

# ART Board Meeting Minutes

26 April 2022

**ART Board members:** F. Seymour, W. Bumpers, A. Kalibata, C. Nobre, L. Ruiz, R. F. Adjei, P. D. Sherpa

**ART Secretariat:** M. Grady, F. Paniagua, L. Madrid, A. Takimoto, F. Casarim, B. Hemphill

ART Board members held their first quarterly meeting of 2022. Topics discussed included ART operations update, carbon market updates, stakeholder outreach and engagement, and strategic planning for 2022.

## 1. Introduction of New Board Members and ART Secretariat Members

### INFORMATION

The Board Chair formally introduced new Board members Roselyn Fosuah Adjei and Pasang Dolma Sherpa. The ART Secretariat formally introduced new Secretariat team members Franklin Paniagua, Lucia Madrid and Asako Takimoto.

### DISCUSSION

- The Board welcomed and appreciated our new members' willingness to join.

## 2. Approval of Meeting Minutes

### INFORMATION

The Secretariat shared draft meeting minutes from the December 2021 ART Board meeting.

### DISCUSSION

- R. F. Adjei requested her middle name be added to the meeting minutes.

### DECISIONS AND ACTION ITEMS

**ACTION ITEM:** The ART Secretariat will revise R. F. Adjei's middle name. After revisions of R. F. Adjei's name are made, the Board approved the meeting minutes.

## 2. ART Operations Updates

### INFORMATION

The Secretariat presented a comprehensive summary of ART activities since the last quarterly Board meeting. This included:

#### Updates on Participating Jurisdictions:

- ART Secretariat presented a chart with a snapshot of ART's pipeline, including all jurisdictions that submitted documentation to ART and/or established a registry account.

#### ART ICAO Updated Approval:

- Secretariat submitted material updates (HFLD and Removals crediting approaches, uncertainty)
- ICAO Council determined that no exclusions were necessary – all crediting approaches in TREES are eligible.

### Safeguards Materials:

- The Climate and Land Use Alliance (CLUA) has provided funding to ART to develop TREES safeguards materials and case studies for trainings targeted to both governments and IPLC stakeholder groups. The objective is to ensure an accurate representation of TREES safeguard requirements to stakeholders.

### DISCUSSION

- The Board members asked questions regarding the status of some jurisdictions.
- Topics of discussion included the progress, challenges and hurdles participants had to overcome to move forward in ART.
- The Board requested additional information be included for discussion in future Board meetings.

### DECISIONS AND ACTION ITEMS:

**Action Items:** The Secretariat will add information regarding Participant status in future Board meetings.

## **3. LEAF Status**

### LEAF negotiating ERPAs with five jurisdictions

- ART has not seen ERPA or terms
- Timelines vary for jurisdictions

### Allocation round to determine demand

- Coalition members submit desired volumes and jurisdictions to Emergent
- Emergent will send LOIs to top volume jurisdictions
- Additional volumes can be added to existing LOIs as well as with new jurisdictions

### New LEAF Call for Proposals

- Expect review process to be completed by September so new agreements can be announced at COP

### DISCUSSION

- The Board discussed the importance for continued communication of the distinction between LEAF and ART.
- The Board discussed the LEAF Coalition.

### DECISIONS AND ACTION ITEMS:

**Action Item:** The Board intended to engage with the Emergent Board to discuss the LEAF Coalition.

## **4. Market Updates**

Secretariat presented on all the moving parts that are taking place in the market currently:

### Market Initiatives

- Quality Initiatives: Integrity Council for the Voluntary Carbon Market (IC-VCM), the Voluntary Carbon Market Integrity Initiative (VCMi) and the High-Quality Tropical Forest Carbon Credits (HQTFFC) initiative
- Alliances: ART participating in the Natural Climate Solutions (NCS) Alliance, International Emissions Trading Association (IETA) digital Task Force and the IETA Nature Based Solutions (NBS) working group

- Rating Systems: Calyx, Sylverra, Pachama, consultants for proprietary Standards (PAS 2060/Carbon Trust, TUV Nord, Perspectives)
- Market primers: EDF, Forest Trends

#### Competitive Landscape

- Verra JNR, World Bank Carbon Emission Reductions Facility (CERF)

#### **DISCUSSION:**

- The Board commended ART for moving the dialogue forward on enhancing integrity and quality of carbon credits, particularly in the forest sector.

## **5. ART HFLD Status**

### Market controversy around HFLD Credits

- Critical HFLD Op Ed in Carbon Pulse on non-additionality of ART HFLD credits
- Potential challenges (TBD) with IC VCM and rating systems
- Support from some NGOs and buyer groups
- Need communications and education strategy

#### **DISCUSSION:**

- The Board discussed the criticisms of HFLD Credits and the need for a Board response to be posted on the ART website.
- The Board discussed participating in open forums (including the Oslo Tropical Forest Forum) to clarify the decision to credit HFLDs including determination of additionality and fungibility per the Immutable Principles.

#### **DECISIONS AND ACTION ITEMS:**

**Action Item:** The ART Secretariat will draft a response to the Op Ed for Board review and approval and posting on the ART website.

## **6. IPLC Status**

### Increasing the Secretariat's engagement

- CLUA safeguards training materials are in development
- ART making direct presentations to Indigenous Peoples groups
  - Focused on the requirements and opportunities under TREES
  - Not capacity building to assist in developing a plan
  - Not participating in meetings between IP and governments

#### **DISCUSSION**

- The Board discussed IPLC status updates.

## **7. Oslo Tropical Forest Forum (OTFF)**

- The first in-person OTFF since 2018 presents an incredible opportunity for direct engagement and education about ART with a myriad of key stakeholders including forest jurisdictions, IPLC representatives, buyers, donors, Civil Society Organizations
- ART is organizing six hours of sessions across the two days including a plenary on jurisdictional forest finance, a TREES 101 breakout, a breakout on subnational engagement, a breakout to align

expectations between jurisdictional REDD+ sellers and buyers and an interactive in-depth discussion on overcoming barriers to REDD+

- ART Secretariat staff is also participating in other sessions on Indigenous Peoples and HFLD as well as forest monitoring and commodity supply chains
- ART Board members will be expected to actively participate in sessions and networking

**DISCUSSION:**

- The Board discussed logistics of the Oslo Tropical Forest Forum.

**DECISIONS AND ACTION ITEMS:**

**Action Item:** The ART Secretariat will ensure all Board members are prepared for the meeting.