's existing or emerging greenhouse gas inventory 9.6]</p>	YES
<p>The ER-PD presents three different definitions of forests (Section 8.2) indicating that, to ensure consistency with the GHG inventory, Costa Rica will favor the CDM definition in the ER-PD over the definition used by FRA. In the new section 8.6 Costa Rica further details both the areas of consistency and inconsistency between the reference level of REDD and the national greenhouse gas inventory. As tangible steps towards harmonization, Costa Rica recalculated the GHG inventories for years 2005, 2010 and 2012. Inconsistencies will remain, due to the fact that the methodological framework asks for average historical emissions estimation, whereas the GHG inventories are based on emissions for specific years.</p>	
C 11 A Reference Period is defined	
<p>Ind 11.1 The end-date for the Reference Period is the most recent date prior to 2013 for which forest-cover data is available to enable IPCC Approach 3. An alternative end-date could be allowed only with convincing justification, e.g., to maintain consistency of dates with a Forest Reference Emission Level or Forest Reference Level, other relevant REDD+ programs, national communications, national ER-PD or climate change strategy</p> <p>[Reference Period 9.1]</p>	YES
<p>Costa Rica has forest-cover data available for December 1986, 1991, 1997, 2000, 2007, 2011 and 2013, from which deforestation and reforestation matrices can be estimated for the periods 1987-1991, 1992-1997, 1998-2000, 2001-2007, 2008-2011, and 2012-2013.</p>	

<p>Choosing 2011 as the end date, as proposed by Costa Rica implies that forest-cover data are available to enable Approach 3 for all previous years, as the changes that occurred between 2007 and 2011 can be readily calculated and spatially assigned. Therefore, the proposed end date of the FRL does meet the requirement pointed out in the methodological framework, as forest-cover data are available to enable IPCC Approach 3. this date also coincide more or less with the start of the 2011-2020 National Forest Development Plan and is in accordance with indicator 11.1.</p>	
<p>Ind 11.2 The start-date for the Reference Period is about 10 years before the end-date. An alternative start-date could be allowed only with convincing justification as in Indicator 11.1, and is not more than 15 years before the end-date.</p> <p>[Reference Period 9.1]</p>	<p>YES</p>
<p>The start date selected for the reference period for deforestation is 1998, for which forest-cover data are available and the reference period does not exceed 15 years. The start date for the reference level is currently 2005 but will be adjusted to 1998, as soon as degradation data are available for the period 1998-2005. It is the year closest to the FREL 1997-2009 reference period submitted to the UNFCCC and as such can be justified, based on this element. The reference period selected for the ER-PD generates a reference level slightly below the UNFCCC FREL 1997-2009, which is in accordance with indicator 13.1.</p>	
<p>C 12 The forest definition used for the ER-PD follows available guidance from UNFCCC decision 12/CP.17</p>	
<p>Ind 12.1 The definition of forest used in the construction of the Reference Level is specified. If there is a difference between the definition of forest used in the national greenhouse gas inventory or in reporting to other international organizations (including an Forest Reference Emission Level or Forest Reference Level to the UNFCCC) and the definition used in the construction of the Reference Level, then the ER-PD explains how and why the forest definition used in the Reference Level was chosen.</p> <p>[Forest definition used in the construction of the Reference Level 9.2]</p>	<p>YES</p>
<p>The definition of forest used in the construction of the reference level is specified. The definition is consistent with those used in the Clean Development Mechanism and the definition that will be used in the upcoming GHG inventory, but is different from the legal definition of forest and the definition used for the FAO Global Forest Assessments.</p>	
<p>C 13 The Reference Level does not exceed the average annual historical emissions over the Reference Period. For a limited set of ER-PDs, the Reference Level may be adjusted upward by a limited amount above average annual historical emissions. For any ER-PD, the Reference Level may be adjusted downward.</p>	
<p>Ind 13.1 The Reference Level does not exceed the average annual historical emissions over the Reference Period, unless the ER-PD meets the eligibility requirements in Indicator 13.2. If the available data from the National Forest Monitoring System used in the construction of the Reference Level shows a clear downward trend, this should be taken into account in the construction of the Reference Level</p> <p>[Average annual historical emissions over the Reference Period 9.6, 13.2]</p>	<p>YES</p>
<p>A summary of technical information is provided in the ER-PD document with adequate information on the calculation of the reference level. Figures 8.1 and 8.2 shows that historical emissions from deforestation have decreased in Costa</p>	

<p>Rica since 1986 and that removals have increased from 1997 onward. Figure 8.2 also shows that the selected reference level for 1998-2011 is a downward adjustment of the reference level of the FREL 1997-2009 to be presented to the UNFCCC. Costa Rica justifies this adjustment to comply with the MF indicators 11.1 and 11.2 that stipulate that start and end date of the reference period needs to be selected for the years for which forest cover data are available to enable IPCC approach 3.</p>	
<p>Ind 13.2 The Reference Level may be adjusted upward above average annual historical emissions if the ER-PD can demonstrate to the satisfaction of the Carbon Fund that the following eligibility requirements are met:</p> <p>(i) Long-term historical deforestation has been minimal across the entirety of the country, and the country has high forest cover (country or jurisdictional area);</p> <p>(ii) National circumstances have changed such that rates of deforestation and forest degradation during the historical Reference Period likely underestimate future rates of deforestation and forest degradation during the Term of the ERPA.</p> <p>[Explanation and justification of proposed upward or downward adjustment to the average annual historical emissions over the Reference Period, Quantification of the proposed upward or downward adjustment to the average annual historical emissions over the Reference Period 9.6].</p>	<p>N.A.</p>
<p><i>Not applicable because the ER-program does not meet the eligibility criteria</i></p>	
<p>Ind 13.3 For countries meeting the eligibility requirements in Indicator 13.2, a Reference Level could be adjusted above the average historical emission rate over the Reference Period. Such an adjustment is credibly justified on the basis of expected emissions that would result from documented changes in ER-PD circumstances, evident before the end-date of the Reference Period, but the effects of which were not fully reflected in the average annual historical emissions during the Reference Period. Proposed adjustments may be rejected for reasons including, but not limited to:</p> <p>i. The basis for adjustments is not documented; or</p> <p>ii. Adjustments are not quantifiable.</p> <p>[Explanation and justification of proposed upward or downward adjustment to the average annual historical emissions over the Reference Period, Quantification of the proposed upward or downward adjustment to the average annual historical emissions over the Reference Period 9.6]</p>	<p>N.A</p>
<p><i>Not applicable because the ER-program does not meet the eligibility criteria</i></p>	
<p>Ind 13.4 An adjustment of the Reference Level above the average annual historical emissions during the Reference Period may not exceed 0.1%/year of Carbon Stocks</p> <p>[Explanation and justification of proposed upward or downward adjustment to the average annual historical emissions over the Reference Period, Quantification of the proposed upward or downward adjustment to the average annual historical emissions over the Reference Period 9.6]</p>	<p>N.A</p>

Not applicable because the ER-program does not meet the eligibility criteria

C 14 Robust Forest Monitoring Systems provide data and information that are transparent, consistent over time, and are suitable for measuring, reporting and verifying emissions by sources and removals by sinks, as determined by following Criterion 3 within the proposed Accounting Area

Ind 14.1 The ER-PD monitors emissions by sources and removals by sinks included in the ER-PD's scope (Indicator 3.1) using the same methods or demonstrably equivalent methods to those used to set the Reference Level.

[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER-PD within the Accounting Area 10.1]

YES

The ER-PD in Section 9 indicates that the methods used for measurements, monitoring and reporting will follow exactly the same approach as the one used to develop the reference level (p. 3), therefore the discussion above also applies to MMR as well.

Ind 14.2 Activity data are determined periodically, at least twice during the Term of the ERPA, and allow for ERs to be estimated from the beginning of the Term of the ERPA. Deforestation is determined using IPCC Approach 3. Other sinks and sources such as degradation may be determined using indirect methods such as survey data, proxies derived from landscape ecology, or statistical data on timber harvesting and regrowth if no direct methods are available

[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER-PD within the Accounting Area 9.1]

YES

Section 9 provides information on the proposed periodicity of monitoring. It is indicated that land cover maps will be created every two years and matrices of land use changes will be compiled every two years. The frequency of "monitoring" is also indicated to be performed every two years but it is not clear what "monitoring" implies for Costa Rica.

