

Comments on Dominican Republic's Advanced Draft ERPD

April 2019

Carbon Fund Participants (CFPs) commend the Dominican Republic team for presenting a strong and comprehensive ER Program Advanced Draft Document. CFPs encourage the Dominican Republic team to take into account the comments below as it works to finalize the ERPD.

Carbon Accounting

- Explain/justify the variation between the Emission Factors used in the first draft ERPD and the advanced draft.
- The inclusion of agroforestry systems under the forest definition is problematic both from a Safeguards and a carbon accounting perspective.
- The forest definition should be consistent. While it need not be the same as the FAO FRA definition, it does need to be consistent across the various reporting streams completed by the Dominican Republic. Why are they different? Can they be the same? Acknowledge that the FREL/FRL will be informed by the ERPD.
- The transition from non-forest land to forest land does not include carbon in secondary forests that existed before 2005. Could you share what the definition of secondary forest is? And are plantations that have been developed on previously deforested land considered secondary forests?
- It appears strange that tree shaded crops (agroforestry systems) do have the highest EF, even higher than natural broadleaf forest (p192). The confidence intervals quoted are very large; choosing the median value is not well justified (table p.193). Also the use of average EF for tree shaded crops is an overestimation for newly established agroforestry systems – the estimation of the EF appears to differ methodologically from the other forest categories (e.g. inclusion of diameters below 10cm). We encourage the country team to review this data, and provide more evidence on reference data.
- Similarly, the figures for expected annual growth are only based on one study (for a specific region). The growth figures for broadleaf and dry forest are the same (which is highly unlikely). The figure for cocoa is higher than for broadleaf – both an unlikely scenario and if used creating a perverse incentive. It is unclear why inventory cannot be used to help with estimating average annual growth for different forest types and sites.
- Additionally comparing Chave 2005 and 2014 and saying that because 2005 gave them higher estimates means using 2014 for these is more 'conservative' is really not the case. Chave 2014 is most likely closer to the real mean value and it has nothing to do with being more conservative, just a better estimate.
- The recently concluded national forest inventory "*Informe Final: Inventario Nacional Forestal de República Dominicana. Diciembre 2018*" shows Emission factors for forest areas very different from those presented in the ERPD. Is there a reason why the ERPD does not rely on this data? We would encourage the country to use the most recent data from its own forest inventory also for carbon accounting in its ERPD.
- We would like to know more about the current work to improve the maps.

- The Activity Data is calculated based on Land Use Maps 2005 and 2015 (June). Is there no more recent data available, for 2016 or even 2017? It is highly recommended to use a more dense time-series for the analysis, especially with changes occurring mosaicly.
- The resulting user and producer accuracies for the change categories are low and indicate high uncertainty of the procedure. The results of the Monte Carlo analysis appear to mirror the low accuracy and the in part large confidence intervals for the change classes.
- Is the understanding that there is a current method of measuring degradation (with inclusion and use of high resolution imagery) as well as a method that is being developed and will be used going forward (developed with TerraPulse)? And is the expectation that the new method will be readily developed to be used in the ERPA period? Elaborate on the plans, if any, to improve MRV methods for activity data estimation (e.g., the Terrapulse procedure) as well as any corresponding technical corrections envisioned to the Reference Level, to maintain consistency.
- It is well known that analysing crown cover changes with LandSat is very difficult and even with higher resolution the distinct changes within the range of 40-70% crown cover is highly uncertain but the system for estimating and monitoring degradation and enhancements shall rely on this. How does the country plan to address this challenge?
- According to p 185, values for the parameter degradation, and according to the different EFs, the conversion from tree-shaded crops to natural forests (broadleaf forest, dry forest, pine) is defined as degradation. Please review the data and/or improve visualization (+ / -). Please provide a more extensive version of Table 8.13.18, providing more detailed information about the different change classes used in the calculation of forest degradation/enhancement.
- Soil carbon is included in the accounting: given the high heterogeneity of soil carbon the limited amount of sample plots of the inventory do not appear to be a solid basis for inclusion. This is particularly important when considering the monitoring period. In our view it would be more conservative to exclude soil carbon unless a high level of certainty can be proven for both REL and monitoring.
- In order to get a better understanding of table 13.1.5 “Ex-ante estimation of the ERs expected from the ER Program”, please elaborate on how enhancement of carbon stock from non-forest – forest conversion during the reference period – which according to annual growth rate will be functioning as a carbon sink also during the monitor period - will be treated during the monitoring period.
- Please provide a more detailed version of table 8.13.17, showing the increase in forest carbon stocks according to each change category.
- Please respond to the TAP’s comment on Indicator 10.3 regarding consistency between the ER Program Reference Level and the National GHG Inventory.
- How significant an issue are fires (note on page 38 the ERPD states fires are a significant threat to forests)? Do you intend on collecting data and reporting on the impact of fires in the future? Table 4.1.5 suggests there is some useful baseline data.
- The top of page 25 states the program will produce 5,057,154 tCO₂e/yr, however it seems it should read 5,057,154 tCO₂e total (it is correctly referenced at the bottom of page 125).

