

Public Consultation Comments on TREES 2.0 revised HFLD Crediting Approach

Number	Individual	Organization if Applicable	General Topic	Section of TREES	Question/Comment	Response
1	Ellen Bruzelius Backer	NICFI	Forest remaining forest	n.a.	We are also eager to draw relevant lessons for possible future approaches to accounting for emissions and removals from standing forests.	Thank you for the comment.
2	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	Generally, we believe that the approach suggested by ART is easy to understand, and simple to use. We appreciate the incorporation of the HFLD score in the estimation of the HFLD crediting level and believe this generally rewards countries for achieving high scores on key HFLD characteristics. We support that the new approach does not use a trend line as reference level, as this, in our view, gave the wrong signals and incentives. That the new approach is based on a 5-year historical average crediting level, giving it the same starting point as the approach used for regular crediting levels for TREES ERs, adds simplicity and coherence to the TREES standard as a whole. We appreciate this.	Thank you for the comment.
3	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	The suggested approach seems to provide generous rewards to HFLD countries maintaining their high forest cover and low deforestation rates, and keeping their forest stocks, compared to some other HFLD approaches, including previous approaches suggested by ART. For example, we note that the GCF framework allows for upwards adjustment that does not exceed 0.1% of the carbon stock over the eligibility period in the relevant national or subnational area, and does not exceed 10% of the FREL/FRL. This has been interpreted as setting the threshold level at 0.02% of the carbon stock per year, which is significantly less than the threshold proposed by ART. The FCPF Methodological Framework applies an adjustment cap of maximum 0.1% / year of carbon stocks, which is somewhat higher than the threshold proposed by ART, due to the incorporation of the HFLD score in the estimate in the ART approach. Both these approaches use a definition of HFLD that differs from the approach suggested for TREES.	As noted by the public comments on the first HFLD approach proposed, the initial approach did not sufficiently incentivize HFLD participants, especially after the first crediting period. Please see the Statement of Reasons for the full discussion regarding the final HFLD approach.
4	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	We would advise the ART Board and Secretariat to carefully assess the potential increase of the crediting baseline with the suggested approach, relative to the historical average, noting that this is addressed differently in the existing HFLD approaches. Providing an explanation of the rationale for the chosen approach could be helpful. Should the ART Board move forward with the suggested approach, there might be merit in publishing some language reflecting the deliberations as to why 0.1% of the standing forest carbon stock was considered appropriate (and not 0.05% or 0.2%, or 0.1% over the crediting period, for example)	ART believes that HFLD Participants must be adequately incentivized for protecting their intact forests. Please see the Statement of Reasons for the full discussion regarding the final HFLD approach.
5	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	The set-up with deductions by a certain factor if total annual emissions exceed the historical average seems reasonable, introduction a 75% cap increase for ER results. We note that higher deductions (e.g., 50% if annual emissions exceed historical average by more than 50%) would help to stimulate higher ambition and reduce the adjustment potential to be more conservative. This has to be weighed against natural variance both in estimates and trends.	The deduction values have been revised to be more conservative.
6	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	The suggested approach attaches particular weight to carbon stocks, as this influences the crediting baseline both through the carbon stock, and the HFLD score (through forest cover). We note that for countries applying the regular TREES approach, there is no reward for carbon stocks, even if participants might have substantial carbon stocks despite not meeting the HFLD criteria. Adding more weight to the carbon stock than the other HFLD characteristics might come across as unbalanced seen in this light. It might be argued that the important difference between the HFLD countries and other countries, indicating sustainable land use policies being consistently implemented, is the consistently low deforestation rate of the HFLD countries. We would therefore recommend thinking carefully about the rationale behind giving existing carbon stocks particular weight compared to other characteristics, such as deforestation rate.	ART believes that HFLD Participants must be adequately incentivized for protecting their intact forests. As a result, the HFLD crediting level includes carbon stock and forest cover as factors. The value of the carbon stock is captured for other participants through the emissions factors or removals factors.

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7	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	The definition of what is an HFLD country becomes an important gatepost to ensure the integrity of the approach. We strongly encourage the ART Board and Secretariat to maintain a high threshold for the definition of HFLD. Our understanding is that the approach outlined in the TREES v2.0 on public consultation will be the basis for the definition of which TREES participants are eligible for HFLD status. We would like to refer to our comments on this matter in the previous round of consultations, including regarding the criteria that the HFLD score threshold must be met for all years in the reference as well as the accounting period, which we support. The individual thresholds for forest cover and deforestation rate might, as indicated, be reconsidered in light of the new, suggested approach.	The HFLD criteria must be met for every year of the reference period, and this has been clarified in TREES.
8	Ellen Bruzelius Backer	NICFI	Eligible entities	3.1, 5.2, and	Referring to our previous comments, we strongly caution against the eligibility of the sub-national level for the HFLD approach, and would like to encourage the ART Secretariat and Board to carefully consider the pros and cons of this option. As indicated, we worry that accepting HFLD at the subnational level allows for cherry-picking, or reducing the incentives for sustainable forest and land use policies across the entire country. Should the HFLD approach be open to sub-national participants, we encourage additional reflections on the mechanisms to monitor and account for leakage in such situations.	Please see the Statement of Reasons outlining the decision to allow subnational jurisdictions (and Indigenous Peoples aggregated as part of a national submission) as eligible to calculate an HFLD score.
9	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	We note that emissions from forest degradation are not a part of the basis for the HFLD definition. Whilst we recognize the technical rationale behind this, we would also encourage the ART Secretariat and Board to consider whether there should be explicit requirements to include emissions from forest degradation from HFLD countries beyond existing thresholds as required by the TREES. However, we recognize and value the importance of keeping the standard simple and streamlined. Remaining technical challenges of measuring emissions from forest degradation, as well as the significance of having the same expectations for all participants, are also arguments against adjusting this threshold for HFLDs in particular.	At this time, emissions from degradation are not included in the HFLD definition but accounting of these emissions is required in the crediting level and annual emissions monitoring.
10	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	The text in para 2 mentions "intact carbon stocks". Does this indicate that only carbon stocks in intact forest landscapes are to be included in the estimation of carbon stocks, not stocks of secondary forest, or degraded forest, or forests that are not intact? If yes, we encourage the inclusion of a definition of "intact forest".	The requirements have been clarified in TREES.
11	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	In particular, we encourage guidance on which carbon pools are included in the "Standing Forest Carbon Stock" as mentioned in Equation 2. This includes details on maximum depth of soil measurements (including peat soils), and relevant guidance of the other carbon pools such as dead wood to ensure sufficient quality of the estimates for the purpose, etc.	The requirements have been clarified in TREES.
12	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	Regarding the Standing Forest Carbon Stock, it would be helpful to specify whether the stock applied is C or CO ₂ , or when the conversion from C to CO ₂ is to be applied in the calculations.	The requirements have been clarified in TREES.
13	Ellen Bruzelius Backer	NICFI	Crediting level	5.2	Regarding the mechanism to reduce available credits should the annual emissions exceed historical average, there might be merit in clarifying on which basis the "percent" is estimated, just to avoid any chance of misunderstandings.	The application of the deduction has been clarified in TREES.