The frequency of forest mapping is ambitious. Section 8 suggests that Costa Rica is now producing one land cover map every two years, but that the national forest inventory is not finalized, although it began in 2013 (Section 8). The proposals in Section 9 will require a more agile forest monitoring system than the current system, in order to comply with the proposed scheme. The feasibility of the MMR scheme needs to be revised, taking into consideration the experience the various institutions have in their respective tasks, including data collection, data management, and data sharing.

Ind 14.3 Emission factors or the methods to determine them are the same for Reference Level setting and for Monitoring, or are demonstrably equivalent. IPCC Tier 2 or higher methods are used to establish emission factors, and the uncertainty for each emission factor is documented. IPCC Tier 1 methods may be considered in exceptional cases

YES

<p>[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER-PD within the Accounting Area 10.1]</p>	
<p>The ER-PD in Section 9 indicates that the methods used for measurements, monitoring and reporting will follow exactly the same approach as the one used to develop the reference level (p. 3), therefore the discussion above also applies to MMR as well.</p>	
<p>C 15 ER-PDs apply technical specifications of the National Forest Monitoring System where possible</p>	
<p>Ind 15.1 ER-PDs articulate how the Forest Monitoring System fits into the existing or emerging National Forest Monitoring System, and provides a rationale for alternative technical design where applicable.</p> <p>[Relation and consistency with the National Forest Monitoring System 10.3]</p>	<p>YES</p>
<p>As indicated in Section 9.1, Costa Rica is currently developing its national forest inventory and monitoring system. It expects to build coherence between the MRV processes for REDD+ and the national forest inventory.</p> <p>In addition, Costa Rica is searching for coherence with the national GHG inventory (also mentioned in Section 7). This raises concerns since information provided in Section 9 and in Section 8 suggests that difficulties exist in executing the national forest inventory as well as difficulties related to data sharing. Data collected in 2013 are still not available, nor the methodology applied in the inventory (see section 8, emission factors). Currently Costa Rica plans to outsource any action related to MMR. The proposal for MRV is still preliminary, and is currently based on a reference level that is also identified as preliminary and may change, once the new monitoring system is operational.</p>	
<p>C 16 Community participation in Monitoring and reporting is encouraged and used where appropriate</p>	
<p>Ind 16.1 The ER-PD demonstrates that it has explored opportunities for community participation in monitoring and reporting, e.g., of ER-PD Measures, activity data, emission factors, safeguards and Non-Carbon Benefits, and encourages such community participation where appropriate</p> <p>[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER-PD within the Accounting Area 10.1, 10.3]</p>	<p>YES</p>
<p>Costa Rica indicates that the National Forest Monitoring System will likely become the institution in charge of MRV. It also clarifies the role of other governmental agencies such as the National Geographical Institute and the National Institute for Statistics and Census. The ER-PD indicates that community participation would be through a number of existing voluntary organizations whose role would probably focus on forest protection (fire control and control of illegal logging) rather than on MRV of emissions and reductions per se.</p>	
<p>C 17 The ER-PD is designed and implemented to prevent and minimize potential displacement</p>	

<p>Ind 17.1 Deforestation and degradation drivers that may be impacted by the proposed ER-PD measures are identified, and their associated risk for displacement is assessed, as well as possible risk mitigation strategies. This assessment categorizes Displacement risks as high, medium or low.</p> <p>[Identification of risk of Displacement 11.1]</p>	YES
<p>Since carbon accounting in Costa Rica is done at the national level, displacement is not considered as a concern</p>	
<p>Ind 17.2 The ER-PD has in place an effective strategy to mitigate and/or minimize, to the extent possible, potential Displacement, prioritizing key sources of Displacement risk.</p> <p>[ER-PD design features to prevent and minimize potential Displacement 11.2]</p>	YES
<p>Since carbon accounting in Costa Rica is done at the national level, displacement is not a concern</p>	
<p>Ind 17.3 By the time of verification, the ER-PD has implemented its strategy to mitigate and/or minimize potential Displacement</p>	N.A
<p><i>Only applicable at the time of verification.</i></p>	
<p>Ind 17.4 ER-PDs are also invited to report on changes in major drivers in the ER Accounting Area, any Displacement risks associated with those drivers, and any lessons from the ER-PDs' efforts to mitigate potential Displacement</p>	N.A
<p><i>Only applicable at the time of verification.</i></p>	
<p>C 18 The ER-PD is designed and implemented to prevent and minimize the risk of reversals and address the long-term sustainability of ERs</p>	
<p>Ind 18.1 The ER-PD has undertaken an assessment of the anthropogenic and natural risk of reversals that might affect ERs during the Term of the ERPA and has assessed, as feasible, the potential risk of reversals after the end of the Term of the ERPA</p> <p>[Identification of risk of Reversals 12.1]</p>	YES
<p>The definition of Reversals has been included and is in accordance with the Methodological framework. That is important for future considerations and referencing during the implementation period as well as for the monitoring and evaluation of the assessment of anthropogenic and natural risks of reversals.</p>	

<p>Ind 18.2 The ER-PD demonstrates how effective ER-PD design and implementation will mitigate significant risks of Reversals identified in the assessment to the extent possible, and will address the sustainability of ERs, both during the Term of the ERPA, and beyond the Term of the ERPA</p> <p>[ER-PD design features to prevent and mitigate Reversals 12.2]</p>	<p>YES</p>
<p>The ER-PD properly defines “reversals”, and it proposes that Forestry Law 7575, which includes a restriction for land use change, is by itself the principal approach to avoid reversals. The section 11.2 of the ER-PD, Costa Rica indicates the strongest measures to prevent and mitigate reversal are the SINAC’s control mechanisms such as: the illegal logging control strategy based in an innovative geographical information system, and that it is part of the regular operations and budget of the institution. It indicates, that the Program includes policies, actions and activities to halt deforestation, among which illegal logging control, as well as community control through the participative volunteer committees are a strong component. In addition, the ER-PD indicates some national circumstances that prevent reversals, which are reinforced by the ER-PD design, such as: the Program of Payments for Environmental Services (PES), and the implementation of the National Forestry Development Plan (NFDP).</p>	
<p>C 19 The ER-PD accounts for Reversals from ERs that have been transferred to the Carbon Fund during the Term of the ERPA</p>	
<p>Ind 19.1 During the Term of the ERPA, the ER-PD accounts for Reversals from ERs using one of the following options:</p> <ul style="list-style-type: none"> ▪ Option 1: The ER-PD has in place a Reversal management mechanism (e.g., buffer reserve or insurance) that is substantially equivalent to the Reversal risk mitigation assurance provided by the ‘ER-PD CF Buffer’ approach referred to in option 2 below, appropriate for the ER-PD’s assessed level of risk, which in the event of a Reversal during the Term of the ERPA will be used to fully cover such Reversals. ▪ Option 2: ERs from the ER-PD are deposited in an ER-PD-specific buffer, managed by the Carbon Fund (ER-PD CF Buffer), and based on a Reversal risk assessment. ERs deposited in the ER-PD CF Buffer (Buffer ERs) will not be transferred to the Carbon Fund. In the event that a Reversal event occurs during the Term of the ERPA, an amount of Buffer ERs will be cancelled from the ER Program. <p>[Reversal management mechanism, Selection of Reversal management mechanism 12.3]</p>	<p>YES</p>
<p>Costa Rica will set aside a buffer of the expected emission reductions that will not be transferred “until non-compensated reversals are voided with emission reductions of subsequent periods”. As such, Costa Rica accounts for Reversals from ERs transferred to the Carbon Fund during the term of the ERPA, using option 2.</p>	
<p>C 20 The ER-PD, building on its arrangements put in place during the readiness phase and during the Term of the ERPA, will have in place a robust Reversal management mechanism to address the risk of Reversals after the Term of the ERPA</p>	
<p>Ind 20.1 At the latest 1 year before the end of the Term of the ERPA, the ER-PD will have in place a robust Reversal management mechanism or another specified approach that addresses the risk of Reversals beyond the Term of the ERPA</p>	<p>N.A</p>

