2011 Crystal Drive, Suite 600, Arlington, VA 22202, USA
Tel: +1 703 341.2400
Fax: +1 703 553.4817
www.conservation.org

CONSERVATION INTERNATIONAL

ART Secretariat:

Conservation International acknowledges the release of the TREES 3.0 draft for consultation as an important milestone in the continued evolution of ART's standard, and we appreciate the opportunity to provide comments.

As an organization dedicated to addressing climate change, biodiversity loss, and sustainable development—and recognizing the role, importance, and rights of Indigenous Peoples and local communities to achieving nature and climate goals—Conservation International understands that natural climate solutions, such as jurisdictional REDD+, are essential to global climate mitigation. The updates proposed in TREES 3.0 have the potential to strengthen the integrity, impact, and accessibility of jurisdictional REDD+ programs by enhancing methodological rigor and clarity, as well as by better aligning with emerging best practices.

The following comments are intended to support the clarity, consistency, and effectiveness of TREES 3.0 and its implementation, with the goal of ensuring a robust and equitable standard that delivers high-integrity outcomes for people, nature, and climate.

Section number/ Title	General topic	Question/Comment
General Comments		
All/ General comment	Level of detail	We receive frequent requests at CI for assistance with interpretation of the standard and its application to real-world circumstances. We were hopeful that this update might provide a higher degree of detail, overall, in areas that are ambiguous or characterized by uncertainty. We know that flexibility is necessary in the standard, but we also know that such flexibility is interpreted as vagueness at times, which creates a barrier to the adoption and implementation of TREES.
All/ General comment	Index	We would find it helpful if the standard included an index of terms, to make it easier to find where specific terms and issues occur in the standard.
All/ General comment	Consistent terminology	We suggest a careful proofread the standard to check for consistency in the use of terminology throughout, even to the point of using consistent capitalization (or not) for terms like "crediting period".
Section 1		
1.2.2 Adoption and Revisions to TREES	Cutoff date to update	To provide clarity about the "cutoff" date for version 2.0, we suggest specifying how and where the notification of adoption will be posted, and we suggest flagging which elements qualify under option 2 (for example, using a standardized footnote to indicate new or revised provisions that do not affect the crediting level, since this can be unclear).
Section 2		
2.3	Crediting period	Suggest to clarify the rationale for crediting periods of less than 5 years, perhaps by changing the relevant sentence to the following: "The crediting period may be less than 5 years only in cases in

Section number/ Title	General topic	Question/Comment
		which a subnational Participant is required to terminate its crediting period on December 31, 2040, per section 3.1.1 of this Standard, which may necessitate a crediting period of less than 5 years."
2.5 Timeline and deadlines	TMR	Please provide an example to illustrate how a TRD may cover multiple calendar years but must show emissions per calendar year, to clarify the distinction made in the text.
2.5 Timelines and deadlines	Proposed Participants	Since there is no definition of this concept in the definition part of the document, we suggest to specify who is eligible to submit a TREES Concept.
2.6.2 Feedback	Stakeholder feedback	We suggest specifying which languages feedback will be posted in, and we request a process for translating stakeholder feedback for transparency – or clarity about this process, if it exists already. Please clarify if stakeholders may submit feedback in multiple languages.
Section 3		
3.1 Eligible entities	Nesting	The second paragraph mentions that "ART does not prescribe *how"* activities must be nested into programs. However, based on requests we have received, we believe that Participants may require additional clarity about the conditions (if any) under which nesting of such activities is required as part of the standard. Furthermore, since ART has elaborated elsewhere its guidance in regard to nesting, it may be appropriate to include or make reference to that guidance at this point in the standard.
3.1.1	Subnational accounting	The 2.5 million hectare eligibility threshold for subnational accounting areas continues to be a critical restriction for many developing countries. In more than one instance, we have seen subnational jurisdictions that would otherwise qualify for TREES – and who would prefer it to other standards – opt for a different standard that lacks the support and credibility of TREES. We remain concerned that this threshold is limiting participation, credit supply, and the development of experience and familiarity with the TREES standard in many places. Furthermore, we suspect that, in some cases, this threshold may push countries to develop nation-wide proposals without having the capacities to do so, precluding the development of experience and good practices at the subnational level. Finally, we are concerned about the provision that disallows subnational participants (particularly Indigenous Peoples) to aggregate territories and participate directly in TREES as Participants, since it limits participation that would otherwise extend the scope and impact of TREES.
3.1.3 FCPF transition	Credit transition	While the proposed section adds clarity about the eligibility criteria for transitioning FCPF programs, we suggest adding more detail (in this section or elsewhere in the standard) on the issuance of FCPF credits in ART registry so Participants understand this as an option as well.
3.2 Eligible activities	REDD+ definition	For clarity, please capitalize "REDD+ Activities" and make reference to REDD+ definition as included in Definitions section.