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14	Raphael Linzatti	KfW/GIZ	General	n.a.	The KfW REDD Early Movers Program and the GIZ International Forest Policy Program welcome the opportunity to provide further inputs to the revised approach to HFLD Crediting Level in TREES v2.0. We appreciate that the ART Board and Secretariat has further developed this topic, based on the comments received and consultations conducted. The interest by the different parties is a clear sign that being more inclusive for HFLD countries is a key priority for forest countries and donor countries alike. We hope that specific provisions for HFLD countries will help in the conservation and sustainable use of forests in countries without high rates of deforestation in the past.	Thank you for the comment.
15	Raphael Linzatti	KfW/GIZ	Crediting level	5.2	We welcome that the new approach does not use a trend line as reference level anymore, as it gave the wrong signals and incentives. The new approach, based on a 5 y historical average crediting level, does provide incentives for countries with a constant or even declining deforestation rate, as for countries with a recent rise in deforestation. We also welcome that the new approach takes into account the HFLD score, helping to differentiate the adjustment based on the HFLD quality of each country or sub-national area.	Thank you for the comment.
16	Raphael Linzatti	KfW/GIZ	Crediting level	5.2	We note that the proposed methodology of baseline adjustment is providing the possibility for high rewards for HFLD countries and jurisdictions, maintaining their high forest cover and low deforestation rates. Possible adjustments seem to be more generous than in other ODA-financed REDD+ Programs like the GCF REDD+ RBP Window (works with a 10% cap for the FREL/FRL adjustment) or the FCPF Methodological Framework approach (similarly allows an adjustment of 0,1% of carbon stock, but does not incorporate the HFLD Score discount factor).	As noted by the public comments on the first HFLD approach proposed, the initial approach did not sufficiently incentivize HFLD participants, especially after the first crediting period. Please see the Statement of Reasons for the full discussion regarding the final HFLD approach.
17	Raphael Linzatti	KfW/GIZ	Crediting level	5.2	The strategy to work with deductions, if total annual emissions exceed the crediting level by a certain factor, seems a reasonable approach, as well as the introduction of a 75% cap for ER results, if the total annual emissions exceed the crediting level by 75%. However, working with higher deductions (e.g. 50% if annual emissions exceed historical average by more than 50% - 70% if it exceeds by 70%) would help to raise ambition and reduce the adjustment potential to be more conservative. We would like to encourage the ART Secretariat and Board to think about slightly higher deductions than those currently proposed.	The deduction values have been revised to be more conservative.
18	Raphael Linzatti	KfW/GIZ	Eligible entities	3.1, 5.2, and	As stated in our previous comments, allowing for subnational jurisdictions to apply the HFLD crediting level without considering the national context has significant inherent risks. This approach would allow for generating ER's for HFLD jurisdictions in countries with high net deforestation, where the driver dynamics are a result of factors like accessibility and suitability for conversion. Jurisdictional HFLD crediting would allow cherry picking and could create perverse incentives, where REDD+ is only implemented in areas far from deforestation hotspots and thus have unmanageable leakage risks and questionable national climate integrity.	Please see the Statement of Reasons outlining the decision to allow subnational jurisdictions (and IP as aggregated under a national submission) as eligible to calculate an HFLD score.
19	Raphael Linzatti	KfW/GIZ	Eligible entities	3.1, 5.2, and	In this regard, we would like to encourage the ART Secretariat and Board to carefully consider the eligibility of the sub-national level for the HFLD approach. Should the HFLD approach be open to sub-national participants, we encourage additional reflections on the mechanisms to monitor and account for leakage in such situations and to rule-out jurisdictional applications in countries with net emission increases compared to their national FREL under TREES instead of applying the suggested deductions.	Please see the Statement of Reasons outlining the decision to allow subnational jurisdictions (and Indigenous Peoples aggregated as part of a national submission) as eligible to calculate an HFLD score.

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20	Raphael Linzatti	KfW/GIZ	TREES Credits	n.a.	As stated in our previous comment, we recognize the challenges of defining a HFLD approach within the existing framework of the standard. Given the discussed challenges, we strongly encourage the ART Secretariat and Board to debate, if HFLD ER units should merit a separate category from fully fungible ER credits with access to carbon markets. Such separation would be considered key to maintain the high integrity of the TREES standard accessing markets.	TREES Credits generated using the HFLD Crediting approach can be labeled on the ART Registry to enable full transparency to buyers and other stakeholders.
21	Raphael Linzatti	KfW/GIZ	TREES Credits	n.a.	New Developments like the LEAF Coalition or the World Banks Climate Emissions Reduction Facility show that there is demand and interest for HFLD ER units without transfer of carbon rights, including corresponding adjustments, e.g. through ODA (Official Development Assistance) or CSR (Corporate Social Responsibility) financed REDD+ efforts.	Thank you for the comment.
22	Raphael Linzatti	KfW/GIZ	Crediting level	5.2	It might be beneficial to further describe the deduction approach: it is not clear, if the deduction must be applied equally to the total credits generated (means: emissions exceed by 50% - a 20% deduction to all credits apply), or differentiated by the deduction class (means: emissions exceed by 50% - no deduction to the credits below 15%, a 10 % deduction to the credits between 16-35%, a 20% deduction to the credits above 36%).	The application of the deduction has been clarified in TREES.
23	Stephanie Wang	Forestr for life	HFLD	5.2	We reaffirm that HFLD areas must be considered an integral part of a comprehensive response to climate change and that successful protection of these areas deserves recognition. We believe that the results of efforts captured under the 'conservation of existing stocks' activity within the REDD+ framework have largely been overlooked or bypassed in the context of climate finance -- an oversight that should be corrected urgently. We recognize that conservation efforts reduce the risk of losing the irreplaceable carbon stocks and sinks in intact natural forests, and we note that many such forests are located in forest countries and jurisdictions that do not have sufficient capacity, particularly due to limited financial incentives to protect these forests from external threats. It is well-documented in scientific literature that some threats to forests emerge in places that have no recent history of deforestation. In many HFLD forest countries and jurisdictions, forests are under immediate threat from drivers such as pressure for economic growth and development, demographic trends, and global economic trends, with these threats exacerbated by intensifying adverse impacts of climate change. The combined emissions from these forest losses are significant: the carbon impacts from the loss of intact tropical forest between 2000 and 2013 have been grossly underreported and may be as much as six times higher than previously thought, when calculated through a full carbon accounting that includes a wider range of degradation impacts as well as forgone carbon removals to 20501.	Thank you for the comment.
24	Stephanie Wang	Forestr for life	HFLD	5.2	In general, HFLD forest countries and jurisdictions that receive recognition and support for their conservation results are more likely to prevent, detect, and reduce such emissions. Therefore, we support provisions, like the revisions to the HFLD module of the TREES 2.0 consultation draft, which would increase the flow of finance to HFLD forest countries and jurisdictions that succeed in protecting their forest areas. Their success to date should not be taken for granted -- their lands are too valuable and the potential threats to forests too high to expect HFLD forest countries and jurisdictions to continue to keep their forests standing indefinitely without adequate financial incentives. Failure to recognize the results achieved by HFLD forest countries and jurisdictions would be a costly and irreversible mistake.	Thank you for the comment.