Safeguards

- We commend the Dominican Republic on their very good and clear ESMF approach.

- Finalize the safeguards instruments and monitoring arrangements, including how the monitoring of ESMPs and the SIS intertwine. According to the ERPD, the Environmental and Social Management plans (ESMPs) for each of the 7 types of REDD+ Actions will be ready in April 2019. Please share the plans along with the verification lists with CFPs as soon as available.
- Consider the TAP recommendations on design of tools, roles and responsibilities, supervision, and support to executing agencies.
- Provide a budget for the operation of the FGRM, explaining where the resources will come from in addition to the projected costs of operation.
- Explain how land conflicts will be addressed through the FGRM, including as it relates to its institutional arrangements.
- Clarify the implications of differentiated approaches to formal and non-formal tenure, and how benefits shall include progress on tenure security.
- The inclusion of tree shaded crops and agroforestry systems under the forest definition is problematic. Establishing coffee, cocoa and silvopastoral systems in degraded areas is an activity that could reduce pressure on forests and therefore reduce deforestation. However, coconut, mango, avocado, cocoa (and coffee) are not considered forest species and plantations have very different structures than forests. In our view this should be excluded from the forest definition. Forest plantations should also be accounted for separately.
- Explain how the country plans to avoid conversion from natural forests (broadleaf forest, dry forest, pine) to anthropogenic land uses (e.g. tree-shaded crops), with the proposed emission factors (highest C value in tree shaded crops) and forest definitions (tree shaded crops/agroforestry systems as part of the forest definition). On p.185 conversion of broadleaf to tree shaded crop is listed – which according to the currently used EF is counted as enhancement. This clearly is a no-go from an environmental integrity perspective.
- When does the country plan to realize the submission of the first Safeguards Summary to the UNFCCC?
- Are the ESMF (including Resettlement Framework) and SESA documents publicly available?
- What is the risk of leakage over the border to Haiti? Any Safeguards in place to monitor? Any high risk sites, biomes that stretch over the border?
- What is the timeline for the safeguard elements – particularly the budgets and responsible Ministry/authority?

Program Design

- The program design appears generally sound in terms of planned actions and interventions, but it would be useful to provide more details on the baselines of current government programs, such as the National Quisqueya Verde Plan and the Agroforestry Programme, to get a better sense of the ER Program additionality.
- How will the forest management plan be reformed to address the forest degradation that stakeholders identified as contributing to the issue, especially as it related to illegal extraction for coal, firewood, and poles? (pg 62)
- It would also be helpful to have a focused overview of the priority actions to be implemented with the next 2-3 years.