Section number/ Title	General topic	Question/Comment
3.2 Eligible activities	Forests remaining forests	The provision that makes "removals from forests remaining forests" ineligible for crediting is a significant concern for CI and many countries that have made great efforts and investments in maintaining and expanding their forest cover. We remain concerned that this provision will contribute to inconsistencies between a Participant's TREES reporting and its respective reporting of its National GHG Inventory, contributing to perceptions of inconsistencies and lack of accounting integrity. In many circumstances, this provision could lead to perverse incentives or undesirable impacts, as Participants strive to preserve their ability to generate credits over time. We strongly recommend revisiting this decision, or at least posting a rationale for the ongoing omission of legitimate climate mitigation practices – already included in the UNFCCC definition of REDD+ since 2008 – from this important and widely relevant REDD+ standard.
3.3 REDD+ implementation plan	No REDD+ NSAP	We suggest adding language to give clear guidance to subnational Participants in the event that no National REDD+ Strategy/Action Plan exists, or a Strategy/Action Plan is developed or modified after the acceptance of a subnational Action Plan. Under such circumstances, subnational Participants will need additional guidance about how their REDD+ interventions should be specified. The requirement that subnational Participants "must explain any differences between the two plans" may be unnecessary and may place undue burdens on subnational Participants that have been working in good faith to implement their own plans.
3.4.1 Emission Reduction and Removals Rights	Demonstration of rights to emissions reductions and removals	We suggest that Participants might find it helpful to see examples of documents that meet requirements listed in section 3.4.1 for demonstration of rights to the ERRs generated from the accounting area.
3.4.2 Benefit sharing arrangements	Distribution and governance	We suggest that Participants should be required to include a description of how they will periodically review and make any adjustments to BSAs based on past performance or stakeholder consultations, and we suggest that they report on such reviews and adjustments in the course of meeting their requirements under the respective Safeguards.
3.5	Additionality	We appreciate the elaboration of additional information about the HFLD methodology in this consultation draft, including the reference to recent peer-reviewed science that demonstrates the conservativeness of this methodology. Nevertheless, the eligibility criteria for the HFLD module will continue to exclude a substantial number of potential Participants that have made significant efforts to protect and conserve forests (despite social and economic costs). Those that do not meet the eligibility requirements will continue to lack incentives to reward landowners for their efforts to maintain forest cover, leaving them ill-equipped to resist deforestation. Furthermore, the calculation of credits for those that do meet the criteria still offers a very small reward for the extensive and growing efforts required to protect forests in HFLD jurisdictions. Based on our experience, we suggest

Section number/ Title	General topic	Question/Comment
		additional consideration of ways to expand eligibility or flexibility for implementing the HFLD approach, which seems to leave some jurisdictions with relatively few options for participation. This is particularly critical when it comes to the need to conserve high-carbon ecosystems.
Section 4		
4 Carbon Accounting	Carbon credit	We suggest to explicitly mention that 1 TREES credit = 1 ton CO_2-e, to avoid any confusion.
Section 5		
5.1 Calculating a TREES Crediting Level	Alignment of HRP/BVP with national FRLs	While the TREES 3.0 draft introduces greater flexibility in the Baseline Validity Period (BVP), the rigid requirement that all Historical Reference Periods (HRPs) be fixed at five years prevents meaningful alignment with nationally determined Forest Reference Levels (FRLs). National FRLs frequently use longer or differently structured HRPs, and locking ART to a 5-year look-back can perpetuate divergence between ART crediting levels and FRLs. We had hoped that ART would take this review as opportunity to develop guidance in how Participants can bring their in HRP into alignment with national FRL reference periods, while continuing to meet integrity expectations. We believe this could help to enable alignment and ensure comparability across systems, promoting consistent reporting and the credibility of both systems. We note that the IPCC provides guidance on methods to preserve methodological consistency (2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories: Volume 1 - General Guidance and Reporting: Chapter 5 – Time Series Consistency), and we believe this guidance could be adapted for application to the TREES standard.
5.3 Emission Factors	Harmonization of emission factors across scales	TREES 3.0 requires use of IPCC-aligned methods but does not establish rules for reconciling differing emission factors (EFs) across scales. In practice, national FRLs often use Tier 2 EFs, while jurisdictional and project-level efforts may use Tier 3 or locally derived factors, leading to significant divergence in reported emissions and removals. We would like TREES 3.0 to offer explicit guidance for EF harmonization — for example, allowing transparent side-by-side reporting of national and subnational/project EFs with a progressive pathway toward convergence into a national EF library. Without such guidance, we fear that TREES could discourage investment in higher-tier methods and undermine comparability across systems.
Section 7		
7.1.3 Reversal compensation	Buffer pool contribution	In general, the procedures described in this section are unclear and could lead to confusion or inconsistency in their implementation. For instance, some of the language seems to contradict itself, as in the case of the sentence “The buffer pool contribution based on the risk assessment must be 25% for the 5 calendar years following a reversal”, which is then contradicted by the following sentence, which specifies that the contribution is actually 30%. We recommend that this procedure and all similar mathematical requirements should be expressed in equation form to avoid confusion.