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25	Stephanie Wang	Forestr for life	HFLD	5.2	For these reasons, we see the revisions to the HFLD module of the TREES 2.0 consultation draft as a positive step. We support the intent of the revised approach to reward HFLD forest countries and jurisdictions that maintain their forest carbon stocks. We see clear advantages to the use of the HFLD score as a tool to scale the amount of credits that can be issued under TREES -- a superior approach to a simple binary determination of HFLD status. Furthermore, we see some near-term benefits from aligning the carbon stock threshold at 0.1% of standing forest carbon stock, which harmonizes this approach with others. While we also see some risk of locking in this arbitrary threshold indefinitely, we expect that this default value might be adjusted in subsequent iterations of the standard to reflect empirical assessments of forest carbon loss rates. For now, this approach is beneficial and conservative -- especially when combined with the other features of the standard.	Thank you for the comment.
26	Stephanie Wang	Forestr for life	HFLD	5.2	We expect a host of new benefits to flow from the revised approach. Most significantly, forest countries and jurisdictions that are undertaking significant efforts to protect their remaining intact forests may be able to demonstrate results of those efforts through the TREES standard for the first time. These forest countries and jurisdictions include globally important forests, such as those in Gabon and Suriname. Among other benefits, the revised HFLD approach will provide an opportunity for forest countries and jurisdictions to be rewarded for resisting the pressures of international "leakage" driven by successful efforts to reduce deforestation elsewhere. This benefit underscores the interconnected character of forest protection around the world and it adds balance to the standard, which previously had only penalized forest countries and jurisdictions for their leakage risk but did not reward them for efforts to counteract this risk. We do not doubt that the revised HFLD module will lead to more robust protections for forests and will ultimately result in lower emissions in the future than would otherwise be the case. We view this as an undeniable and real climate mitigation benefit. Furthermore, we recognize the many environmental and social co-benefits that will continue to flow from these protected forest ecosystems.	Thank you for the comment.
27	Stephanie Wang	Forestr for life	HFLD	5.2	We are aware that others may raise concerns about the integrity of the credits generated under the revised HFLD approach, but we do not share this concern. In part, we are reassured by the fact that TREES is designed to support jurisdictional approaches to REDD+. Jurisdictional approaches are holistic in nature and they establish their credibility and integrity through the results achieved across their whole area, rather than in specific locations. We are also looking at the TREES standard as a whole, including the many protective layers and procedures already within it. We are cognizant that the HFLD module does not operate in isolation from the other components of the standard; rather, it is an element that is subjected to the same provisions as those that assure environmental integrity and conservative crediting from other REDD+ activities. The revised HFLD module simply expands the recognition of results to include the conservation of forest carbon stocks, in keeping with the Warsaw Framework for REDD+.	Thank you for the comment.

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28	Stephanie Wang	Forestr for life	HFLD	5.2	For these reasons, we believe that the revised HFLD module -- in the conservative context of the overall standard -- will allow forest countries and jurisdictions to generate credits with a high degree of environmental integrity. As an added benefit, finance that flows to HFLD forest countries and jurisdictions from these credits will help to support and backstop the integrity of credits generated in other forest countries and jurisdictions, since they will help to prevent these results from being undermined by "leakage". Thus, our view is that HFLD credits will reinforce the overall TREES system and make all the results more robust -- not just those results that occur in HFLD forest countries and jurisdictions. Put another way, we believe that the whole world benefits when forest carbon stocks in HFLD forest countries and jurisdictions are worth more alive than dead.	Thank you for the comment.
29	Stephanie Wang	Forestr for life	HFLD	5.2	We would like to express our appreciation to the ART Board and TREES Secretariat for their efforts to continually improve the TREES standard. We would also like to acknowledge all of the groups and forest countries and jurisdictions who contributed to the consultation process, as their efforts undoubtedly have strengthened the outcome. Finally, we affirm our ongoing appreciation and support for the stewards of the forests -- in HFLD forest countries and jurisdictions and elsewhere -- who we hope will directly or indirectly benefit from this revision to the standard. We stand ready to assist and collaborate with anyone who shares our goals of protecting intact forests and rewarding the ongoing climate mitigation benefits they deliver.	Thank you for the comment.
30		FONAREDD Secretariat (DRC)	HFLD	5.2	If an eligible HFLD participant (a national or sub-national jurisdiction) were to reach its maximum level of conservation (which would be in line with the ultimate objectives of ART), i.e. with emissions during the crediting period (and potentially also during the historical reference period) approaching or equalling zero, would the approach to calculating the crediting level still be considered applicable? How would ART compensate jurisdictions that have attained a maximum level of conservation? Should ART-TREES wish to promote conservation and preservation of forests as opposed to reducing or curbing deforestation, what are the provisions to avoid perverse mechanisms rewarding high deforestation levels?	The revised HFLD approach was designed to ensure ongoing benefits to participants that have decreased their emissions to near or almost zero. Please see the Statement of Reasons for the full discussion regarding the final HFLD approach.
31		FONAREDD Secretariat (DRC)	HFLD	5.2	For many countries, such as the DRC, determining the Standing Forest Carbon Stock remains a challenge, due to difficulties related to collecting and inventoring adequate satellite and/or ground data. While providing technical assistance to countries to address such challenges does not appear to be part of ART's mandate, it is worthwhile noting that this could limit ART's potential to reward the conservation efforts, i.e. compensate the emissions reductions, of otherwise eligible jurisdictions. A case in point is the recent completion of DRC's national forest inventory, which remains incomplete after 3 years in the making. Short of financing such endeavours, the ART secretariat should make it a point to flag this major enabling need to strengthen the science and robustness behind generated ERs.	Thank you for the comment.
32		FONAREDD Secretariat (DRC)	HFLD	5.2	Considering that many countries have actually moved forward through domestic markets more than international ones, does ART envisage supporting forest countries with the establishment of such markets?	Participation in ART can provide access to numerous public and private emission reduction buyers in the voluntary carbon market, ICAO and other emerging markets.
33	Julia Paltseva	EDF	HFLD	5.2	In general, EDF supports the methodology behind the updated HFLD calculation that provides incentives both for reducing emissions and for maintaining forest carbon stocks, and would like to offer suggested guidance to ART around potential refinements to ensure these incentives are well-targeted and balanced across jurisdictions.	Thank you for the comment.

