

Public consultation: The REDD+ Environmental Excellency Standard

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General remarks:

We acknowledge and appreciate the efforts by ART to develop “The REDD+ Environmental Excellency Standard” (TREES), which has the aim of promoting high environmental and social integrity in creating forest-related emission reduction units.

The input we provide here focuses on several key elements of TREES and suggestions / recommendations / clarification requests, in areas where we see a need for improvement. Our comments are based on our perspective informed by long-term engagement in partner countries to provide forest capacity support, and in light of REDD+ policy and implementation experience. If implemented well, we believe that TREES could occupy an important niche in the REDD+ landscape, though it should be considered in communicating about the ART, that it is one of several instruments that may provide incentives to countries. Given heterogeneous circumstances exist across developing countries, we believe a range of options will be needed. ART’s technical and procedural requirements are appropriate for a market-based instrument but may be challenging for many countries to meet at this time.

Since TREES is about to enter into a landscape of REDD+ results-based frameworks, standards and instruments, it will be crucial to show:

- a) The added value to the existing REDD+ landscape
- b) The compatibility and connectivity with existing REDD+ frameworks / instruments, especially where a transition towards TREES is anticipated
- c) Gaps and respective instruments to fill these using capacity building, readiness, finance and institutional support structures
- d) Predictability on the potential long-term supply and demand in light of the additional capacity requirements to incentivize partner countries / jurisdictions to apply TREES

These elements do not need to be provided by ART, but should be considered by those private and public actors that intend to promote TREES.

Several tropical countries have undertaken long-term efforts to interpret and comply with evolving REDD+ policy frameworks, as well as multiple implementation instruments and donor requirements. TREES goes one step further in developing a standard that can be used for ‘results-based payments’ (as other schemes currently provide) but also one that may

engage in carbon markets—which adds another level of complexity and stringency to existing frameworks. Thus, the above-mentioned elements should be addressed and communicated with countries / jurisdictions with an interest in TREES.

In general, REDD+ implementation requires long-term predictability and iterative improvements along the way. We caution that highly ambitious quality requirements will exclude many REDD+ countries that are either i) not yet able to ensure national or large-scale jurisdictional accounting, ii) have little incentive due to their situation on the forest transition curve, or iii) lack the upfront investments / capacities needed to comply with TREES.

Technical remarks:

| TREES provision | Discussion | Suggested approach |
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| Participant: Can only be national government | This limitation may not promote ownership of subnational programs; it may also be useful to allow entities that could support a national government program given the resource constraints of national governments. In the process of forest governance reforms, several tropical forest countries have decentralized the responsibility for forests to the regional or sometimes even local government level in order to move “state control” closer to the forest. In these countries, ART would lead to a recentralization of forest management and weakening of the regional and local stakeholders, if only national governments may participate. | Allow subnational governments or entities appointed by national or subnational governments (e.g. similar to accredited entities of the GCF or GEF), with approval of the national government Focus on all levels of the government and don’t prescribe approaches that would roll back past successes of forest governance reforms. |
| Subnational eligibility: Must be area of 6 million ha or 4 million ha and 30% of national forest | Too stringent and may not target priority regions, i.e. high GHG emissions or large forest area under threat, i.e. one can be eligible as a large area with little forest, or an area with large forest but is not threatened (low emissions). This minimum area requirement would omit a number of potential jurisdictions important for mitigating GHGs. | Allow subnational jurisdictions that have: a minimum level of GHGs (e.g. 1 million tCO ₂) or a minimum amount of forest area (e.g. 1 million ha). |
| Leakage: Based solely on % of forest area within the country | In many cases, this approach does not represent the actual leakage risk (e.g. international market leakage). Leakage risks are not only dependent on the | Development of a leakage risk tool that better represents various types of leakage risks and/or does not penalize subnational programs. |

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| | forest area, but on multiple factors not considered here. | |
| Subnational timeline: Only allowable to 2025 | A 5-year duration is insufficient incentive for subnational participation. Limiting to national level ER programs may severely limit participation and, as a result, incentivize significantly lower ER volumes. | Allow participation at least to 2030. |
| Crediting level: Exogenous 20% reduction | Given all the other deductions—for uncertainty, leakage, reversals, etc.—this seems overly punitive and is unlikely to invite participation. Countries are likely to drop out, if they cannot deliver this very high performance demand. A fixed reduction rate does not reflect different country circumstances. Whereas low-cost mitigation options might be available in the first phase, the costs of reducing emissions increase over time, making it even harder as the baseline ratchets down. | Delete provision but require the crediting level to decrease over time. Alternatively, a moving historical average might be considered: update of crediting baseline every 5 years |
| Additionality: Assumed captured in the crediting level | Emissions from deforestation is often subject to exogenous factors (e.g. commodity prices); requiring some proof that actions were taken will add to the credibility of the credits issued. | Require some proof of some new/enhanced action or policy (similar to JNR or the Carbon Fund) |
| Permanence: Buffer contribution may be returned to Participant after 10 years | Unlike project buffer pools that aggregate risk across over many projects and many regions, the TREES reserve is at higher risk due to the smaller number of programs and risk of larger reversal events. | Keep the buffer contribution and reassess at a later stage whether a return of contributions is warranted. |
| Uncertainty: Estimated for baseline and crediting GHGs only | The uncertainty of the emission reduction is what matters. | Uncertainty of the ERs should be estimated and if greater than a reasonable amount, measures should be taken to reduce such uncertainty. |
| Nesting: not mentioned | In the current version of TREES “nesting” is not mentioned at all. How will existing mitigation activities, which are conducted by non-state actors (e.g. NGOs, private sectors) and widespread in many tropical forest countries, be dealt with? By ignoring “nesting” ART might promote expropriation and nationalisation of | Allow for “nesting” if it’s aligned with the country’s national REDD+ strategy in order to include activities on the ground, particularly where the government has weak operational capacity and insufficient resources. |

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| | carbon rights of private or community owned or managed lands. | |
| Benefit Sharing | <p>While benefit sharing goes beyond the scope of the RBF logic of TREES, it would improve the sustainability of results if use of proceeds could be guided in such a way, that:</p> <ul style="list-style-type: none"> a) Counterproductive measures are prohibited b) Marginalized local stakeholders receive sufficient support (monetary or non-monetary) c) Measures fighting the drivers of deforestation are supported | Does TREES still plan to develop benefit sharing guidelines or even requirements? If not, why? |
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