Section number/ Title	General topic	Question/Comment
7.2 Leakage	Leakage deduction calculation	We propose to amend the leakage deduction calculation to allow subnational jurisdictions to reduce the deduction through the cancellation of HFLD credits from their accounts, allowing the cancellation of 1 HFLD credit cancelled to reduce 1 ton of Leakage Deduction. The specific application, rationale, and proposed use cases for this amendment are described in the **Appendix** at the end of this submission.
Section 8		
8 Uncertainty	Uncertainty calculations	Similar to section 7, we recommend that this procedure and all similar mathematical requirements should be expressed in equation form to avoid confusion. In addition, a worked example or illustration of how to identify the half-width of the 90% confidence interval may be useful to many participants.
8 Uncertainty	Special HFLD procedures	Jurisdictions that meet the eligibility criteria for the HFLD module may find the uncertainty deduction procedure to be especially difficult, overly punitive, or simply impossible to implement, due to the paucity of data and the potential for large variability in annual emissions relative to the absolute quantity of annual emissions. We believe that alternative methods for calculating uncertainty for HFLD Participants may be required, to promote participation and clarity among the few jurisdictions that can meet the strict HFLD eligibility criteria.
Section 12		
12.4 Safeguards	Inclusion of vulnerable groups	We support the specific inclusion of "women, youth and vulnerable groups" in outcome indicators. We suggest inclusion of people with disabilities as well. To be more precise and inclusive, we consider it good practice to refer to "vulnerable and marginalized" groups, which acknowledges both situational risk (vulnerable) and systematic exclusion (marginalized). We request that Theme 4.2 should specifically include reference to gender responsive participatory procedures, specifically: In both Structure & Process indicator and Outcome indicator: "…., ensuring adequate conditions for their participation and using culturally appropriate, **gender-responsive** procedures"
12.4.5 Cancun Safeguard E	Benefit distribution	We support specific inclusion of outcome indicators related to benefit distribution, as these can bring clarity and highlight principles necessary for equitable benefit distribution.
Section 13		
Section 13.3	Corresponding adjustments	We suggest to rephrase the following sentence: "At present, voluntary market transactions do not require corresponding adjustments." However, we have already seen some countries require corresponding adjustments in their national regulation. To promote clarity and future-proof the standard against changes in the non-TREES context, we recommend to rephrase it as follows:

Section number/ Title	General topic	Question/Comment
		"Although voluntary market transactions do not always require corresponding adjustments, some countries may include provisions in their national regulations for those to occur when countries include these transactions as 'other purposes' under Article 6 of the Paris Agreement, or as an option for voluntary transactions. In this case, the relevant Article 6 guidance and/or requirements of national regulations would apply, notwithstanding the requirements of the TREES standard; TREES does not provide a pathway to circumvent such requirements."
Section 16		
16.1 Scope	Complaint resolution	We seek further clarity on what types of complaints would be fall in the category of not following ART processes and could, therefore be communicated to ART, *versus* those that are thought to fail to meet the Standard and, it seems, should be reported to the VVB or as part of the public comment period. A complaint stating a jurisdiction's dispute resolution mechanism is deficient seemingly goes against both the process and the Standard.
16.1 Scope	VVB complaints	For complaints that are recommended to be directed to the VVB, we believe additional information is needed to understand the purpose and relevant circumstances of such complaints, as well as guidance about what the VVB should do with such information. If trust is lost in an organization or process, it is unlikely that a person would be inclined to pursue resolution via that same organization or processes.
16.2 Complaints	Language	We suggest explicitly noting that complaints may be submitted in any language, for clarity.
16.2	Accessibility	For transparency and to avoid redundant complaints, we suggest that active and resolved complaints should be posted publicly on the ART website (protecting anonymity of the Complainant, where necessary), along with the current status of their review (e.g. "under review", "resolved", etc.). Access to the appropriate email address and information about the procedures related to the grievance mechanism should also be available on the ART TREES website in all the languages supported by ART.
Definitions	Addressing safeguards, Institutional framework, Respecting safeguards, etc.	We suggest the change in bold: "…information on what at ~~**country**~~ **jurisdiction** has in place…"
Definitions	Uncontacted Peoples	We suggest capitalizing "Peoples" in "Uncontacted peoples" for consistency unless purposefully lowercase.
Definitions	Add "Gender-responsive"	Include standard definition of gender-responsive (see UN REDD for definition)
Annexes	Resources	Suggest mention or links to ART websites where additional resources are made available to facilitate program development and implementation. For example, the ESG Safeguards Guidance documents and cross reference tables.

Appendix: Proposed modification to Leakage Deduction

Summary of Proposed Modification to TREES 3.0

Participants may reduce their Leakage Deduction by cancelling HFLD credits from their accounts (either purchased from other participants or donated to the Participant's account), allowing the cancellation of 1 HFLD credit cancelled to reduce 1 ton of Leakage Deduction.

Rationale

Leakage represents the displacement of emissions caused by the emission reduction efforts or activities, and TREES applies a maximum rate of 20% leakage for high-risk jurisdictions. This implies that every ton of emission reduction from forests within the Participant's control triggers 1/5 ton of leakage emissions in forest areas outside of the Participant's control. To account for this 1/5 ton of emissions displaced outside of the program, the TREES standard requires Participants to apply a Leakage Deduction that reduces the quantity of ERRs they can earn in a crediting period. These ERRs represent real emissions that were reduced by the Participant's efforts, but the Leakage Deduction aims to compensate for displaced emissions that occur elsewhere, as a result of the Participant's efforts.

HFLD jurisdictions represent some of the most pristine forest jurisdictions, and as a result they are among the most vulnerable to the effects of leakage.[1] Purchases of HFLD credits help to support the efforts of HFLD jurisdictions to protect their forest carbon against rising pressures to degrade and clear forests.[2] Thus, the finance that HFLD jurisdictions receive from HFLD credit transactions is directly linked to their efforts to resist and eliminate the external pressures that would otherwise lead to increased forest emissions. As such, it would be

[1] Teo *et al.* 2024. Charting the future of high forest low deforestation jurisdictions. PNAS. 121 (37) e2306496121, https://doi.org/10.1073/pnas.2306496121
[2] Roopsind *et al.* 2019. Evidence that a national REDD+ program reduces tree cover loss and carbon emissions in a high forest cover, low deforestation country. PNAS. 116 (49) 24492-24499, https://doi.org/10.1073/pnas.1904027116

appropriate to link the potential displacement of emissions with the acquisition and use of credits that can strengthen the ability of HFLD jurisdictions to resist such pressures.[3]

Therefore, we propose that Participants should have the option to reduce their Leakage Deduction through the use of HFLD credits that provide investment in reducing deforestation pressures in some of the most vulnerable jurisdictions. Our proposal is that Participants would cancel 1 HFLD credit to reduce the Leakage Deduction by 1 ton. This approach would likely overcompensate for leakage, since 1 ton of credit would be used to compensate for 1/5 ton of emissions. As a further conservative measure, we propose that this rate apply to all jurisdictions, regardless of their class of leakage risk.

Descriptions of Use Cases

To provide clarity about this proposed amendment, we offer descriptions of two potential use cases we envision for this provision:

Use case 1: Subnational jurisdiction purchases and cancels HFLD credits

> Jurisdiction A (non-HFLD) engages in a purchase of a suitable quantity of credits from Jurisdiction B (an HFLD jurisdiction).
>
> Prior to the end of a crediting period, Jurisdiction A cancels a quantity of HFLD credits from its ART account and communicates to the ART secretariat that the cancellation applies to its leakage deduction. In its communication to ART, Jurisdiction A specifies the serial numbers of the credits used for this purpose.
>
> When Jurisdiction A submits its calculations of its credits at the end of the crediting period, prior to issuance, it includes the quantity of cancelled HFLD credits in its calculation of Equation 19 (and/or Equation 24).

