

October 29, 2018

VIA E-MAIL

Richard Corey
Executive Director
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments of Pax Natura on the Proposed California Tropical Forest Standard

Dear Mr. Corey:

Thank you for the opportunity to comment on the proposed California Tropical Forest Standard. We commend the Board for issuing this proposed standard. We believe that it will facilitate the protection and enhancement tropical rain forests.

We are submitting these comments on behalf of Pax Natura, a nonprofit foundation based in Salt Lake City, Utah. For several years Pax Natura has worked with other entities, including the government of Costa Rica, on preservation of tropical rain forests. In particular, Pax Natura has worked closely with the Costa Rican Fondo Nacional de Financiamiento Forestal or the National Fund for Forest Financing (FONAFIFO). FONAFIFO is an agency of the Costa Rica Ministry of the Environment and Energy.

FONAFIFO administers the Programa de Pago de Servicios Ambientales or Payment for Environmental Services Program (PPSA). Under the PPSA, agricultural landowners receive payments from FONAFIFO based on the area of their property that is not deforested. The funds used for the PPSA come from a variety of sources, including national and international assistance and income from carbon reduction instruments derived from the avoided deforestation. Costa Rica is also actively developing a national REDD+ strategy for its forests.

The PPSA has a significant role in advancing Costa Rica's aspiration to become carbon-neutral. The PPSA has also been instrumental in facilitating a dramatic improvement in forest cover in the country over the last few decades.

We are concerned that the wording of the proposed standard appears to exclude national jurisdiction-scale carbon reduction programs from qualifying under the standard. We recognize that in large tropical countries, it makes sense to evaluate tropical deforestation emissions reduction programs on a subnational basis. However, in smaller countries such as Costa Rica, the development of programs on a subnational scale can be unnecessarily complicated and can hinder the overall objective of avoided deforestation.

11588301_1

Accordingly, we suggest the following changes in the proposed standard (suggested new language underlined, suggested deleted language lined out):

1. Chapter 1, Paragraph 1.1(c), last sentence. "Any sector-based crediting program must be designed by the implementing national or subnational jurisdiction to include the following:"
2. Chapter 1, Paragraph 1.2, page 6. "'Implementing jurisdiction' refers to a national or subnational jurisdiction that designs and implements a sector-based crediting program."
3. Chapter 1, Paragraph 1.2, page 6. Add a new definition, "'Jurisdiction' means a national or subnational jurisdiction to which this standard applies."
4. Chapter 1, Paragraph 1.2, page 8. "'Subnational jurisdiction' ~~or 'jurisdiction'~~ for purposes of this standards, refers to a political subdivision of a country, typically taking the form of a state or province."
5. Chapter 2, page 9. "The California Tropical Forest Standard applies to national and subnational jurisdictions that have developed jurisdiction-scale programs to reduce emissions from deforestation and degradation, if applicable, of tropical forests within the geographic boundaries of the jurisdiction, and which are seeking to link their programs to an ETS."
6. Chapter 3, third sentence of first full paragraph, page 10. "The sector plan must also transparently demonstrate the implementing jurisdiction's methodology for developing a reference level, monitoring, reporting, and verification requirements, ~~and~~ If the sector plan is for a subnational jurisdiction, the sector plan must demonstrate how its jurisdictional program fits within any national program to reduce emissions from tropical deforestation and degradation (if applicable).

The foregoing suggested changes would also resolve an ambiguity in the language of Chapter 6 of the proposed standard, which provides that "national GHG emission reductions" are to be taken into account in establishing a crediting baseline.

Again, we commend the Board for this proposed standard.

Very truly yours,


James A. Holtkamp

JAH:bwt