<i>Only applicable before the end of the ERPA term.</i>	
Ind 20.2 If the ER-PD has selected option 2 under Indicator 19.1, all or a portion of the Buffer ERs of the ER-PD, subject to a Carbon Fund review of the Methodological Framework and a decision of the parties to the ERPA in 2019, will be transferred to the mechanism identified in Indicator 20.1 at the end of the Term of the ERPA. If the ER-PD fails to meet the requirements of Indicator 20.1, all remaining Buffer ERs in the ER-PD CF Buffer will be cancelled	N.A
<i>Only applicable before the end of the ERPA term.</i>	
C 21 The ER-PD monitors and reports major emissions that could lead to reversals of ERs transferred to the Carbon Fund during the Term of the ERPA	
Ind 21.1 The ER-PD Monitoring Plan and Monitoring system are technically capable of identifying Reversals [Monitoring and reporting of major emissions that could lead to Reversals of ERs 12.4]	YES
The forest monitoring plan is under development. Currently Costa Rica plans to outsource all monitoring activities, as such, a capacity building of the agencies that are going to carry out the monitoring is important, in order to maintain consistency with the methodologies used in the reference scenario development and its future improvements. Taking into account the former comment, the monitoring plan and monitoring system will technically be capable of identifying reversals generated after 2017.	
Ind 21.2. The ER-PD reports to the Carbon Fund within 90 calendar days after becoming aware of any emissions in the Accounting Area or changes in ER-PD circumstances that, in the reasonable opinion of the ER-PD, could lead to Reversals of previously transferred ERs by the next Monitoring event. The ER-PD explains how the potential Reversals would be addressed by additional ER-PD Measures or by the Reversal management mechanism described in Indicator 19.1.	N.A
<i>Only applicable at the time a reversal occurs and at the time of verification.</i>	
C 22 Net ERs are calculated by the following steps:	
<ol style="list-style-type: none"> 1. Subtract the reported and verified emissions and removals from the Reference Level 2. Set aside a number of ERs from the result of step 1, above, in a buffer reserve. This amount reflects the level of uncertainty associated with the estimation of ERs during the Term of the ERPA. The amount set aside in the buffer reserve is determined using the conservativeness factors for deforestation listed in the MF. For estimated emissions reductions associated with degradation, the same conservativeness factors may be applied if spatially explicit activity data (IPCC Approach 3) and high-quality emission factors (IPCC Tier 2) are used. Otherwise, for proxy-based approaches, apply a general conservativeness factor of 15% for forest degradation Emission Reductions. 3. Set aside a number of ERs in the ER-PD CF Buffer or other reversal management mechanism created or used by an ER-PD to address Reversals 	

[Ex-ante estimation of the Emission Reductions 14.3]	YES
<p>Table 13.1 presents ex-ante estimated emissions and the reductions that will be generated from the program. A buffer is established from the expected emission reductions that will not be transferred, “until non-compensated reversals are voided with emission reductions of subsequent periods”. The estimations of ERs follow the steps outlined in C22. The total amount of emission reductions may change, once the new data of emissions from degradation and the uncertainty in the data are made available. The changes made in the April 24, 2017 version of the ER-PD are all in accordance to the comments in the chair’s summary of CF14.</p>	
<p>C 23 To prevent double-counting, ERs generated under the ER-PD shall not be counted or compensated for more than once. Any reported and verified ERs generated under the ER-PD and sold and/or transferred to the Carbon Fund shall not be sold, offered or otherwise used or reported a second time by the ER-PD Entity. Any reported and verified ERs generated under the ER-PD that have been sold and/or transferred, offered or otherwise used or reported once by the ER-PD Entity shall not be sold and transferred to the Carbon Fund</p>	
(i) [Participation under other GHG initiatives 14.1]	NO
<p>The description inserted in 18.1 (page 182) acknowledges the existence of “ Carbon Sequestration in Small and Medium Farms in the Brunca Region, Costa Rica” as a Clean Development Mechanism Project. The Project expects to generate 176.050 tonnes of CO2e in a 20 year period (2006-2026). Costa Rica has already transferred the CERs with the serial numbers CR-6-961312-1-1-17572 to CR-6-984395-1-1-1-7572 (according to the Monitoring Report of August 2006 to December 2012).</p> <p>The country expressly states that it will exclude those tones from their National Inventory of GHG in due time. However, the description under 18.1 (Page 182) still doesn’t address the potential conflict/double counting situation related to the national activities financed by the Environmental Services Law (Environmental Services Payment Program) managed by FONAFIFO and the emission reduction achieved under that Program.</p> <p>The country should clarify how it is going to deal with this potential conflict, taking into consideration that CR has formally expressed the intention to transfer emission reductions achieved under the Environmental Services Program (coming from the Private Landowners) to the Carbon Fund (as stated in section 4.4). At least a significant percentage of those tones are already being sold/transferred to internal and/or external buyers (companies) under the national voluntary carbon program.</p> <p>The registry already in place partially attends the stipulations of indicator 37.2 (in the registry the Carbon Pools and Reference Level are missing).</p> <p>As such, at this moment a national carbon registry and/or Data Management System doesn’t exist that include a harmonized methodological procedure to distinguish between the different Data Management Systems (CERs, PES, others) in order to be able to assign a unique serial number to be attributed/issued to all the tonnes of CO2-eq, in a way that the national accountability can reach the level of certainty required to avoid double counting and/or multiple claims to ERs arising from the different Programs/Projects.</p>	

(ii) [Data management and Registry systems to avoid multiple claims to ERs 19.2]	NO
<p>The registry/data management system already existing under the “Payment for Environmental Services (PSA)” – expressly states that it does not include two requisites of Indicator 37.2 (Reference Level and Carbon Pools), section 18.2 page 182.</p> <p>The country says that those records can be adapted to “include the information missing in order to record the REDD+ projects”.</p> <p>The Registry described as “The National Registry of Natural Patrimony” is not a registry that guarantees the data management of carbon reductions and therefore cannot be used to account for the Carbon Fund emission reductions (although it could be used to geographically manage the different areas of the ER-Program).</p> <p>Also the “Updated Biannual Reports to the Convention” (though it could be considered robust and transparent to the objectives of the Convention), will most likely not be prepared to produce/manage the information in a way that can guarantee the serialization of each tone of emission reduction (the Convention compliance rules doesn’t include the obligation to serialize tonnes that needs to be transferred in an international offsetting market and must avoid double counting with other emission reduction programs and consequently avoid multiple claims to ERs.</p> <p>The REDD + Registry should also ensure transparency in monitoring emissions from various sectors, standardize the technical provisions and articulate the various existing systems with international requirements, including the commitments the country will take before the UNFCCC on nationally determined contributions (NDC) and the agricultural sector (NAMAs) efforts, to avoid the risk of double counting.</p> <p>In conclusion the country needs to adapt/adjust the existing database and/or create a new carbon REDD+ Registry and/or National Registry to match the requirements of this criterion.</p>	
<p>C 24 The ER-PD meets the World Bank social and environmental safeguards and promotes and supports the safeguards included in UNFCCC guidance related to REDD+</p>	
<p>Ind 24.1 The ER-PD demonstrates through its design and implementation how it meets relevant World Bank social and environmental safeguards, and promotes and supports the safeguards included in UNFCCC guidance related to REDD+, by paying particular attention to Decision 1/CP.16 and its Appendix I as adopted by the UNFCCC</p> <p>[Description of how the ER-PD meets the World Bank social and environmental safeguards and promotes and supports the safeguards included in UNFCCC guidance related to REDD+ 15.1]</p>	YES
<p>The item presents a very detailed description of the safeguards triggered in the ERPD. These safeguards respond to the needs identified for the program and are also aligned with the ISDS. There is also alignment with the categorization of the environmental impact assessment and a description of the potential impact that Category B projects may have on the environment.</p> <p>The indicator also pays attention to the Cancun safeguards (Decision 1/CP.16 and its Appendix I as adopted by the UNFCCC), describing the way in which these safeguards are taken into account in the ERPD and how these are related to other supplementary documents, such as the ESMF.</p>	