[3] Funk *et al.* 2019. Securing the climate benefits of stable forests. Climate Policy. 19:7, 845-860, DOI: 10.1080/14693062.2019.1598838

Use case 2: An external party donates HFLD credits to be cancelled

Jurisdiction A (non-HFLD) receives a donation of HFLD credits from a third party – a country, philanthropy, or company – and cancels these credits in order to reduce its own leakage deduction.

This approach may be financially strategic for countries or companies that are unable to obtain supply. They can access an additional supply of ER and removals credits that would otherwise be unavailable.

It may be strategic for philanthropies to purchase and donate HFLD credits for this purpose, in order to thicken the market and raise prices for HFLD credits, to increase volumes of available ER credits, and to deliver targeted rewards to HFLD jurisdictions.

Application of proposal

We propose that the text of section 7.2 (Leakage) would be modified to explain this provision, through the addition of a short paragraph. We also believe readers may find an explanatory sentence helpful after Table 3. In addition, implementation of our proposal would require modification of two equations in the TREES 3.0 draft: equations 19 and 24 in Section 10.4. We have proposed to modify these two equations in precisely the same way. The modifications to the proposed sections would be as follows (with changes highlighted in red text:

7.2 LEAKAGE

Where Participants submit a subnational crediting level, then negative leakage of emissions to outside the accounting area can occur. Participants must apply specified TREES leakage deductions.

TREES establishes three classes of leakage risk for Participants: high, medium, low. Participants must use the TREES Leakage Deduction table to determine the proportion of ERRs that must be used as "Leakage%" in Equations 19 and 24 (Section 10.4).

As an optional measure, Participants may elect to reduce their Leakage Deduction by cancelling a quantity of HFLD credits from their account. For every 1 ton of HFLD credit cancelled from the Participant's account, applied to a specified year, the Participant can

reduce their Leakage Deduction by 1 ton CO_2e. As a conservative measure, all Participants exercising this option shall apply this ratio, regardless of their leakage risk class. The HFLD credits cancelled by the Participant can originate from any eligible jurisdiction; they need not originate within the Participant's own jurisdiction.

7.2.1 Leakage Deduction

The TREES Leakage Deduction shall consider the program boundaries. Both activity-shifting and market leakage are covered in the standardized deductions. These standardized deductions may be adjusted through the cancellation of HFLD credits, as described above, with the modified adjustment quantified in accordance with Equation 19 or Equation 24, respectively.

Table 3: Leakage Deduction Assessment LEAKAGE CATEGORY	**CRITERIA**	**DEDUCTION (LEAKAGE%)**
High	< 25% of national forest area included in TREES	20
Medium	25–60% of national forest area included in TREES	10
Low	60–90% of national forest area included in TREES	5
No Leakage	>90% of national forest area included in TREES	0

10.4.1 Total TREES Emission Reduction Credits

Equation 19: Emission Reduction Leakage Deduction

$$LEAK_{ER,t} = GHG\ ER_t \times Leakage\% - (\text{HFLD credits cancelled}_t)$$

WHERE:

$LEAK_{ER,t}$	TREES emission reduction leakage deduction in calendar year t; tCO_2e
$GHG\ ER_t$	Gross GHG ERs in calendar year t; tCO_2e (Equation 9 or Equation 12)
$Leakage\%$	Percentage leakage deduction (from Section 7.2.1, Table 3); %
HFLD credits cancelled	Number of HFLD credits cancelled from Participant's account to apply to calendar year t; tCO_2e

10.4.2 Total TREES Removals Credits

Equation 24: Removals Leakage Deduction

$$LEAK_{REMV,t} = GHG\ REMV_t \times Leakage\% - (\text{HFLD credits cancelled}_t)$$

WHERE:

$LEAK_{REMV,t}$	TREES removals leakage deduction in calendar year **t**; tCO_2e
GHG REMV$_t$	Gross GHG removals in calendar year t; tCO_2e (Equation 20)
Leakage%	Percentage leakage deduction (from Section 7.2.1, Table 3); %
HFLD credits cancelled	**Number of HFLD credits cancelled from Participant's account to apply to calendar year t; tCO_2e**