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34	Julia Paltseva	EDF	Credits tagging		EDF believes that the goal of HFLD crediting under TREES should be to establish criteria with enough environmental integrity as to be fully fungible at a global scale with non-HFLD TREES credits. As a result, while ART will want to provide transparency on the source of the credits and the details of the underlying programs, we do not recommend specially tagging HFLD credits or treating them separately in the registry. We similarly do not recommend treating credits from reductions differently from removals. While full information should be available for all credits, such differentiation of the units risks creating confusion about the fungibility of such credits, undermining the goal of ART TREES to create fully fungible, highest quality units that can attract greater demand in the marketplace.	TREES Credits generated using the HFLD Crediting approach can be labeled on the ART Registry to enable full transparency to buyers and other stakeholders.
35	Julia Paltseva	EDF	Portfolio management		<p>It is also imperative to ensure the strong additionality of TREES units. We suggest that ART ensure this through conservative approaches as discussed below, including the incorporation of degradation emissions in the HFLD Score as well as removing the forest cover component from the HFLD Score that is multiplied by the forest carbon stock. We also recommend that ART seek to ensure additionality at a portfolio level by ensuring an appropriate balance over a 5-year crediting period, for example, between credits issued using the TREES Crediting Level based on historical emissions and credits issued under the HFLD approach. It may take longer for high-deforestation jurisdictions to implement the forest sector transformations required to drive deforestation down at scale than it would for HFLD jurisdictions to maintain the status quo. Thus, it may be wise for ART to monitor the balance of the portfolio of credits in the TREES registry over the near term, with the potential to revise the allocation mechanism for HFLD credits in future periods as needed.</p> <p>A goal should be to ensure a “stock-flow” type approach at the portfolio level, such that the number of credits issued in total does not exceed the historical emissions from all the jurisdictions participating in the ART TREES program as a whole. Under the “stock-flow” approach, for example, there is a withholding of a fraction of credits for reducing historical emissions that is then used to reward maintenance of carbon stocks. Such an approach can be approximated if the number of credits issued for HFLD regions is kept within the range of the deductions for leakage from the jurisdictions being credited for reductions below historical emissions levels. If HFLD credits exceed this volume, it may be a sign that adjustments to the formula are required. A number of other options may be available for evaluating the balance of HFLD and non-HFLD credits, given the conservative approach for crediting reductions below historical levels.</p>	The ART Secretariat will consider this option as the portfolio begins to grow in the coming years.
36	Julia Paltseva	EDF	Crediting level	5.2	It is also our understanding that ART requires qualifying jurisdictions to select whether they will opt-in to generating HFLD credits under the revised methodology, and if doing so, preclude the ability to generate and sell emissions reductions under the non-HFLD methodology. This may act as a disincentive for jurisdictions that are closer to the edge of HFLD qualification to use the HFLD approach or even from maintaining HFLD status if HFLD credits are tagged separately. One solution could be for jurisdictions to sell the wedge of credits below the HFLD Crediting Level and above the default TREES Crediting Level under the HFLD tag, with ambition achieved in excess of the default TREES Crediting Level sold as non-HFLD credits. This arrangement would preserve HFLD incentives without requiring cusp nations to forgo the flexibility to sell non-HFLD credits. If credits are to be tagged separately, we believe that such flexibility should be allowed.	You are correct that the HFLD approach is optional and HFLD jurisdictions may elect to use either crediting level approach to calculate ERs. However, applying both crediting level approaches simultaneously is not permitted, due to challenges in accounting and other differences between the approaches.

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37	Julia Paltseva	EDF	HFLD definition	9.2	We suggest that the ART Secretariat includes in their Statement of Reasons a justification for the predetermined value of 0.5% of “allowable” deforestation. We recommend ART provide greater rationale for the selection of this maximum threshold, instead of other deforestation rates used to designate HFLD areas.	As noted, it is the maximum threshold to be eligible to calculate an HFLD Score. If a participant has a 0.5% deforestation rate, they would need 100% forest cover in order to meet the score threshold to qualify as HFLD. Please see the Statement of Reasons for the full discussion regarding the HFLD Score approach.
38	Julia Paltseva	EDF	HFLD definition	9.2	There is no explicit limit provided for acceptable forest degradation. We recommend that ART consider including this as an influencing factor into the HFLD definition. Selective logging and forest degradation contribute to emissions (~25% of gross forest emissions ¹³), including in Amazon Indigenous territories and protected areas ¹⁴ , and land that is degraded by selective logging is up to 400% more likely than non-cleared land to be deforested ¹⁵ . This activity does not currently factor into the designation of a HFLD region, though it ought to be a factor. We recommend the “deforestation rate” term should include the rate of forest loss generally, including historic rates of carbon losses from both deforestation and degradation, given that reductions of both can be credited under the current TREES methodology.	At this time, emissions from degradation are not included in the HFLD definition but are included in the crediting level and annual emissions monitoring.
39	Julia Paltseva	EDF	HFLD score	9.2	Footnote 13 states “Deforestation rate is defined as the area of forest lost in year t divided by the total area of forest present in the first year of the historical reference period”, which implies that the equation should use a constant denominator of forest area ONLY from the first reference year. However, if forest area declines each year over the five year reference period (which is probable in many instances), then this would underestimate the true annual deforestation rate, by using an inflated denominator from the first year.	This has been revised.
40	Julia Paltseva	EDF	HFLD score	9.2	To determine a deforestation rate in year t, we suggest that forest cover loss in a given year of the reference period should be divided by the forest cover at the beginning of that year in the reference period, i.e. year t. This means that the denominator could (and likely will) change every year of the reference period, though it would more accurately reflect that year’s deforestation rate. Reference years have clear implications on the resulting HFLD Score, so the years and methodology that are meant to inform forest cover and deforestation rates should be explicitly stated. We suggest that ART include a calculation with sample data, to ensure that applicants are following a consistent methodology.	The formula has been revised for clarity and an example will be provided in a technical guidance document.
41	Julia Paltseva	EDF	HFLD score	9.2	The description of the formula could use more clarity around whether the HFLD Score is calculated as an average of five reference years (such as historical emissions), or a single reference period. For example, should jurisdictions present their annual deforestation rates over five reference years, and take the average of those to inform the Deforestation Rate Score, and then calculate an HFLD Score? Or, should they calculate an HFLD Score for each reference year, and then take the average of the HFLD scores? We recommend that the appropriate approach be specified in the methodology document, ideally accompanied by an example.	The formula has been revised for clarity and an example will be provided in a technical guidance document.
42	Julia Paltseva	EDF	HFLD definition	9.2	We recommend that ART specify whether a jurisdiction must be HFLD compliant in every year of the reference period versus just compliant in the five-year average value of forest cover and deforestation rate over the reference period. The methodology for how an HFLD score is calculated (previous bullet) would impact this. This is pertinent to jurisdictions that are on the cusp of having HFLD status and meet the designation when using an average of five years, but in a single year of the reference period had a deforestation rate slightly higher than the 0.5% cutoff. If a jurisdiction needs to be HFLD compliant in all five years (or not) of the reference period, then this should be explicitly stated in the methodology document and be accompanied by an example.	Participants must meet the HFLD criteria for each year of the reference period. This has been clarified in TREES 2.0.

