

Role of crediting and RBCF in the NDC implementation and what are the implications for their design?

Innovate4Climate - Barcelona

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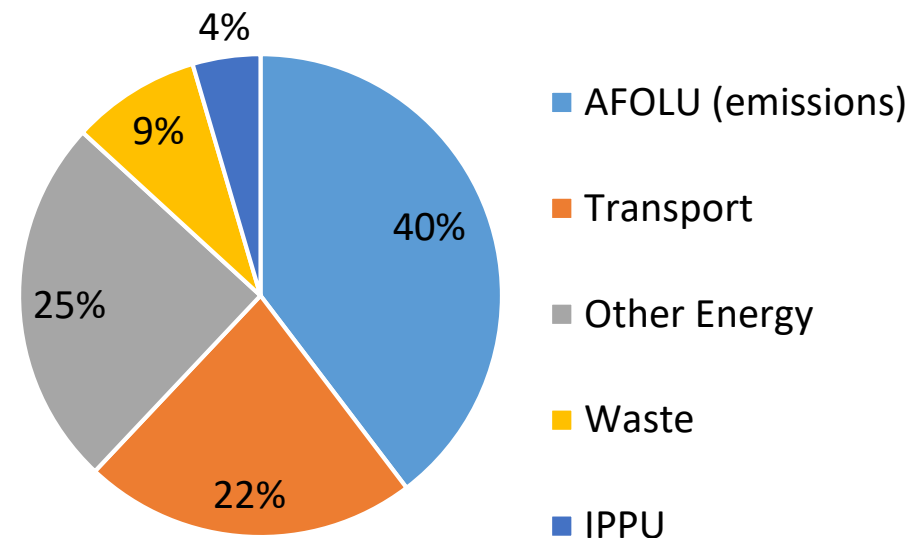
CR Emissions Profile (2012)

- High ambition in our INDC, but support is required for transformational change to occur in the short-term, especially for agriculture and transport.