<p>Ind 24.2 Safeguards Plans address social and environmental issues and include related risk mitigation measures identified during the national readiness process, e.g., in the SESA process and the ESMF, that are relevant for the specific ER-PD context (e.g., land tenure issues), taking into account relevant existing institutional and regulatory frameworks. The Safeguards Plans are prepared concurrently with the ER-PD Document, and are publicly disclosed in a manner and language appropriate for the affected stakeholders</p> <p>[Description of how the ER-PD meets the World Bank social and environmental safeguards and promotes and supports the safeguards included in UNFCCC guidance related to REDD+ 15.1]</p>	<p>YES</p>
<p>The information in the item is aligning the safeguards identified in 24.1 with complementary documents to reinforce and further support the ERP. ESFM has information that reflects alignments with the ERP, indicating the abundant material produced and ground work done on this regard in the country over the past years. The safeguard plans include social and environmental topics and mitigation measures for the social and environmental impacts identified during the national process of preparation for the SESA and ESFM, derived from the implementation of the REDD+ strategy. ESFM reflects on the safeguards identified and also on the latest version of the ISDS.</p>	
<p>C 25 Information is provided on how the ER-PD meets the World Bank social and environmental safeguards and addresses and respects the safeguards included in UNFCCC guidance related to REDD+, during ER-PD implementation</p>	
<p>Ind 25.1 Appropriate monitoring arrangements for safeguards referred to in Criterion 24 are included in the Safeguards Plans</p> <p>[Description of arrangements to provide information on safeguards during ER-PD implementation 15.2 and 6.1]</p>	<p>YES</p>
<p>Information provided in this indicator is now aligned with the safeguards identification made in item 14.1. Additions have been made to the text to state the commitment to fulfill the UNFCCC and WB operational policies for safeguards. There are also indications about monitoring arrangement of the safeguards though not directly linked to a “safeguard plan” as required by this indicator.</p> <p>The document presents a list of 5 risks analysis identified (with an explanation for number 4 which is not considered) that include among the “mitigation measurements (please review if it is “measurement” or measure) proposed in the MGAS safeguards plans” only 2 out of the 7 of the safeguards triggered under Criterion 24 (section 14.1). It is suggested to further elaborate the monitoring arrangements under “safeguard plans” for the seven safeguards identified in section 14.1.</p> <p>At this stage it seems that the safeguards plan is under elaboration (Development of safeguards plans in page 163 version May 24th 2016); however, the ER-PD presents an outline of it and a number of elements that points in the direction of a successful completion of this plan. It is important to note as well as commendable that the commitment that “Costa Rica has been working in the development of the safeguard plan, which will be finalized and disclosed in a culturally appropriate manner among the different stakeholders before the ERPA signature.”</p>	

<p>Ind 25.2 During ER-PD implementation, information on the implementation of Safeguards Plans is included in an annex to each ER monitoring report and interim progress report. This information is publicly disclosed, and the ER-PD is encouraged to make this information available to relevant stakeholders. This information is also made available as an input to the national systems for providing information on how safeguards are addressed and respected (SIS) required by the UNFCCC guidance related to REDD+, as appropriate.</p>	<p>N.A</p>
<p><i>Only applicable at the time of verification.</i></p>	
<p>C 26 An appropriate Feedback and Grievance Redress Mechanism (FGRM) developed during the Readiness phase or otherwise exist(s), building on existing institutions, regulatory frameworks, mechanisms and capacity</p>	
<p>Ind 26.1 An assessment of existing FGRM, including any applicable customary FGRMs, is conducted and is made public. The FGRM applicable to the ER-PD demonstrates the following:</p> <ul style="list-style-type: none"> i) Legitimacy, accessibility, predictability, fairness, rights compatibility, transparency, and capability to address a range of grievances, including those related to benefit-sharing arrangements for the ER-PD; ii) Access to adequate expertise and resources for the operation of the FGRM <p>[Description of the Feedback and Grievance Redress Mechanism (FGRM) in place and possible actions to improve it 15.3]</p>	<p>YES</p>
<p>The text for 14.3 has achieved to mainstream the information requested by the indicator. The texts indicated that the National Forestry Fund is currently piloting a specific mechanism for REDD+, which has been developed along with a procedure guideline addressing the main objectives, legitimacy and role of the emission reduction program in conflict resolution and attention to grievances.</p> <p>There is an explanation of the guidelines stating that one of the main objectives is to have a mechanism that is accessible and “information transparent” favoring the stakeholders participation and dialogue during the implementation of REDD+ in Costa Rica. There is also a description of the FGRM operation process, which describes, among others, the different options and channels available to place a potential complaint. There is reference to the SIS and the MGAS, to support the information provided. The pilot information is public and is currently being evaluated to respond to a comprehensive social approach that has taken into account language and other potential barriers that stakeholders can face.</p>	
<p>Ind 26.2 The description of FGRM procedures, included in the Benefit-Sharing Plan and/or relevant Safeguards Plans, specifies the process to be followed to receive, screen, address, monitor, and report feedback on, grievances or concerns submitted by affected stakeholders. As relevant, the Benefit-Sharing Plan and/or relevant Safeguards Plans and/or ER-PD Document describe the relationship among FGRM(s) at the local, ER-PD, and national levels</p> <p>[Description of the Feedback and Grievance Redress Mechanism (FGRM) in place and possible actions to improve it 15.3]</p>	<p>YES</p>

The ER-PD provides details about the FGRM process to follow, filter, monitor, and report the complaints. It describes several channels of communications such as telephone lines, online formats, emails and open office access to the public. The program mentions the incorporation of information and feedbacks to the SIS. It also includes actions for the improvement of the FGRM to facilitate a better access for stakeholders.

<p>Ind 26.3 If found necessary in the assessment mentioned in Indicator 26.1, a plan is developed to improve the FGRM</p> <p>[Description of the Feedback and Grievance Redress Mechanism (FGRM) in place and possible actions to improve it 15.3]</p>	<p>YES</p>
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There is a pilot that is described in 26.1. The pilot is presented as a proposal to improve the FGRM and is intended to be complementary and more specific than the current ombudsman. The pilot function and benefit is well described.

C 27 The ER-PD describes how the ER-PD addresses key drivers of deforestation and degradation

<p>Ind 27.1 The ER-PD identifies the key drivers of deforestation and degradation, and potentially opportunities for forest enhancement</p> <p>[Analysis of drivers and underlying causes of deforestation and forest degradation, and existing activities that can lead to conservation or enhancement of forest carbon stocks 4.1]</p>	<p>YES</p>
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The ER-PD Document identifies the key drivers of deforestation. The section presents a description of the deforestation process in Costa Rica using the map series used to establish the reference level. Historical data show that the highest deforestation rates occur in privately own lands, then in indigenous territories, and that it is low in national parks-biological reserves.

The section also explains how the deforestation rates change according to the land ownership category in the country. There is a good analysis of the drivers for each land category. It identifies the general drivers, and also the specific drivers for each land use category. The ER-PD indicates that: the greater levels of deforestation are observed in private lands, therefore, in addition to reinforce the control of illegal logging, the ER-Program will increase the value of the lands, and the generation of additional incomes for the landowners by expanding the scope of the program of payments for environmental services.

It is identified that both deforestation and reforestation in the country is spatially concentrated. From 2001 to 2011, one third of the total deforest hectares is located in the north and caribe lowlands (Zona Huetar Norte and Zona Huetar Caribe), and two thirds in the north pacific zone (Zona Chorotega). This finding should be used in the ER-program to propose geographic specific measures, but there is no indication that it will be used in this way.

The ER-Program was designed in agreement with the National Forest Development Plans, and it defines six new policies to reduce emissions, increase absorptions, and develop the capacity to improve environmental sustainability, and to maintain the integrity of the emission reductions that the ER-PD may yield in the future. The strategy proposed by the ER-PD can be summarized as follows.