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43	Julia Paltseva	EDF	Crediting level	5.2	We support the inclusion of a forest carbon stock value as a term within the crediting line equation for HFLD jurisdictions. Creating an incentive for the preservation of standing forest carbon stocks such that HFLD jurisdictions are resistant to future pressures, including via international leakage, is a central value of the HFLD approach. Direct inclusion of carbon stocks as an equation term is an efficient and straightforward way to achieve those goals, consistent with a "stock-flow" methodology.	Thank you for the comment.
44	Julia Paltseva	EDF	Crediting level	5.2	We recommend that the ART Secretariat include in their Statement of Reasons a rationale for the use of the 0.1% multiplier. We also suggest that ART consider the possibility of revisiting the fixed 0.1% multiplier in future updates, based on factors that could include changing global deforestation rates, as well as the overall balance of HFLD to non-HFLD credits, as discussed previously in the "Tagging HFLD credits" section.	ART believes that HFLD Participants must be adequately rewarded for protecting their intact forests. The HFLD crediting level calculation has been revised based on Stakeholder feedback. Please see the Statement of Reasons for the full discussion regarding the final HFLD approach.
45	Julia Paltseva	EDF	Crediting level	5.2	Estimates of forest carbon stocks can vary widely and are often dependent on the methodology used to calculate them (including definition of forest) ¹⁶ . Considering the HFLD Crediting Level is heavily reliant on a participant's forest carbon stock estimates, we suggest that ART provide specific guidance to jurisdictions on acceptable methodologies for calculating this term, similar to that provided for emissions and removals estimation.	Language has been added to clarify.
46	Julia Paltseva	EDF	Crediting level	5.2	While we support the inclusion of the Forest Cover Score in the qualifying criteria for HFLD regions, we question the rationale for multiplying the carbon stock term in equation 2 by the HFLD Score, as currently defined. In particular, we suggest removing the forest cover component of the HFLD score from a carbon stock multiplier in Equation 2. This component, the relative amount of forest in a jurisdiction, is already reflected in the standing forest carbon stock term of the HFLD Crediting Level equation, so including forest cover as a component of the carbon stock multiplier essentially modifies the crediting level on the basis of forest cover twice. If forest cover falls, in theory the carbon stock value will also fall proportionally. It might be true that the share of forest area could affect future risk of deforestation, but this might be expected to follow a non-linear inverted U shape rather than a fixed linear relationship. It is thus not clear that a greater share of forest area should necessarily increase the weight on the carbon stock term.	ART believes that HFLD Participants must be adequately incentivized for protecting intact forests. Please see the Statement of Reasons for the full discussion regarding the final HFLD approach.
47	Julia Paltseva	EDF	Crediting level	5.2	Under our proposed revision to the formula, forest cover would still enter into the calculation of the HFLD Score used to determine qualification for HFLD status, but the HFLD Score used as a carbon stock multiplier should only be determined by deforestation rate. Specifically, we recommend that the HFLD Score in Equation 2 could be replaced with a rescaled version of DRSt from Equation 9. This would give more (less) weight to carbon stocks where forest loss rates are lower (higher) to provide incentives to maintain carbon stocks when this is not feasible via the crediting level based on historical emissions alone.	ART believes that HFLD Participants must be adequately incentivized for protecting intact forests. Please see the Statement of Reasons for the full discussion regarding the final HFLD approach.
48	Julia Paltseva	EDF	Crediting level	5.2	We support the addition of the deductions to provide a conservative approach with an added level of assurance to further strengthen additionality and incentives to reduce emissions in absolute terms even from relatively low levels.	Thank you for the comment.
49	Julia Paltseva	EDF	Crediting level	5.2	HFLD Crediting Level deductions are ambiguous in that it is unclear from the current language whether the deduction is applied to credits generated under the HFLD Crediting Level, or to the total credits generated in Section 10, which refers to the default TREES Crediting Level. The standard would benefit from more explicit language noting that the exceedances are calculated relative to the default TREES Crediting Level, but the percentage deductions are "applied to cumulative credits generated under the modified HFLD Crediting Level".	The language has been clarified.

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Number	Individual	Organization if Applicable	General Topic	Section of TREES	Question/Comment	Response
50	Julia Paltseva	EDF	Crediting level	5.2	This section would be more clear if it elaborated that these potential deductions due to exceeding reference year emissions are in addition to the standard deductions (leakage, uncertainty, buffer pool contributions) that must be applied to credits generated using the HFLD Crediting Level.	The language has been clarified.
51	Julia Paltseva	EDF	Crediting level	5.2	The table above needs some clarification on the column "Percent annual emissions exceed historical average." For example, the document mentions "fluctuations of 15% or less are considered allowable by HFLD jurisdictions." If so, the mathematical sign should be less than or equal to 15%. The next line needs to start with >15%, and so on.	The table has been revised to be more clear.
52	Julia Paltseva	EDF	General guidance		It would be helpful if ART could provide a sample case study, broken out annually by reference year. The applicability of intended rules to the terms of the equation are ambiguous when it comes to multiple reference and crediting years. We suggest that ART adds a numerical example as a complementary module, using a hypothetical jurisdiction and its relevant metrics broken out by all five reference years to ensure that all applicants follow the same calculations to determine crediting levels. We also suggest that ART publish a template spreadsheet with pre-filled formulas that applicants could download and fill out. This would ensure clarity regarding averages and decimal places, leakage and uncertainty deductions, and buffer pool contributions in relation to the HFLD Crediting Level.	A sample worksheet will be available on the ART website.
53	Julia Paltseva	EDF	Indigenous Peoples		We want to reiterate our original suggestion submitted on April 5, 2021 as a proposed update to TREES 2.0 that contiguous groups of Indigenous territories or Indigenous territories and protected areas be allowed to apply as subnational entities to meet the minimum threshold of 2.5 million hectares. This is pertinent to designation of jurisdictions as HFLD, as many of these areas are on Indigenous Territories and Traditional Peoples' lands. We also urge that all Indigenous and protected areas within a qualifying national or subnational jurisdiction must be included if non-contiguous areas are being combined for the purpose of meeting the 2.5 million hectares, in order to avoid issues with selectively picking and choosing particular areas.	A national participant may include one or more Indigenous People territories as part of a subnational submission under ART. Please see the Statement of Reasons for the full discussion regarding Indigenous Peoples participation.
54	Julia Paltseva	EDF	Indigenous Peoples		"TREES 2.0 currently states "the boundaries of a subnational accounting area shall correspond with the entire area of one or several administrative jurisdictions no more than one level down from national level and one or several recognized Indigenous territories; AND Participating subnational jurisdiction(s) must be comprised of a total forest area of at least 2.5 million hectares." We fully support TREES 2.0's scale requirements as a key measure to ensure credit integrity. We also recognize that the 2.5 million hectare requirement may be prohibitive for the inclusion of many individual Indigenous territories. Given this, we recommend including provisions for contiguous groups of Indigenous territories and protected areas (including extractive reserves and their analogues), which may often contain traditional populations, to be eligible for crediting. Indigenous territory participants should have the option of aggregating non-contiguous Indigenous lands and protected areas, including Indigenous protected areas, as part of a submission, as long as they include all such areas within a national or subnational jurisdiction to avoid self-selectivity. We urge the inclusion of language in the TREES standards that mandates such aggregated participants must have the free, prior, and informed consent of the local communities inhabiting the regions included in such submissions.	Please see the Statement of Reasons outlining the revisions to the eligibility criteria for Indigenous Peoples. The TREES safeguards do include provisions to ensure the rights of IPLCs are respected, protected and fulfilled.

