Webinar Logistics

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Vision for the Architecture for REDD+ Transactions (ART)

To provide confidence needed in the integrity of forest emissions reductions to unlock new, large-scale investments to protect and restore forests and reward countries that are delivering those results.
ART Overview

• A global voluntary carbon program (architecture) to register, verify and issue high-quality REDD+ emissions reduction credits to countries and jurisdictions to attract REDD+ finance at scale

• ART aims to promote national ambition and contribute to Paris Agreement goals

• Governed and managed by globally recognized, independent, objective experts
How does ART build on existing programs?

• ART builds upon the significant work of other REDD+ initiatives

• ART promotes ambition and includes more precise technical, verification, safeguard and registration requirements

• ART will issue independently verified, serialized REDD+ emission reductions on transparent registry system
ART Governance

ART Board

• Provides strategic guidance and ensures the program’s environmental and social integrity

• Oversees ART’s implementation in accordance with the evolving UNFCCC processes

• Guarantees strong governance, transparent rules, and processes that assure quality and adequate safeguards
ART Board

Frances Seymour
Chair

Carlos Nobre
Vice-Chair

Abdon Nababan

Pavan Sukhdev

Agnes Kalibata

Daniel Zarin

William Bumpers

visit: www.artredd.org/about/
ART Governance

ART Secretariat (hosted by Winrock International)

• Responsible for the operation of the ART program:
  • Development of The REDD+ Environmental Excellence 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

www.artredd.org
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 for deforestation and thereafter decline periodically to require higher ambition over time
The REDD+ Environmental Excellence Standard (TREES)

• Development of TREES guided by the ART Principles

• Promotes ambition and includes precise technical, safeguard, verification and registration requirements, including the avoidance of double counting

• Creates emissions reductions units that are fungible with those from other sectors
Eligible TREES Participants

• Participant must be a national government or subnational government with national government approval
  • Registration of subnational accounting areas that meet TREES eligibility requirements allowed until December 31, 2030

• The boundaries of subnational accounting shall correspond with one or several administrative jurisdictions no more than one level down from national level

• Subnational areas shall encompass a minimum area of 2.5 million hectares of forest
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/jurisdiction in its registry account.
Crediting Level & Emissions

- Crediting level = 5 year historical average of emissions
  - Recalculated at start of each crediting period
- Crediting level valid for five years (i.e., the 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%)
    • Demonstrated national reversal mitigation actions, plan or strategy developed in alignment with Cancun Safeguard F (-5%)
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 and process indicators and either demonstrate conformance with the 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 a future 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 Participant account for transfer or for retirement
Benefits of Participation in ART

Access to a wide range of potential REDD+ buyers that will have confidence in the integrity of ART emission reductions including:

• Entities in hard to abate sectors such as international aviation and energy
• Corporations with supply chain emissions reduction or zero deforestation commitments
• Corporations that have either voluntary or compliance carbon market commitments
• REDD+ Donors
TREES Stakeholder Consultation

Public consultation July 29-September 27 2019

778 individual comments received from 46 organizations

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*represents 23 jurisdictions from 5 countries
Publication of TREES

The ART Board reviewed Stakeholder comments and decided on changes to TREES

Published on the ART website:

• TREES v1.0

• Stakeholder comment submissions

• Secretariat response to all comments

• “Statement of Reasons” describing key decisions made in response to comments
What’s next?

• ART now “open for business” with the publication of TREES and the launch of the ART Registry

• Secretariat establishing work groups to address approaches for Removals and HFLDs

• Secretariat to submit ART application in March for evaluation by ICAO for approval to supply ERs to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)
Thank you

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www.artredd.org