- a) Secure the integrity of the national forests (both public and private),
- b) Promote a comprehensive participation of the stakeholders in the ER-PD,
- c) Improve the national capacities to promote good forest management practices, and tree plantations,

<p>d) Promote legal security of forest land tenure with an emphasis on indigenous territories, public lands and areas under special land-tenure regimes,</p> <p>e) Increase opportunities to distribute benefits from REDD+ activities, as well as those to halt deforestation and forest degradation, and</p> <p>f) Guarantee the operation of ER-PD accountability mechanisms, consistent the provisions applicable to REDD+.</p> <p>ER-PD identifies opportunities for forest enhancement, and they were included under policy number 3, as well as actions 3.2, 5.2, and 5.4.</p> <p>There are no data of forest fires or illegal logging, that is: when do they occur, where, and which are the possible causes that should be addressed. However, the ER-PD contemplates both drivers as important factors that may favor deforestation and forest degradation, therefore the ER-Program proposes measures to reduce their impact (see policy 1, actions 1,1, 1,2).</p> <p>The general evaluation of this indicator is that the ER-PD presented in section 4.1 identifies the key drivers of deforestation, and it identifies opportunities for forest enhancement, that have been addressed under the overall ER-PD proposed strategy.</p>	
<p>Ind 27.2 The ER-PD identifies currently planned ER-PD Measures and how they address the key drivers identified in Indicator 27.1, and the entities that would undertake them</p> <p>[Description and justification of the planned actions and interventions under the ER-PD that will lead to emission reductions and/or removals 4.3]</p> <p>[Institutional and implementation arrangements 6.1]</p> <p>Historical data show that the highest deforestation rates occurs in privately own lands, then in indigenous territories, and that it is low in national parks-biological reserves.</p> <p>The ER-PD proposes six policy guidelines (see Indicator 27.1), then specific actions for each of them, and also activities for each action. There is no clear indication in this section of the relationship between the drivers identified in section 4.1, and the proposed measures. TAP team recommended to the Costa Rica REDD secretary to clarify these relations using a table with drivers, barriers and proposed measures by driver.</p> <p>To understand the ERP proposed measures, the reader must examine the activities listed in the section 6.1 (Institutional and implementation arrangements), and to determine the relationship of them with the identified drivers, and the proposed polices (presented in section 4.1), and also to determine which policies and actions have not programmed activities. After conducting this analysis, it is concluded that: proposed measures or actions address all key drivers identified in Indicator 27.1. It is recommended to make the relation between drivers and actions more transparent.</p>	YES
<p>C 28 The ER-PD has undertaken and made publicly available an assessment of the land and resource tenure regimes present in the Accounting Area</p>	
<p>Ind 28.1 The ER-PD reviews the assessment of land and resource tenure regimes carried out during the readiness phase at the national level (i.e., SESA) and, if necessary, supplements this assessment by undertaking an additional assessment of any issues related to land and resource tenure regimes in the Accounting Area that are critical to the successful implementation of the ER-PD, including:</p>	YES

<p>I. The range of land and resource tenure rights (including legal and customary rights of use, access, management, ownership, exclusion, etc.) and categories of rights-holders present in the Accounting Area (including Indigenous Peoples and other relevant communities);</p> <p>II. The legal status of such rights, and any significant ambiguities or gaps in the applicable legal framework, including as pertains to the rights under customary law;</p> <p>III. Areas within the Accounting Area that are subject to significant conflicts or disputes related to contested or competing claims or rights, and if critical to the successful implementation of the ER-PD, how such conflicts or disputes have been or are proposed to be addressed; and</p> <p>IV. Any potential impacts of the ER-PD on existing land and resource tenure in the Accounting Area.</p> <p>The ER-PD demonstrates that the additional assessment has been conducted in a consultative, transparent and participatory manner, reflecting inputs from relevant stakeholders</p> <p>[Description of land tenure systems, analysis of laws and regulatory framework 4.4 and 4.5, stakeholder consultation process 5.1]</p>	
<p>The information to evaluate Ind. 28.1 is presented in section 4.4. Section 4.4 presents a complete description of all the land tenure regimes in the country. In addition, section 5.1 makes a good description of stakeholder consultation process, indicating that the assessment has been conducted in a consultative, clear and participatory manner.</p> <p>Regarding Indicator 28 Items I and II, the range of land tenure rights and categories of rights-holders existing in the Accounting Area is presented in section 4.4. In the same way, section 4.4 also presents many of all the ambiguities in the applicable land legal framework in the country (see section 4.4 pages 43 to 46).</p> <p>Regarding Indicator 28.1 III and IV, there is mention of areas within the Accounting Area that are subject to significant conflicts or disputes related to competing rights, or how such conflicts have been or are proposed to be addressed. The issue is addressed in general in section 4.4, and there is mention to specific dispute related to competing land claims between indigenous people land owners and non-indigenous people, for example, the fact that some indigenous territories are included within a National Park, such as in the case of the “Cabecar de Chirripó” and “Cabecar de Tayni” indigenous territories.</p> <p>Regarding Indicator 28.1, the analysis presented in section 4.4 indicates that for the implementation of the ER-Program, the transfer of carbon rights or titles is possible only if they come from lands that belong to the “Patrimonio Natural del Estado” such as in the case of many protected wildlife areas (PWA), from the lands that belong to the indigenous people, or from private owners that may be able to sign a contract under the PSA program, since in all these cases the land owners have land titles or a recognized land right.</p>	
<p>Ind 28.2 The ER-PD explains how the relevant issues identified in the above assessment have been or will be taken into consideration in the design and implementation of the ER-PD, and in the relevant Safeguards Plan(s). If the ER-PD involves activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, the relevant Safeguards Plan sets forth an action plan for the legal recognition of such ownership, occupation, or usage. Beyond what is required for the successful implementation of the ER-PD, the ER-PD is encouraged to show how it can contribute to progress towards clarifying land and resource tenure in the Accounting Area, where relevant.</p>	<p>YES</p>

<p>[Assessment of land and resource tenure in the Accounting Area 4.4]</p> <p>[Description and justification of the planned actions and interventions under the ER-PD that will lead to emission reductions and/or removals 4.3]</p>	
<p>A complete description of the land tenure regimes in the accounting area is presented in section 4.4.</p> <p>Legal status of Indigenous People lands is clearly defined, and it is concluded that: " In the case of indigenous territories, the legislation is very clear, the main problem relates to the fact that this has not been taken up by the corresponding national government and the National Commission of Indigenous Affairs has no financial resources, required by law, to enable the implementation of necessary actions to reclaim the lands and to make these available to the Indigenous People, as mandatory by law".</p> <p>In this section a description of the proposed actions is also presented, including how the ER-Program can contribute to clarify land tenure in the accounting area.</p>	
<p>Ind 28.3 The ER-PD provides a description of the implications of the land and resource regime assessment for the ER-PD Entity's ability to transfer Title to ERs to the Carbon Fund</p> <p>[Transfer of Title to ERs 18.2]</p>	<p>YES</p>
<p>The ER-PD provides a description of the implications of the land and resource regime assessment for the ER-PD Entity's ability to transfer title to ERs to the Carbon Fund, based on the national legislation:</p> <ul style="list-style-type: none"> • Article 45 of the National Constitution, and articles 3 k), 46 and 47 of the Forest Law (Payment for Environmental Services). • According to the national legislation the ability to manage and transfer the title of ERs under the country's legal framework is the responsibility of the National Forest Administration • The National Forest Administration will be able to transfer the ERs under the following situations: <ul style="list-style-type: none"> ○ A) as legal land owner of the emission reductions (Public Lands – Natural Protected Areas) ○ B) as legal and contractual owner of the right to transfer emission reductions coming from private landowners (the state will own the rights to titles by contractual transfer of private land owners) <p>The ER-PD limits the transfer of titles of ERs to the Carbon Fund from areas where the National Forest Administration has the legal legitimacy/ability to transfer those titles:</p> <ul style="list-style-type: none"> • The percentage of the territory that will be able to transfer title will be attached to the Public Lands (Natural reserves) and Private Lands that will represent in total 32.2% of the territory and total amount of emission reductions. • The ER-PD also states that if and when in the future other lands will be able to enter into the program (new contractual arrangements) the Country will make a pledge to the Carbon Fund to include those tonnes in the transferrable titles to the credits. 	
<p>C 29 The ER-PD provides a description of the benefit-sharing arrangements for the ER-PD, including information specified in Indicator 30.1, to the extent known at the time.</p>	