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55	Julia Paltseva	EDF	Indigenous Peoples		To the extent that federal or jurisdictional governments are the entities leading the aggregation of Indigenous lands and protected areas within jurisdictional participant submissions, we urge the inclusion of language in the TREES standards that mandates such government bodies must have the free, prior, and informed consent of the local communities inhabiting the regions included in such submissions.	In cases where Indigenous communities have the rights to the carbon reductions on their lands, the TREES safeguards require national government participants to develop an agreement with the communities in a participatory manner.
56	Jorge Padilla	Paskay (Madre de Dios, Ucayali - Peru)	Crediting level	5.2	<p>Utilizar un NREF con tendencia lineal creciente para jurisdicciones HFLD como lo es buena parte de la Amazonía Peruana no es un incentivo negativo para que dicha jurisdicción aumente su deforestación, como se indica en el documento, puesto que las proyecciones se basan en el período histórico. Por otra parte, no debe olvidarse que la deforestación no responde a una única causa o actor, sino que es efecto de la intervención de múltiples actores públicos y privados, por lo que no puede “inducirse” intencionalmente con fines de tener un NREF más alto para acceder a más financiamiento climático. Limitar el NREF no cambiará el patrón de uso del suelo, únicamente afectará el financiamiento que las jurisdicciones podrían captar para implementar acciones que modifiquen ese patrón.</p> <p>Translated Comment: Using an NREF with a linear increasing trend for HFLD jurisdictions such as a large part of the Peruvian Amazon is not a negative incentive for this jurisdiction to increase its deforestation, as indicated in the document, since the projections are based on the historical period. On the other hand, it should not be forgotten that deforestation does not respond to a single cause or actor, but is the effect of the intervention of multiple public and private actors, so it cannot be intentionally “induced” for the purpose of having a higher NREF to access more climate finance. Limiting the NREF will not change the pattern of land use, it will only affect the funding that jurisdictions could raise to implement actions to change that pattern.</p>	The HFLD crediting approach that included a linear trend line has not be revised, and is no longer part of the approach. Please see the Statement of Reasons for a detailed discussion of the HFLD approach.
57	Jorge Padilla	Paskay (Madre de Dios, Ucayali - Peru)	Crediting level	5.2	<p>Las jurisdicciones con una tendencia de deforestación estable o decreciente, en las que aún no se implementa ninguna acción REDD+, no muestran esa tendencia como resultado de una mejor estrategia de intervención, sino producto de un patrón, ya ampliamente estudiado por la Teoría de la Curva de Transición Forestal. No debemos olvidar que el NREF debe reflejar la magnitud de la amenaza futura de deforestación y no representa el nivel de compromiso de la jurisdicción. Si subestimamos la amenaza, no visibilizaremos los logros de la jurisdicción o, peor aún, no haremos viable la implementación de un programa jurisdiccional REDD+ en una jurisdicción HFLD, como es el caso de Madre de Dios, Ucayali y varias otras en la Amazonía Peruana, por ejemplo.</p> <p>Translated Comments: Jurisdictions with a stable or decreasing deforestation trend, where no REDD+ action has yet been implemented, do not show this trend as a result of a better intervention strategy, but rather as a product of a pattern, already widely studied by the Forest Transition Curve Theory. We must not forget that the NREF should reflect the magnitude of the future threat of deforestation and does not represent the level of commitment of the jurisdiction. If we underestimate the threat, we will not make visible the achievements of the jurisdiction or, even worse, we will not make viable the implementation of a jurisdictional REDD+ program in an HFLD jurisdiction, as is the case of Madre de Dios, Ucayali and several others in the Peruvian Amazon, for example.</p>	<p>Jurisdictions qualifying as HFLD under ART must submit a REDD+ implementation plan outlining all planned activities to address the threats of deforestation and degradation.</p> <p>ART requires all eligible participants to use the same HFLD approach.</p>