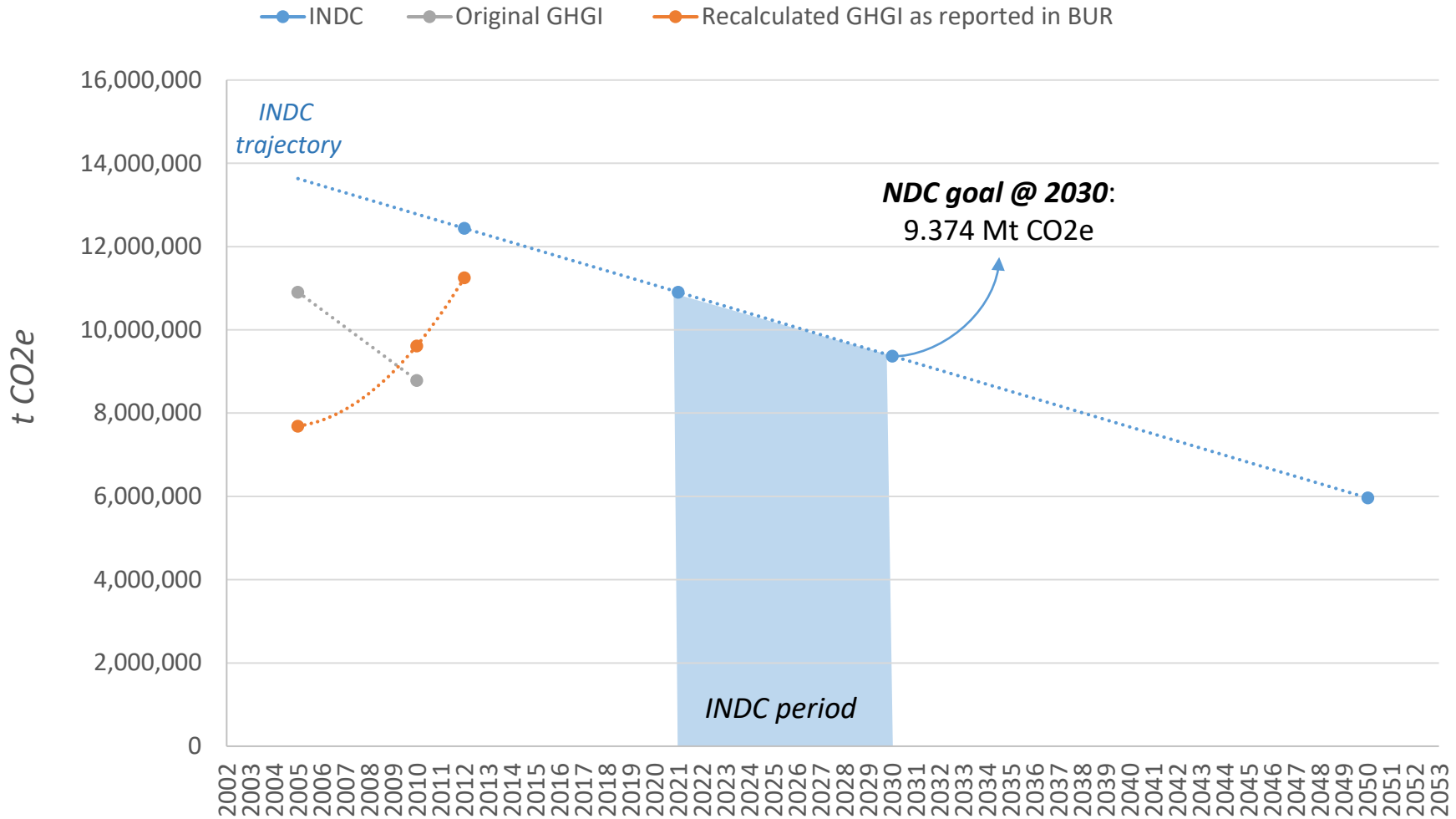
Reported Emissions

- **Energy:** 7,213.83 Gg CO₂e
- **IPPU:** 980.7 Gg CO₂e
- **AFOLU:** 1,191.36 Gg CO₂e (net)
- **Waste:** 1,864.31 Gg CO₂e
- **Total :** 11,250.20 Gg CO₂e

