



**ART**  
Architecture for  
REDD+ Transactions

# Overview of The REDD+ Environmental Excellency Standard (TREES)

Public Consultation Webinar

August 2019

# Webinar Logistics

- To ask questions:
  - Type questions into '**Chat**' box near bottom of your webinar pane.
  - Questions can be submitted at any time during the webinar.
  - If questions are not answered today, they will be answered in published responses following the public consultation.
- Webinar will be recorded and posted to: [www.artredd.org](http://www.artredd.org)

# Architecture for REDD+ Transactions (ART)

- A high-quality global voluntary carbon program to register, verify and issue REDD+ emission reductions credits to countries to attract REDD+ finance at scale
- Governed and managed by globally recognized, independent, objective experts

# ART's purpose

- Recognize forest countries and jurisdictions that deliver high quality REDD+ emission reductions
- Ensure the environmental and social integrity and ambition of REDD+ emission reductions
- Provide a pathway for REDD+ investment at scale, attracting finance from voluntary and regulated carbon markets, private entities and countries

# How does ART build on existing programs?

- ART builds upon the significant work of other REDD+ initiatives
- ART promotes greater ambition and includes more precise technical, verification, safeguard and registration requirements
- ART will issue independently verified, serialized REDD+ emission reductions on registry system

# ART Governance

## Interim Steering Committee (ISC)

- Guided the establishment of ART including selection of the Secretariat and appointment of Board members
- Guided the development of ART Principles and *The REDD+ Environmental Excellency Standard (TREES)*

## ART Board

- Will provide strategic guidance and will ensure the program's environmental and social integrity
- Will oversee ART's implementation in accordance with the evolving UNFCCC processes
- Will guarantee strong governance, transparent rules, and processes that assure quality and adequate safeguards

# ART Governance - 2

## ART Secretariat (hosted by Winrock International)

- Responsible for the operation of the ART program:
  - Development of *The REDD+ Environmental Excellency Standard (TREES)*, verification requirements and registry platform
  - Oversight of registration, verification and issuance of Board-approved TREES emissions reductions on ART registry

## Technical Committees

- Three committees of (16) experts provided input: TREES Standard Committee, TREES Verification Committee, TREES Safeguards Committee

# Guiding Principles of ART

- Recognize countries with quantifiable emission reductions from slowing, halting and reversing forest cover loss
- Ensure consistency with UNFCCC COP decisions including the Paris Agreement, Warsaw Framework and the Cancun Safeguards
- Embody high environmental integrity
- Promote national ambition and contribute to Paris Agreement goals including progress toward NDCs
- Credit emission reductions at the national level or subnational level as an interim measure
- Set crediting baselines that initially reflect historical emission levels and thereafter decline periodically to require higher ambition over time



# The REDD+ Environmental Excellency Standard (TREES)

- Development of TREES guided by the ART Principles
- Includes technical, safeguard, verification and registration requirements, including the avoidance of double counting
- Participant must be a national government
  - Registration of sub-national accounting areas that meet certain eligibility requirements allowed until 2025

# Subnational Accounting Areas

- The boundaries of subnational accounting shall correspond with one or several administrative jurisdictions no more than one level down from national level
- Subnational accounting areas shall
  - Encompass an area of at least 6 million hectares  
OR
  - Encompass an area of at least 4 million hectares  
AND represent at least 30% of the national forest area

# TREES Emission Reductions

- Emission reduction (ER) credits =



- After the ERs have been independently verified for conformance with TREES and approved by the ART Board, the Secretariat will issue serialized ERs to the country in its registry account

# Crediting Level & Emissions

- Initial crediting level = 10 year historical average of emissions
- Crediting level valid for five years (crediting period)
- Automatic 20% reduction applied to determine new crediting level at start of each crediting period
- Annual emissions monitored and reported as outlined in the Standard

# Uncertainty and Leakage

- Uncertainty
  - 15% uncertainty allowed in reference level data and in annual emissions data, adjustment made if exceeded
- Leakage
  - Applied if subnational accounting area is used
  - 0%-20% based on percentage of a country's forests included in accounting area

# Mitigating Reversals

- Reversals
  - Assessment to determine reversal risk and required contribution of credits to buffer pool
  - Maximum level of 25% reversal risk
  - Mitigating factors can lower risk
    - Legislation or executive decrees actively implemented and demonstrably supporting REDD+ (-5%)
    - Low variability of annual forest emissions (-10%)

# ESG Safeguards

- REDD+ activities must be implemented in conformance with the Cancun Safeguards
- TREES outlines 14 themes of the Cancun Safeguards
  - Each theme has a structure, process and outcome indicator
- Participants must initially demonstrate conformance with all structure indicators and either demonstrate conformance with the process and outcome indicators or present a plan to meet them within 5 years
- All indicators must be met by start of second crediting period

# Removals

- ART supports rewarding countries that have achieved very low deforestation rates by allowing crediting for removals
- Establishing a reference level for removals needs to be further explored
- ART plans to include an approach for crediting removals in the next version of the TREES when deforestation/degradation emissions are below crediting baseline



# High Forest – Low Deforestation (HFLD) Countries

- ART supports rewarding HFLD countries that maintain low rates of deforestation
- ART intends to establish an approach to credit HFLDs beyond historical levels, for continued low deforestation
- As an interim measure, countries meeting the definition of HFLD will be eligible to have credits tagged to allow greater visibility to the market and buyers

# Validation and Verification

- Validation after year 1 of each 5-year crediting period
- Verification required after years 1, 3, 5 of each crediting period
  - Verification optional in years 2 and 4
  - No credits will be issued without verification
- Validation and Verification Bodies (VVB)
  - Accredited by International Accreditation Forum (IAF) organization
  - Submit application to ART
  - COI assessment at each verification
  - Secretariat provides training and oversight to ensure consistency across verification bodies

# ART Registry

- A robust, secure and transparent registry system, built for ART process flow and managed by the Secretariat
- Back end user interface allows login account access and upload of TREES documents and information
- Registry front end provides public access to TREES documentation, verification and credit issuance and status (active, retired, canceled)
- Secretariat issues serialized credits to country account for transfer or for retirement

# What's next?

- Public comment period ends September 27th
  - TREES consultation version on ART website  
[www.artredd.org](http://www.artredd.org)
  - Please submit comments to [redd@winrock.org](mailto:red@winrock.org)
- Comments will be compiled and responses will be posted on ART website
- ART Board will approve changes to TREES based on the public input received
- Final TREES Standard adopted by ART Board by COP25
- ART events planned at NY Climate Week, announcement sent to ART list serve



Thank you

[REDD@winrock.org](mailto:REDD@winrock.org)

[www.artredd.org](http://www.artredd.org)