Description of benefit-sharing arrangements [16.1 in ER-PD of 15 Jan. 2016]	YES
<p>ER-PD provides almost three pages of description of the future benefit sharing agreement to be implemented under the National REDD+ Strategy.</p> <p>The future Benefit Sharing Program will be based on two principal criteria:</p> <ol style="list-style-type: none"> 1) payment for performed results and 2) benefit distribution (according to the national circumstances). <p>The benefit distribution will be destined to the Public Landowners, Private Landowners and Indigenous People (who will be able to demonstrate their legal rights to the land and/or possession rights), and contribute/execute the actions towards the reduction of emissions.</p> <p>The main actions to be financed are those that could reduce emissions coming from :</p> <ul style="list-style-type: none"> - Public Protected Areas - Other State Institutions that owns forests - Private landowners that have already signed contractual agreements - Community or Indigenous Landowners. <p>The ER-Program at this phase has not yet defined the scale, criteria, procedures and timelines of the monitoring and benefit distribution mechanism, but the country intends to apply the resources through the following financing mechanisms:</p> <ul style="list-style-type: none"> - Robustness of the Environmental Services Payment Program; - Designing new financial modalities - Identification of investment opportunities (monetary and non-monetary) - Robustness of the investments made in public lands <p>The ER-Program includes the information specified under Indicator 30.1 , especially:</p> <ul style="list-style-type: none"> - the potential Beneficiaries (Public Institutions; Private Landowners and Indigenous People) - Monetary and non-monetary benefits and the summary of the design process of benefit sharing arrangements (including the concern of gender and inter-generationally inclusion) - The geographical distribution and attachment to reduction emissions results - Also deals with land and resource tenure rights. 	
<p>C 30 The Benefit Sharing Plan will elaborate on the benefit-sharing arrangements for Monetary and Non-Monetary Benefits, building on the description in the ER-PD Document, and taking into account the importance of managing expectations among potential beneficiaries</p>	
<p>Ind 30.1 The Benefit-Sharing Plan is made publicly available prior to ERPA signature, at least as an advanced draft, and is disclosed in a form, manner and language understandable to the affected stakeholders for the ER-PD. The Benefit-Sharing Plan contains the following information:</p> <p>The categories of potential Beneficiaries, describing their eligibility to receive potential Monetary and Non-Monetary Benefits under the ER-PD and the types and scale of such potential Monetary and Non-Monetary Benefits that may be received. Such Monetary and Non-Monetary Benefits should be culturally appropriate and gender and inter-generationally inclusive. The identification of such potential Beneficiaries takes into account emission reduction strategies to effectively address drivers of net emissions, anticipated implementers and geographical distribution of those strategies, land and</p>	<p>N.A.</p>

<p>resource tenure rights (including legal and customary rights of use, access, management, ownership, etc. identified in the assessments carried out under Criterion 28), and Title to ERs, among other considerations.</p> <p>Criteria, processes, and timelines for the distribution of Monetary and Non-Monetary Benefits.</p> <p>Monitoring provisions for the implementation of the Benefit-Sharing Plan, including, as appropriate, an opportunity for participation in the monitoring and/or validation process by the Beneficiaries themselves</p> <p>[Description of benefit-sharing arrangements 16.1]</p>	
<p>The Benefit-Sharing Plan is in preparation. Section 15.2 states that “Costa Rica has not yet defined the type, scale, criteria, processes, timelines and mechanisms to monitor the benefit distribution”. The indicator is not applicable at this stage, whereas the ER-PD states that the plan will be ready before signing the ERPA.</p>	
<p>C 31 The benefit-sharing arrangements are designed in a consultative, transparent, and participatory manner appropriate to the country context. This process is informed by and builds upon the national readiness process, including the SESA, and taking into account existing benefit-sharing arrangements, where appropriate</p>	
<p>Ind 31.1 The Benefit-Sharing Plan is prepared as part of the consultative, transparent and participatory process for the ER-PD, and reflects inputs by relevant stakeholders, including broad community support by affected Indigenous Peoples. The Benefit-Sharing Plan is designed to facilitate the delivery and sharing of Monetary and Non-Monetary Benefits that promote successful ER-PD implementation. The Benefit-Sharing Plan is disclosed in a form, manner and language understandable to the affected stakeholders of the ER-PD</p> <p>[Description of stakeholder consultation process 5.1]</p> <p>[Summary of the process of designing the benefit-sharing arrangements 16.2]</p>	<p>N.A</p>
<p>The Benefit-Sharing Plan is in preparation. Section 15.2 states that “Costa Rica has not yet defined the type, scale, criteria, processes, timelines and mechanisms to monitor the benefit distribution”.</p> <p>Section 15.2 describes general guidelines to prepare the Plan. It will include a) payments against results, and b) non-monetary benefits.</p> <p>There is evidence that the Plan is being prepared in consultation with relevant stakeholders, including indigenous communities, using a participatory process.</p> <p>There is no full agreement between the proposed plan for benefit sharing and the “description of actions and interventions to be implemented under the proposed ER-PD” presented in section 4. This is an issue that should be resolved when the plan is ready.</p> <p>There is no evidence that the Plan is actually disclosed in any form.</p> <p><i>Not applicable at this stage</i></p>	
<p>C 32 The implementation of the Benefit-Sharing Plan is transparent</p>	

<p>Ind 32.1 Information on the implementation of the Benefit-Sharing Plan is annexed to each ER-PD monitoring report and interim progress report and is made publicly available [16.1]</p>	<p>N.A</p>
<p><i>Only applicable at the time of verification.</i></p>	
<p>C 33 The benefit-sharing arrangement for the ER-PD reflects the legal context</p>	
<p>Ind 33.1 The design and implementation of the Benefit-Sharing Plan comply with relevant applicable laws, including national laws and any legally binding national obligations under relevant international laws</p> <p>[Description of the legal context of the benefit-sharing arrangements 16.3]</p>	<p>YES</p>
<p>The design and implementation of the Benefit-Sharing Plan described under section 15 (especially 15.3) explains the ER-Program’s intention to conform to all relevant applicable laws, including national laws and legally binding national obligations under relevant international laws.</p> <p>The ER-Program describes and takes into consideration in different sections the declared intention to act in accordance with National Laws especially those related to future beneficiaries:</p> <ul style="list-style-type: none"> • A) Public Land (Protected Areas) and other State Institutions that own forests - Ley Forestal no 7575 of 14/4/1996 and the Decree n 25721 – MINAE 17/10/1996 (Section and Section 15.1) • B) Private Landowners - Private landowners that have already signed contractual agreements and those that will enter into new contractual arrangements with the State in the future – Executive Decree no 38323 – MINAE , La Gaceta no 72 14/2/2104 (Section 4 and Section 15.1) • Community or Indigenous Landowners – that have already signed contractual agreements and those that will enter into new contractual arrangements with the State in the future-Indigenous Law No 6172 de 29/11/1977 and Executive Decree No 848726/04/1978, Executive Decree No 13568 30/04/1982 - (Section 4 and Section 15.1) <p>Additionally, the intention to accomplish the legally binding national obligations under relevant international laws such as the Agreement 169 de la OIT (Section 14 .1 – Safeguards)</p> <p>Finally the ER-PD describes the intention to create additional arrangements, if necessary, to be able to incorporate new financing modalities under the existing legal framework.</p>	
<p>C 34 Non-Carbon Benefits are integral to the ER-PD</p>	
<p>Ind 34.1 The ER-PD outlines potential Non-Carbon Benefits, identifies priority Non-Carbon Benefits, and describes how the ER-PD will generate and/or enhance such priority Non-Carbon Benefits. Such priority Non-Carbon Benefits should be culturally appropriate, and gender and inter-generationally inclusive, as relevant</p> <p>[Outline of potential Non-Carbon Benefits and identification of Priority Non-Carbon Benefits 17.1 in the reviewed ER-PD of 15 January 2016]</p>	<p>YES</p>

The ER-PD outlines potential Non-Carbon Benefits, identifies priority Non-Carbon Benefits, and describes how the ER-PD will generate and/or enhance such priority Non-Carbon Benefits.