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58	Jorge Padilla	Paskay (Madre de Dios, Ucayali - Peru)	HFLD definition	9.2	<p>Cabe recordar que este enfoque del nivel de referencia no es aplicable para todas las jurisdicciones, sino solo para aquellas que cumplen con el criterio del estándar ART TREES para ser una jurisdicción HFLD. En tal sentido, su uso debería ser excepcional y solo para aquellas jurisdicciones que cumplan con su criterio, a fin de evitar la generación de "hot air".</p> <p>Translated Comment: It should be remembered that this reference level approach is not applicable to all jurisdictions, but only to those that meet the ART TREES standard criteria to be an HFLD jurisdiction. In this sense, its use should be exceptional and only for those jurisdictions that meet its criteria, in order to avoid the generation of "hot air".</p>	Only participants that meet the HFLD score requirements may apply the HFLD Crediting approach.
59	Jorge Padilla	Paskay (Madre de Dios, Ucayali - Peru)	Crediting level	5.2	<p>Tampoco es preciso decir que el NREF de jurisdicciones HFLD sólo sería aplicable para un periodo, antes bien, debería poder seguir siendo usado por la jurisdicción, mientras ésta cumpla con la fórmula desarrollada por ART TREES para definir una jurisdicción HFLD.</p> <p>Translated Comment: It also goes without saying that the NREF for HFLD jurisdictions would only be applicable for one period, rather, it should be able to continue to be used by the jurisdiction as long as it complies with the formula developed by ART TREES to define an HFLD jurisdiction.</p>	All ART participants must update their crediting level every crediting period. This ensures continued ambition and rigor. The new HFLD approach incorporates carbon stock being protected in the intact forest to ensure that jurisdictions that have successfully reduced their deforestation and degradation continue to be rewarded for their efforts after the first crediting period.
60	Jorge Padilla	Paskay (Madre de Dios, Ucayali - Peru)	Crediting level	5.2	<p>Esto nos plantea un desafío metodológico: si una jurisdicción reduce emisiones en un quinquenio gracias a la implementación de un programa REDD+, el NREF que se calcularía para el siguiente quinquenio ya estaría afectado por las reducciones del primer periodo. ¿Esto estaría subestimando el NREF del siguiente quinquenio?</p> <p>This poses a methodological challenge: if a jurisdiction reduces emissions in one five-year period thanks to the implementation of a REDD+ program, the NREF that would be calculated for the following five-year period would already be affected by the reductions of the first period. Would this be underestimating the NREF of the following five-year period?</p>	The HFLD crediting approach was developed to incorporate the carbon stock of standing forests. This allows successful HFLD jurisdictions to continue to be recognized for their ongoing efforts.
61	Jorge Padilla	Paskay (Madre de Dios, Ucayali - Peru)	Crediting level	5.2	<p>Con relación a la aparente divergencia creciente de un NREF lineal ascendente versus un NREF promedio, esta interpretación es engañosa. Las jurisdicciones que deben utilizar un NREF promedio son jurisdicciones que no cumplen con la fórmula para ser HFLD, es decir, jurisdicciones con una deforestación alta; mientras que las jurisdicciones que podrían usar un NREF lineal ascendente, son aquellas cuya deforestación histórica es proporcionalmente bajas. Por ese motivo, compararlas es muy engañoso ya que, en sentido estricto, las líneas estarían acercándose en lugar de alejarse.</p> <p>Translated Comment" Regarding the apparent increasing divergence of a rising linear NREF versus an average NREF, this interpretation is misleading. Jurisdictions that must use an average NREF are jurisdictions that do not meet the formula for HFLD, i.e., jurisdictions with high deforestation; whereas jurisdictions that could use a linear rising NREF are those whose historical deforestation is proportionally low. For that reason, comparing them is very misleading since, strictly speaking, the lines would be moving closer together rather than farther apart.</p>	The HFLD crediting approach that included a linear trend line has been revised, and is no longer part of the approach. Please see the Statement of Reasons for a detailed discussion of the HFLD approach.

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62	Jorge Padilla	Paskay (Madre de Dios, Ucayali - Peru)	Crediting level	5.2	<p>Finalmente, coincidimos con los comentarios que argumentan que un NREF HFLD no diferencia las características únicas de este tipo de jurisdicciones, como, por ejemplo, el stock de carbono conservado. Para valorizar el stock de carbono conservado, los mercados y estándares debería reconocer y compensar un NREF para la conservación de reservas forestales de carbono (una de las 5 actividades REDD en la CMNUCC). Ello no ocurre, ni tiene visos de darse en el corto plazo.</p> <p>Translated Comment: Finally, we agree with the comments that argue that an HFLD NREF does not differentiate the unique characteristics of these types of jurisdictions, such as, for example, the carbon stock conserved. To value the conserved carbon stock, markets and standards should recognize and compensate a NREF for the conservation of forest carbon stocks (one of the 5 REDD activities in the UNFCCC). This is not happening, nor is it likely to happen in the short term.</p>	The HFLD crediting approach that included a linear trend line has been revised, and is no longer part of the approach. Please see the Statement of Reasons for a detailed discussion of the HFLD approach.
63	Jorge Padilla	Paskay (Madre de Dios, Ucayali - Peru)	Crediting level	5.2	<p>Ello no quita, sin embargo, que un NREF de tendencia lineal creciente sea el más apropiado para estimar la magnitud de la amenaza futura en jurisdicciones HFLD. Un NREF promedio subestima el problema y deja fuera del financiamiento climático a jurisdicciones HFLD como Madre de Dios, Ucayali y, en general, a amplios territorios de la Amazonía Peruana. De la información oficial del Gobierno Peruano, disponible en http://geobosques.minam.gob.pe/geobosque/view/perdida.php, el bioma amazónico de Perú, en su conjunto, calificaría como HFLD, de acuerdo al método de determinación actualmente vigente en el estándar ART TREES.</p> <p>Translated Comment: This does not detract, however, from the fact that an NREF of increasing linear trend is the most appropriate for estimating the magnitude of the future threat in HFLD jurisdictions. An average NREF underestimates the problem and leaves out of climate finance HFLD jurisdictions such as Madre de Dios, Ucayali and, in general, large territories of the Peruvian Amazon. From the official information of the Peruvian Government, available at http://geobosques.minam.gob.pe/geobosque/view/perdida.php, the Peruvian Amazon biome, as a whole, would qualify as HFLD, according to the method of determination currently in force in the ART TREES standard.</p>	The HFLD crediting approach that included a linear trend line has not been revised, and is no longer part of the approach. Please see the Statement of Reasons for a detailed discussion of the HFLD approach.
64	Jorge Padilla	Paskay (Madre de Dios, Ucayali - Peru)	Crediting level	5.2	<p>Cambiar de enfoque generará una asignación ineficiente de los recursos tanto en el tiempo como el espacio, así como una subestimación del tamaño de la amenaza que se cierne sobre nuestros bosques, como lo podemos demostrar de ser requerido. Ello sin considerar el factor de descuento que se debería aplicar por emisiones que están por sobre el promedio histórico.</p> <p>Translated Comment: Changing our approach will result in an inefficient allocation of resources in both time and space, as well as an underestimation of the size of the threat to our forests, as we can demonstrate if required. This is without considering the discount factor that should be applied for emissions that are above the historical average.</p>	Thank you for your comment. We feel the deduction for emissions above the historical average is necessary to ensure ongoing ambition in reducing deforestation.