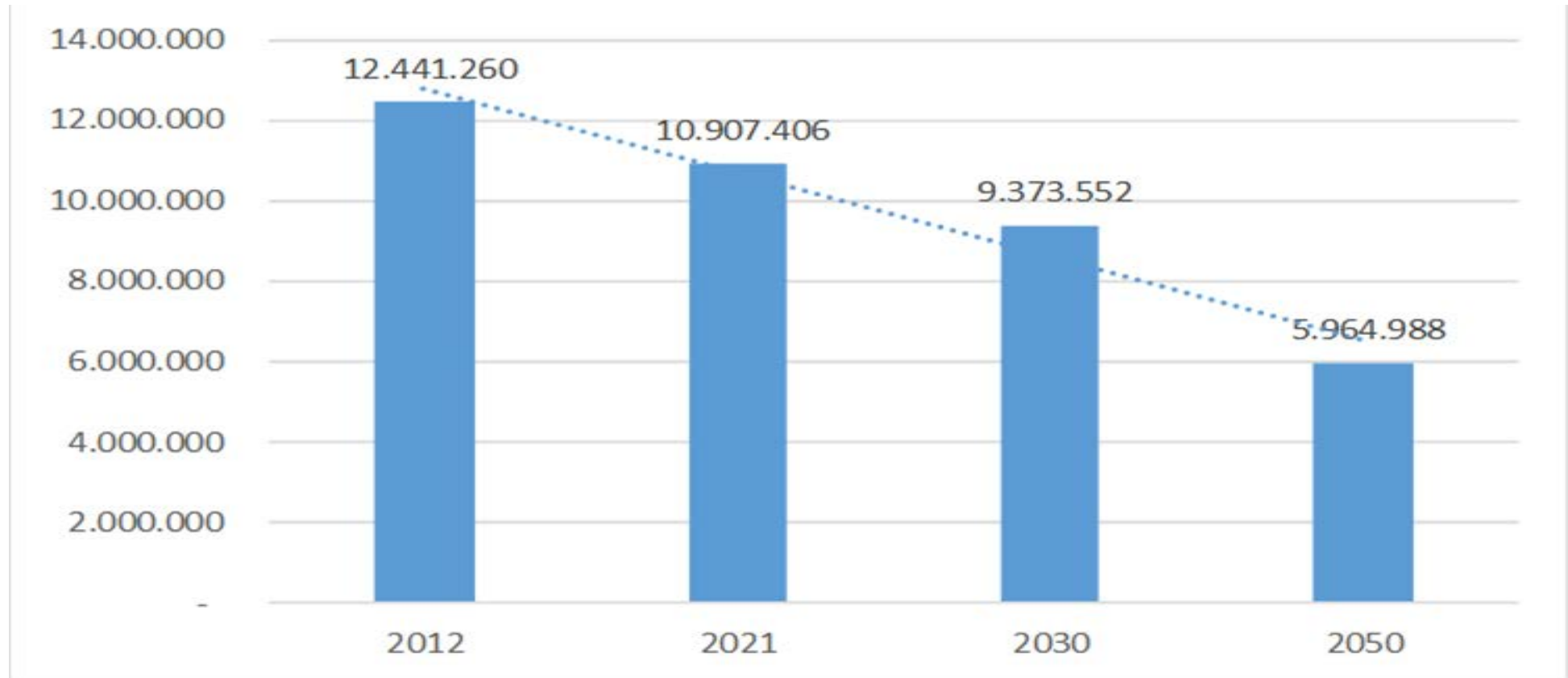
Gross emissions by source



NDC Trajectory



NDC Trajectory – a closer look



Reported mitigation actions (BUR)

* Pre-2021, pre-Paris Agreement and pre-INDC mitigation actions

Action	GHGI Sector	Scale	Goal (Mt CO ₂ e)	Goal period	MRV'd outcomes (Mt CO ₂)	MRV period
Domestic C-Market (C-brand)	All	Organization	<i>TB Updated</i>	2021	Implicit in GHGI	2009-2012
National Energy Plan	Energy	National	<i>TB Updated</i>	2021	<i>Work in progress</i>	TBD
National REDD+ Strategy	AFOLU	National	31.5	2010-2025	8.8	2010-2013
Coffee NAMA	AFOLU	National	<i>TB Updated</i>	2024	<i>Work in progress</i>	TBD
Livestock NAMA	AFOLU	National	12.9	2028	<i>Work in progress</i>	TBD
Waste water treatment	Waste	Sub-national	TBD	TBD	<i>Work in progress</i>	TBD