The item adequately describes the requirements and includes the most relevant related to gender. The ER-PD mentioned the existence of a pilot with indigenous communities that will serve as a reference for scaling up initiatives that can mainstream gender and culturally appropriate concepts. The document continues by providing information on the plans to develop a gender strategy to ensure that this cross-cutting issue is included in the ERPA implementation.

Ind 34.2 Stakeholder engagement processes carried out for the ER-PD design and for the readiness phase inform the identification of such priority Non-Carbon Benefits

NO

[Description of stakeholder consultation process 5.1]

The ER-PD version (May 24th 2016) introduce changes in items 16.1 and 16.2 (reference is made in 5.1) mentioning that “Non-carbon benefits have been discussed with all stakeholders involved in the REDD+ process, from the SESA workshop” “These non-carbon benefits are identified from the different strategic options identified in the R-PP” that statement is in line with the information requested by the indicator.

Nevertheless, the text in 16.1 continues in the same paragraph “however, additional work is required to define priorities, assessment and forms of recognition therefore, to be more explicit, during the SESA consultations, in which the representatives of all relevant stakeholders participated” This last statement seems to refer to the need for “additional work to define priorities” of non-carbon benefits? If that is the case, then it is not clear how the stakeholder engagement carried out for the ER-PD design and/or for the readiness phase has informed the identification of the priority non-carbon benefits? That link needs to be better explained.

From the text it is assumed that the process of prioritization of the non-carbon benefits has been followed and that as a result “environmental services recognized by the Payment for Environmental Services program, as the provisions of the applicable Forestry Law are:

1. GHG mitigation (benefit)
2. Water protection (co-benefit)
3. Biodiversity conservation (co-benefit)
4. Landscape beauty (co-benefit)

The 4 abovementioned non-carbon benefits have been identified.

16.2 also mentions “The Payment for Environmental Services Program, counts with a series of prioritization criteria for each of the modalities that it promotes, which are found geo-specially explicit for environmental and social issues such as drinking water aquifers, biological corridors, cities with low social development index, indigenous territories among others. All of this will be considered as part of the process that will be developed for the no carbon benefit monitoring” Also the in the same item “It’s important to mention that REDD+ National Strategy has four different mechanisms that can provide information on how the non-carbon benefits are enhanced through the ER-P. These mechanisms are mentioned as follows:”

It is not clear from the document what is the criteria and how (in line with the indicator) “Stakeholder engagement processes carried out for the ER-PD design and for the readiness phase inform the identification of such priority Non-Carbon Benefits”

It is suggested to clarify the request of the indicator by stating when and how stakeholder engagement informed or will inform the identification of non-carbon benefits.	
C 35 The ER-PD indicates how information on the generation and/or enhancement of priority Non-Carbon Benefits will be provided during ER-PD implementation, as feasible.	
Ind 35.1 The ER-PD proposes an approach utilizing methods available at the time to collect and provide information on priority Non-Carbon Benefits, including, e.g., possibly using proxy indicators. If relevant, this approach also may use information drawn from or contributed as an input to the SIS [Approach for providing information on Priority Non-Carbon Benefits 17.2]	YES
The indicator describes that the parameters to determine the priorities for the environmental services and non-carbon benefits are derived from the proposed Land Management Plan for Biodiversity Conservation in Costa Rica. The aim is to invest in areas have been identified as important to fill biodiversity conservation gaps, taking into account biological corridors and natural protected areas, by assigning funds to areas that have not been attended before by the government.	
Ind 35.2 Information on generation and/or enhancement of priority Non-Carbon Benefits will be provided in a separate annex to each ER-PD monitoring report and interim progress report, and will be made publicly available	N.A
<i>Only applicable at the time of verification.</i>	
C 36 The ER-PD Entity demonstrates its authority to enter into an ERPA and its ability to transfer Title to ERs to the Carbon Fund	
Ind 36.1 The ER-PD Entity demonstrates its authority to enter into an ERPA with the Carbon Fund prior to the start of ERPA negotiations, either through: i. Reference to an existing legal and regulatory framework stipulating such authority; and/or ii. In the form of a letter from the relevant overarching governmental authority (e.g., the presidency, chancellery, etc.) or from the relevant governmental body authorized to confirm such authority. [Authorization of the ER-PD 18.1]	YES
The ER-PD Entity demonstrates its authority to enter into an ERPA with the Carbon Fund prior to the start of ERPA negotiations, through the Reference to an existing legal and regulatory framework stipulating such authority. The ER-PD Entity – Ministry of Environment and Energy- bases its legitimacy on the National Constitution – article 28 - Law of Public Administration 2/5/1978 to manage public forest land resources, and the legitimacy to act in representation of the private landowners under the National Constitution - Art 45 and article 5 of the Forest Law No	

<p>7575, the Executive Decree 25721 – MINAE and the contractual arrangements established under the country national law.</p>	
<p>Ind 36.2 The ER-PD Entity demonstrates its ability to transfer to the Carbon Fund Title to ERs, while respecting the land and resource tenure rights of the potential rights-holders, including Indigenous Peoples (i.e., those holding legal and customary rights, as identified by the assessment conducted under Criterion 28), in the Accounting Area. The ability to transfer Title to ERs may be demonstrated through various means, including reference to existing legal and regulatory frameworks, sub-arrangements with potential land and resource tenure rights-holders (including those holding legal and customary rights, as identified by the assessments conducted under Criterion 28), and benefit-sharing arrangements under the Benefit-Sharing Plan</p> <p>[Transfer of Title to ERs 18.2]</p>	<p>YES</p>
<p>The ER-PD Entity demonstrates its ability to transfer to the Carbon Fund Title to ERs, and respects the land and resource tenure rights of the potential rights-holders, including Indigenous Peoples (i.e., those holding legal and customary rights, as identified by the assessment conducted under Criterion 28),</p> <p>The ER-PD is considering the inclusion in the initial phase of the Program of only two specific types of land and resources tenure rights (section 17.1):</p> <ul style="list-style-type: none"> - a) Public Land (Protected Areas) and other State Institutions that own forests, and - b) Private Landowners - Private landowners and Indigenous Groups that have already signed contractual agreements (PSA). <p>That statement demonstrates the ability of Costa Rica to transfer Titles of ERs to the Carbon Fund, once the carbon rights arise from the National Legal Framework put in place in the Country:</p> <ul style="list-style-type: none"> - National Constitution - Forest Law No 7575 of 14/4/1996 and the Decree no 25721 – MINAE 17/10/1996 - Executive Decree no 38323 – MINAE , La Gaceta no 72 14/2/2104 <p>The ER-Program doesn't consider at least in its initial phase (in terms of legal transference of ERs) all the other types of land and resource tenure rights that will be able to enter in the future, if they sign new contractual agreements with the State- under the Forest Law – Decree no 25721 – MINAE 17/10/1996 ; Indigenous Law No 6172 29/11/1977 , the Executive Decree No 8487 26/04/1978, and the Executive Decree No 13568 30/04/1982;</p> <p>The ability to transfer Title to ERs is demonstrated through the existence of legal and regulatory frameworks and creates the opportunity in the future to establish new sub-arrangements with potential land and resource tenure rights-holders (including those holding legal and customary rights).</p> <p>In addition, the ER-Program is able to establish new benefit-sharing arrangements in the future (including the different land and resource tenure rights) under the Benefit-Sharing Plan. This will be achievable, using the legal framework already in place in the country (subjected nevertheless to some adaptations and regularization of land tenure rights – especially on the land types where the possession model is still the model).</p>	
<p>Ind 36.3 The ER-PD Entity demonstrates its ability to transfer Title to ERs prior to ERPA signature, or at the latest, at the time of transfer of ERs to the Carbon Fund. If this ability to transfer Title to ERs is still</p>	<p>YES</p>