- To that end, we encourage DR to expand thinking on how to address socio-economic obstacles identified (pg 80-81)
- Financial viability of the Program appears to be a major issue. The ERPD states that “it is expected that activities will be majorly financed by redirecting some of MARN’s resources” – no private contributions or other donations are mentioned. To what extent can you address the financial gap prior to ERPA signature? What level of secured finance is needed for moving ahead with the Program? It would also be helpful to get more detail on the largest budget item “strengthen reforestation and agroforestry plans” since this is the part most likely to generate ER.
- Following on from the above, it isn’t clear how the \$4,009,000 gap (with the sale of carbon credits) in ER program enabling activities funding is going to be financed.
- Why is the budget for preventing deforestation so low (p.162) – current deforestation rates still are sizeable and protection of remaining forests should be a priority.
- The ERPD mentions a business plan to be prepared, aiming at attracting private investors and international cooperation donors, as a measure to address the financial gap. When will the plan be available? When will there be the first results in attracting other investors?
- The document mentions a first preparatory phase for REDD+ (2010-2013), and a second phase of preparation (2017 to now). We would be interested why REDD+ seems to have lost political momentum between 2014 and 2016.
- Footnote 66 states that detailed financial information is presented in Annex 1; this is not currently the case, Annex 1 includes further information about the multitemporal visual assessment protocol for obtaining reference data for estimation of activity data uncertainty. It would be useful to obtain this information to understand how the private financial benefits have been calculated. Currently, it isn’t clear whether the financial benefits have been calculated on the basis of when the agroforestry or silvopastoral systems are implemented (planted) or when they are funded. Moreover, it would be useful to see how opportunity cost has been accounted for and whether it has been assumed that agroforestry and silvopastoral systems lead to increased yields and/or prices.
- Please can you provide a clearer justification of the 20 year lifetime of the benefits. Additionally, the current explanation doesn’t acknowledge the sustainable lifetime of agroforestry and silvopastoral activities, which are the predominate drivers of the benefits; a 20 year sustainable lifetime for agroforestry and silvopastoral systems could be perceived as optimistic.
- Commercial livestock is highlighted as the top direct cause of deforestation and degradation (table 4.1.2 & table 4.2.3), but the majority of the transformation activity funding is placed on agroforestry activities. We assume that this is because agroforestry activities have greater ER potential, but it would be useful to have further information to understand this split of funding.

Benefit Sharing

- Per TAP recommendation, provide additional information on the process for designing the benefit sharing arrangements including:
 - How benefits can include land titling or greater tenure security on customary lands

- What level of decision making would communities or producer associations have in terms of the types of benefits to receive
- Contracts used in current PES, agro forestal, silvopastoral and other programs
- Numbers and type of beneficiaries of current programs, by geographical area
- We welcome the effort of the country to facilitate the participation of potential beneficiaries with unclear land rights. What provisions will the country make to allow people of Haitian descent, without Dominican citizenship, to participate in the Benefit Sharing Mechanisms of the program?
- The Dominican Republic suggests to only give beneficiaries non-monetary benefits. The rationale they suggest is that the benefits they expect are quite small and therefore monetary benefits will only be small amounts and therefore not sufficient to promote motivation for further mitigation activities. Instead they suggest that providing training and increasing capacity will better motivate beneficiaries to upgrade their mitigation activities. We do not disagree with this rationale, but as it is a different approach to those we have seen in other ERPDs we expect DR to provide more evidence to back up these claims and more details on the non-monetary benefits they plan to provide.
- Only limited details on the non-carbon benefits is provided so it is hard to review. DR identified quite a lot of non-carbon benefits but did not provide details on which particular activities will achieve these benefits or how those benefits were identified – more on this would be helpful.
- According to the suggested timeline the preparation work for the benefit sharing plan will end at March-April 2020. Note that an ERPA can not become effective without a finalised BSP.
- The legal process for formalization of land title seems interesting and could be a good solution, however it needs close follow-up and monitoring. There are a number of small land holders that will be beneficiaries. How will DR make sure that both formal and informal land owners are equal beneficiaries? The same with customary land holders?
- It would be useful to have a draft of the Benefit Sharing plan available. It is good at this point to get an idea of beneficiaries and arrangements and how you think this will play out. Having to wait until close to ERPA signature for the BSP can delay the ERPA signature and also create many issues to address at this very late stage.

ER Program Transactions

- Clarify which government department has the legal authority to enter into an ERPA, and on what basis.
- Additional challenges may arise from the treatment and consideration of the various forms of customary rights and status of tenure. Does Law 44-180 cover transfer or possession of ER title, as part of a PES program?
- Transfer of Title to ERs: per TAP recommendations:
 - Provide details on the contractual approach envisaged, in particular concerning the identity of the parties to the contracts on transfer of title and the ultimate beneficiary.
 - Provide details on the competence, process and timeline of the authorization of transfer, as well as its alignment with the benefit sharing plan.

- Provide solutions to the risk of project-level crediting in light of the seniority claim to ERs under the ERPA.
- Provide a timeline until the definition, publication and approval of the mentioned presidential Decree that complements and reinforces the existing legal system.