- Goals and MRV are *emission reductions*

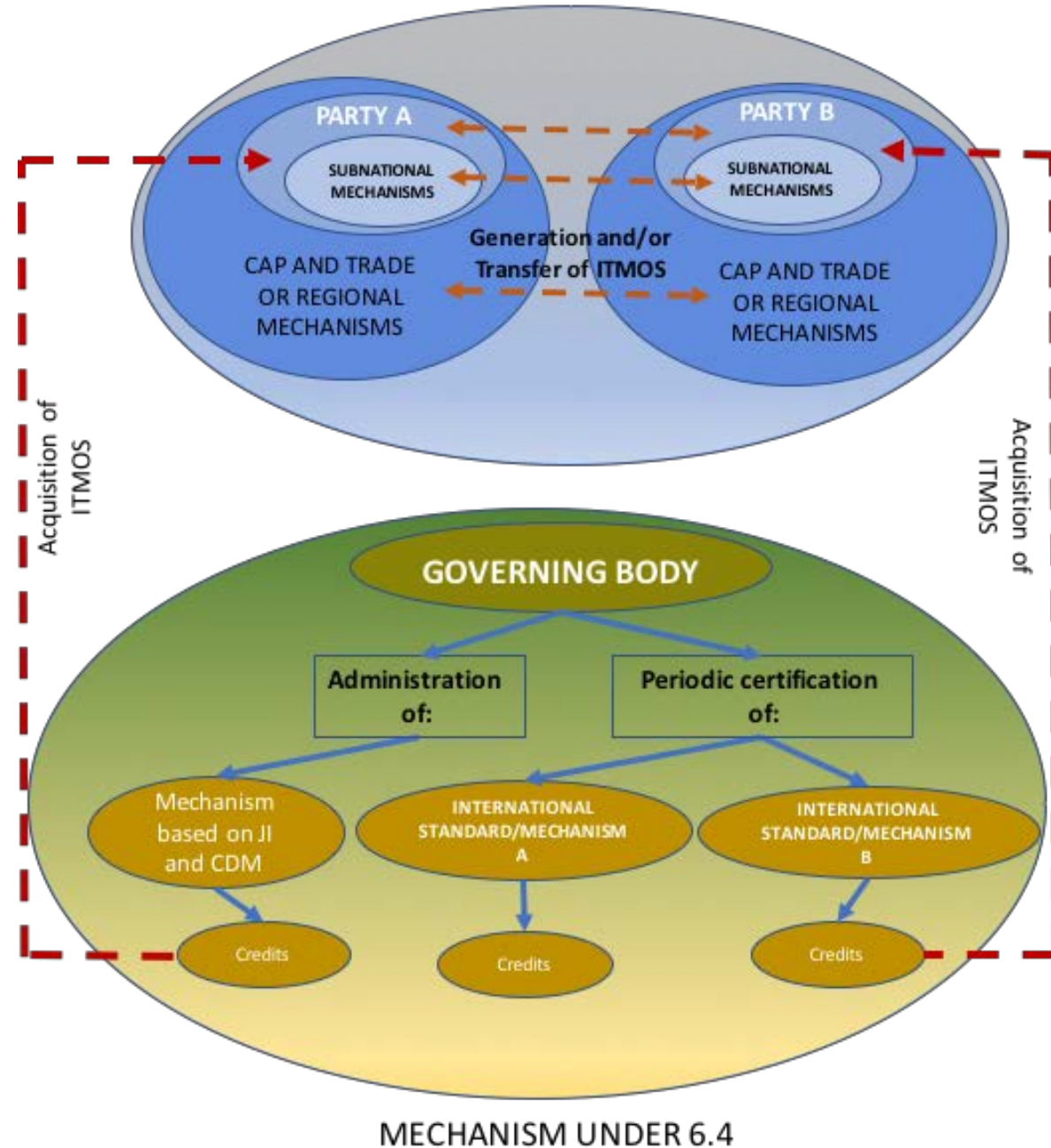
- CDM projects excluded from table. Overall expected contribution to mitigation: **0.2 M tCO₂** during 2006-2006.

Additional actions for *deep decarbonization*

- Costa Rica seeks to become a **national-scale laboratory for deep decarbonization** and has begun development and implementation of additional mitigation measures aligned with our NDC and key categories in GHGI:
 - Levy on mobile emissions sources
 - Levy on static emissions sources
 - Law for the Promotion of Electric Vehicles
 - Updating the Energy Efficiency Policy
 - Enabling conditions for distributed electrical generation projects
 - Updating the *Programa País de Carbono Neutralidad (PPCN)*
 - Transitioning from “project-driven” MDC to “transformation-focused” MCCR

Article 6 of the PA

- Costa Rica, as part of AILAC, considers robust accounting based on corresponding adjustments, and environmental integrity (EI) fundamental.
- Corresponding adjustments and ensuring reductions are real, permanent and verifiable are the cornerstones of EI.
- **Any** “mitigation outcome” that is “internationally transferred” is an ITMO, subject to guidance under A6.2, including corresponding adjustments



Final thoughts on Article 6

- Robust rules are not antithetical to innovation. We require robust rules to frame the sort of innovation we need.
- Exporting offsets/units is no longer “free money”.
- The government of each country, as a Party to the Agreement, will ultimately be liable for the units it transfers (corresponding adjustments).
 - Units become a strategic asset. What to do with CERs and VERs?
- The current rate of progress is incompatible with delivering the Paris Rulebook by 2018.
- Observers and Non-State Actors must be allowed to engage and participate: **We need all hands on deck!**

Implications for CPI design

- Three main scenarios where exporting offsets continues to make sense:
 - They receive a much higher price than the marginal abatement cost and a sufficient portion of the funds will be applied for additional abatement;
 - If the mitigation action catalyzes a transformational change;
 - If the mitigation action will generate reductions for a much longer period or at a much larger volume than transacted;
- Specific criteria for offset export should be explicit and known, will have to be defined in consultation with the interested parties.

“When I speak of reason or rationalism, all I mean is the conviction that we can learn through criticism of our mistakes and errors, especially through criticism by others, and eventually also through self-criticism.”

-Karl Popper “On freedom”



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