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65	Jorge Padilla	Paskay (Madre de Dios, Ucayali - Peru)	Crediting level	5.2	<p>Nuevamente, esto parte de una incomprensión de la dinámica de los bosques. Las jurisdicciones con bosques bien conservados y con tasas bajas de deforestación enfrentan amenazas crecientes, mientras que las jurisdicciones con pocos bosques remanentes y con altas tasas de deforestación, observarán tasas decrecientes. Esto no responde a mejores políticas públicas o estrategias de intervención, sino a la dinámica propia de uso del territorio. Ignorar esta realidad únicamente favorecerá a países y territorios más deforestadores en desmedro y perjuicio de jurisdicciones que aún cuentan, gracias a su aislamiento o a sus prácticas sostenibles de uso del suelo y a sus esfuerzos de conservación.</p> <p>Translated Comment: Again, this is based on a misunderstanding of forest dynamics. Jurisdictions with well-conserved forests and low deforestation rates face increasing threats, while jurisdictions with few remaining forests and high deforestation rates will observe decreasing rates. This is not due to better public policies or intervention strategies, but to the dynamics of land use. Ignoring this reality will only favor the most deforesting countries and territories to the detriment and detriment of jurisdictions that still have, thanks to their isolation or their sustainable land use practices and conservation.</p>	The HFLD crediting approach was developed to incorporate the carbon stock of standing forests. This allows successful HFLD jurisdictions to continue to be recognized for their ongoing efforts.
66		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	<p>The Governments of Guyana, Gabon and Suriname welcome the version of Trees V2 Revised HFLD Chapter. In its first version, it was noted that ART-TREES had several positive elements, including the fact that it promoted jurisdiction-scale crediting, which has long been Guyana's preferred option. ART-TREES also identified the need to incentivize the maintenance of forests in HFLD countries, and emphasized the need to be compatible with REDD+ decisions within the UNFCCC. Further, there was inclusion of the HFLD score which is an innovative mechanism to incentivize countries that remain HFLD. However, there were several areas where improvements were recommended for the model to be appropriate and beneficial to HFLD countries.</p> <p>The revised version of the HFLD module released for public feedback on 24th May, 2021, fulfills two of our collective objectives:</p> <ol style="list-style-type: none"> 1. Ensures environmental integrity through the creation of incentives for all the REDD+ activities; 2. Starts to create a market for forest-based carbon credits which achieves a fair balance between the legitimate needs of both buyers and sellers. 	Thank you for the comment.
67		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	The revised version of the module has fulfilled each of the areas of recommendation made by Guyana, Gabon and Suriname in terms of core objectives/principles, and technical recommendations.	Thank you for the comment.
68		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	<p>Environmental Integrity</p> <ul style="list-style-type: none"> - Values Standing Forest and creates longer term incentives for jurisdictions to maintain a high level HFLD score, or to invest in achieving one if a jurisdiction is not yet over the threshold. - Sustained decreases in deforestation in reference period create a higher crediting level but decreases if this level increases over historical period; - Increases in deforestation lead to a negative crediting level; and - Incentives to prioritize jurisdiction level projects. 	Thank you for the comment.
69		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	<p>Fairness</p> <p>The new structure creates positive crediting level that provide incentives to maintain low rates of deforestation and forest degradation, as well as to lower those rates where opportunity for this exists.</p>	Thank you for the comment.

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70		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	1. The revised model addresses the defining value of very high forest cover and low deforestation rates countries through the integral inclusion of forest size/cover/carbon stocks within consideration of reference and crediting levels.	Thank you for the comment.
71		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	2. The revised model also recognizes and provides for marginal variation in crediting levels across narrow ranges which have shown overall low rates of emissions.	Thank you for the comment.
72		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	3. The revised HFLD module has utilized an envelope or range rather than a single value for emissions and creates incentives for additionality against this range. Further, the use of a single crediting emissions level for each crediting period creates a fairer mechanism that more practically reflects crediting for emission reductions within the envelope with full crediting only occurring when emissions are fully below the entirety of the envelope.	Thank you for the comment.
73		Governments of Guyana, Gabon and Suriname	Reversals	7	4. The provisions of adjustments to Mitigating Factor 2 for HFLD under Reversal Buffers that recognizes the circumstances of countries with very low deforestation rates, countries that, in reality, are least likely to cause reversal harm.	Thank you for the comment.
74		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	Comprehensiveness of Revised HFLD Module The revised TREES HFLD Module takes full account of deforestation, forest degradation and enhancement of forest carbon stocks. Additionally, the revision also encourages HFLD countries that have maintained a steady state to remain at this level; those that have room for improvement from previous higher emissions will be incentivized to decrease these levels; and those potentially eligible HFLD countries (currently marginally below the HFLD Score) will have the incentive to become HFLD as the incentive and structure provides positive incentives for being in this category. This will encourage high ambition and accelerated climate action where a "Steady State" is seen as a realistic and attractive destination to reach and then to stay at. This fits with a vision of the major forest basins reaching at least zero net deforestation within 10-15 years and then staying there for decades afterwards.	Thank you for the comment.
75		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	Fungibility Guyana, Gabon and Suriname are of the view that the revised version of ART TREES V2 (Revised HFLD module) offers fungibility within the existing and potentially new carbon markets. Reducing emissions cannot exist without forests first. The inclusion of carbon stocks recognizes the role that forests play in its steady state and applying that in tandem with historical emissions thereby driving incentives to maintain low rates or reduce levels where practicable. Combined, these express the full function of forests in HFLD in stabilizing CO2 emissions and fulfilling global targets. In summary, Guyana, Gabon and Suriname are of the view that the credits as derived from this revised model are fungible for the following reasons: - It directly contributes to the global target set to limit planetary warming to well below 2°C or 1.5°C; - It is a core aspect of achieving carbon neutrality as defined by the IPCC: "balancing of residual emissions with emission (carbon dioxide) removal;" - Combined with maintaining low rates of emissions and incentivizing additionality, emissions credits fulfill the same functions typical of non-HFLD credits.	Thank you for the comment.
76		Governments of Guyana, Gabon and Suriname	Additionality	3.3	Recommendation for Clarification It is recommended that Section 3.3 on additionality be clarified, to be conditioned by the provisions of the HFLD Section in terms of eligibility, for those applications that are seeking to enter ART under the HFLD Module.	This section has been updated to address TREES credits using the HFLD crediting approach.

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77		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	Supports Immutable Principles of ART TREES Combined, these criteria would build additionality, encourage ambition and link to historic emissions while also recognizing the long-term value of forests in “steady state”. This revision also encourages longer term commitment from HFLD countries and fully support the two immutable principles of the ART Trees structure of fundamentally building off a model of historical emissions, and creating incrementally increasing ambitions for improved performance.	Thank you for the comment.
78		Governments of Guyana, Gabon and Suriname	Crediting level	5.2	The Governments of Guyana, Gabon and Suriname support this revised version of Trees V2 Revised HFLD Chapter and looks forward to its finalization and implementation.	Thank you for the comment.
79	Jose Ugalde Fernandez	FAO	C pools	4.5	Noting that especially the soil pool can be very large, could TREES v2 clarify what pools are included in the total forest carbon stock calculation, required in the new HFLD approach?	This language has been clarified.
80	Jose Ugalde Fernandez	FAO	Crediting level	5.2	Concerning the text “ <i>If the total annual emissions exceed the crediting level, a deduction must be applied to the total credits generated</i> ”, it is not clear what year this deduction is applied to. Is this deduction only applied to the emission reductions achieved in the year(s) for which emissions exceed historical average emissions?	This section has been revised to be more clear.
81	Jose Ugalde Fernandez	FAO	ER labelling	9.2	In TREES v1 emission reductions from HFLD countries were tagged. Will ERs from HFLD participants be tagged as well in TREES v2?	Yes, TREES credits generated using the HFLD crediting approach will be labeled in the ART Registry.
82	Jose Ugalde Fernandez	FAO	ER labelling	9.2	In case HFLD ERs would be tagged, would removal increases from afforestation in the submissions from HFLD participants also be tagged or would such results be treated differently?	TREES credits that are generated using the HFLD and Removals approaches will be labeled in the ART Registry.