<p>unclear or contested at the time of transfer of ERs, an amount of ERs proportional to the Accounting Area where title is unclear or contested shall not be sold or transferred to the Carbon Fund</p> <p>[Transfer of Title to ERs 17.2]</p>	
<p>The ER-Program Entity already demonstrates its ability to transfer Title to ERs prior to ERPA signature as expressed above in 36.2.</p> <p>The ER-Program doesn't consider the inclusion at least in its initial phase (in terms of legal transference of the ERs) the potential ERs that could be in conflict, unclear or contested under the national legal framework, such as:</p> <ul style="list-style-type: none"> - Lands administered by the Harbor Administration and Economic Development , - The border zone - The titling projects of the Institute for Economic Development - The land property rights on those lands that are considered National Natural Patrimony - The Terrestrial-Maritime Zone <p>This clarifies that the legal ability to transfer Titles to ERs, once they will be exercised, only for those land types for which the ER-PD Entity has the ability to transfer ERs title to the Carbon Fund.</p>	
<p>C 37 Based on national needs and circumstances, the ER-PD works with the host country to select an appropriate arrangement to avoid having multiple claims to an ER Title.</p>	
<p>Ind 37.1 Based on national needs and circumstances, the ER-PD host country has made a decision whether to maintain its own comprehensive national REDD+ Program and Projects Data Management System, or instead to use a centralized REDD+ Programs and Projects Data Management System managed by a third party on its behalf. In either case of a country's use of a third party centralized REDD+ Programs and Projects Data Management System, or a country's own national REDD+ Programs and Projects Data Management System, the indicators below apply</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 18.2]</p>	<p>YES</p>
<p>Based on national needs and circumstances, the ER-PD host country has made a decision to maintain its own comprehensive national REDD+ Program and Projects Data Management System and to adopt a Centralized National Registry to be located at the Climate Change Directorate (17.2 – page 257).</p>	
<p>Ind 37.2 A national REDD+ Programs and Projects Data Management System or a third party centralized REDD+ Programs and Projects Data Management System needs to provide the attributes of ER-PDs, including:</p> <ul style="list-style-type: none"> i. The entity that has Title to ERs produced; ii. Geographical boundaries of the ER-PD or project; iii. Scope of REDD+ activities and Carbon Pools; and iv. The Reference Level used. <p>An ER-PD for the Carbon Fund should report its activities and estimated ERs in a manner that conforms to the relevant FCPF Methodological Framework C&Is</p>	<p>NO</p>

The national REDD+ Programs and Projects Data Management Systems that already exist in the country do not provide all the requested attributes of the ER-Program.

The national REDD+ Programs and Projects Data Management Systems only provides attributes “i) and partially the attributes “ii) and iii)” of the Indicator 37.2:

- i. The entity that has Title to ERs produced;
- ii. Geographical boundaries of the ER-PD or project;
- iii. Scope of REDD+ activities.

It’s not possible with the existent data and registry records to track the tones of GHG-reductions geographically, and attribute them to specific areas.

The national REDD+ Programs and Projects Data Management System that already exist do not provide the following attributes that need to be implemented in the existing registry or built under a new registry:

- iii) Carbon Pools; and
- iv) The Reference Level used.

That is expressly stated by the country on 18.2 – Data management and Registry to avoid multiple claims to ERs – Page 162 and 163:

“Existing records applicable to REDD+

Currently, the Payment for Environmental Services program keeps full record of all properties that have formalized an agreement with FONAFIFO. The information maintained in this registry complies with the requirements set forth in Indicator 37.2, i, ii, not including aspects related to carbon reservoirs and the reference level, however, said records can be adjusted including the information missing in order to record the REDD+ projects...”

Ind 37.3 The information contained in a national or centralized REDD+ Programs and Projects Data Management System is available to the public via the internet in the national official language of the host country (other means may be considered as required).

[Data management and Registry systems to avoid multiple claims to ERs 19.2]

NO

The information contained in the future national or centralized REDD+ Programs and Projects Data Management System should be available to the public via the Internet in the national official language of the country.

At this phase, the ER-PD describes the existence of a national or centralized REDD+ Programs and Projects Data Management System that could be adapted to include the missing attributes.

The system and the information registered is only partially available to the public in the national official language. The ER-PD needs to adapt the national registry and data management system to deal with the ER-PD attributes and clarify what information (nature and extension) will be available publicly via the Internet.

<p>Ind 37.4 Administrative procedures are defined for the operations of a national or centralized REDD+ Programs and Projects Data Management System; and an audit of the operations is carried out by an independent third party periodically, as agreed with the Carbon Fund</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 18.2]</p>	<p>NO</p>
<p>The ER-PD does not demonstrate that the administrative procedures are defined for the operations of a national or centralized REDD+ Programs and Projects Data Management System (even expressly states that the country is working on the design of a National Registry – see 18. Data management and registry systems – Page 162:</p> <p>“In that sense, it is working on the design of a national registry system that addresses the needs to adequately monitor reductions resulting from actions to be implemented in various sectors in accordance with the National Climate Change Strategy, efforts that are related thereto with the functioning of a national carbon market as an instrument to strengthen the country's capacity to progress in achieving the goal of carbon-neutrality...”</p> <p>Additionally, the ER-PD does not demonstrate that an audit of the operations is carried out such that the information and audit procedure are able to avoid double counting (even though it states that the Biannual Update Report will be developed, according to UNFCC Secretary guidelines) the UNFCC rules are not necessarily fit to audit a program where is the need to transfer title (and do the international offsetting) of the emission reductions from REDD+.</p>	
<p>C 38 Based on national needs and circumstances, ER-PD host country selects an appropriate arrangement to ensure that any ERs from REDD+ activities under the ER-PD are not generated more than once; and that any ERs from REDD+ activities under the ER-PD sold and transferred to the Carbon Fund are not used again by any entity for sale, public relations, compliance or any other purpose</p>	
<p>Ind 38.1 Based on national needs and circumstances, the ER-PD host country has made a decision whether to maintain its own national ER transaction registry, or instead to use a centralized ER transaction registry managed by a third party on its behalf</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 18.2]</p>	<p>NO</p>
<p>The decision to adopt a Centralized National Registry to be located at the Climate Change Directorate was stated clearly under the previous version of the ER-PD inserted at (17.2 – page 257), but unfortunately on the new version of the ER-PD (dated April 2016) we didn’t find that sentence. The references to the national registry are now inserted at “18. Data management and registry systems”, and they refer simply to the “National Registry” without clarifying if the Country is going to choose if the registry is going to be operated by the country or operated by a third party”. See below the new text of the ER-PD in section 18 – Page 162:</p> <p><u>“The country has not yet specifically defined how it will operate the Registry of emission reductions resulting from the implementation of the National REDD+ Strategy, so as to ensure transparency and confidence that there will be no double counting and no double charging of such reductions as a result of the existence of several initiatives linked to both existing market mechanisms at national level (PES and other similar domestic market) as voluntary initiatives or those regulated internationally. However, Costa Rica has assumed responsibility for all information systems and registries in this area to fully comply with criteria of robustness, transparency and sufficient reliability to properly meet the requirements of environmental integrity.....”</u></p> <p><u>“In that sense, it is working on the design of a national registry system that addresses the needs to adequately monitor reductions resulting from actions to be implemented in various sectors in accordance with the National Climate</u></p>	

<p><u>Change Strategy</u>", efforts that are related thereto with the functioning of a national carbon market as an instrument to strengthen the country's capacity to progress in achieving the goal of carbon-neutrality..."</p> <p>The country doesn't clarify if it's going to: "maintain its own national ER transaction registry, or instead to use a centralized ER transaction registry managed by a third party on its behalf", and as such it does not meet the indicator.</p>	
<p>Ind 38.2 The national or centralized ER transaction registry reports ERs for the Carbon Fund using the accounting methods and definitions described above in the MF</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 19.2]</p>	<p>N.A.</p>
<p><i>Not applicable at this stage</i></p>	
<p>Ind 38.3 An independent audit report certifying that the national or centralized ER transaction registry performs required functions is made public.</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 19.2]</p>	<p>N.A.</p>
<p><i>Not applicable at this stage</i></p>	
<p>Ind 38.4 Operational guidance exists, or is in advanced stage of preparation, that clarifies the roles and responsibilities of entities involved in the national or centralized ER transaction registry, as well as rules for operation of the registry.</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 19.2]</p>	<p>N.A.</p>
<p><i>Not applicable at this stage</i></p>	

Annex 1 to the TAP technical assessment