

GER comments regarding the ART TREES 3.0 Draft

SECTION 2. ART CYCLE

2.3 CREDITING PERIOD AND RENEWAL

<p><i>The crediting period under TREES shall be five calendar years. The initial crediting period may begin up to four calendar years prior to the year the Participant submits the TREES Concept Note but may not overlap with the historical reference period used to determine the initial crediting level.</i></p>	<p>Could you please explain why the crediting period might commence before the participant submits the TREES concept? If no prove for prior consideration this raises concerns regarding additionality. For HFLD countries, no prior consideration should be allowed.</p>
<p><i>If a Participant exits ART for any reason and wishes to rejoin ART in the future, the Participant must submit a TREES Monitoring Report, and if necessary, a TREES Registration Document, covering all years since the Participant's last verified Monitoring Report was submitted.</i></p>	<p>What would be the consequence if a participant rejoins that has massively increased deforestation in the years absent from TREES?</p>

SECTION 3. ELIGIBILITY, APPLICABILITY, AND KEY REQUIREMENTS

3.1 ELIGIBLE ENTITIES

3.1.1. Subnational Accounting

<p><i>Extend the period for subnational accounting through December 31, 2040</i></p>	<p>Please outline why the deadline to move towards national accounting areas was extended by 10 years. Though we can see the need to continue incentivizing subnational accounting for IPLC territories, we consider the extension for +10 years with great concern. The Warsaw REDD Framework as commonly accepted reference calls for transition towards national approaches. Many domestic policy and economic processes influencing land use transitions are happening on national level – and the probability to avoid leakage, ensure permanence and additionality of REDD measures is often directly related to this. We strongly recommend retaining the 2030 deadline, with exception of IPLC territories. For HFLD submissions, there should always be the requirement for national accounting beyond 2030.</p>
<p><i>Where the TREES Participant is a subnational government that can demonstrate inherent authority via law, statute or resolution to participate in ART, the subnational government must notify the national government of the terms of participation.</i></p>	<p>Wouldn't there need to be an approval of the national government, if a subnational government applies? This would be useful to ensure integration into national goals (NDCs) and reporting (BUR, BTRs). This appears important also in cases, where compliance purposes are not anticipated.</p>

3.1.2 National Reporting Requirements

<p><i>Forests must be included as part of the overall NDC target. A specific NDC target for forests is not required.</i></p>	<p>If a specific forest target is not required, how can it be sufficiently assessed that forests are included in an appropriate manner?</p>
<p><i>Demonstration of conformance with Cancún Safeguards related requirements on sub-national level</i></p>	<p>Would subnational TREES eligibility be granted, if there are no national safeguard systems in place (i.e. digital or analogue system for providing information on safeguards - and Summary of Information to UNFCCC)?</p>

3.1.3 Transition Pathway for Forest Carbon Partnership Facility (FCPF) Carbon Fund and Readiness Fund Participants

<p><i>Provide a time-bound transition pathway for Forest Carbon Partnership Facility (FCPF) Carbon Fund and Readiness Fund Participants to join ART with unique eligibility criteria</i></p>	<p>Please ensure that FCPF jurisdictions have a pathway for continuing to build on the work conducted with the World Bank through the Readiness Fund or the Carbon Fund.</p> <p>We welcome the transition from FCPF to ART TREES for continuity of rewarding reductions based on long term commitments initiated by the supporters of the WB Carbon Fund.</p>
<p><i>In order to facilitate the transition of FCPF Carbon Fund and Readiness Fund Participants to ART to continue their jurisdictional REDD+ programs, these governments may meet the eligibility requirements outlined above or may use the following eligibility requirements Shifting to meet the Readiness Fund criteria (see below) for a second crediting period, OR Shifting to meet the eligibility criteria of TREES for a second (or any additional) crediting period</i></p>	<p>Please explain Option 1. Why would readiness fund criteria be sufficient under TREES? What are special eligibility criteria besides a smaller min area (i.e. 1 Mio ha)?</p>

3.3 REDD+ IMPLEMENTATION PLAN

<p><i>In the case when a Participant is using a subnational accounting area, the Participant must specify which REDD+ interventions from its National REDD+ Strategies/Action Plan are relevant to the subnational accounting area.</i></p>	<p>Would subnational TREES eligibility be granted, if there is no national REDD+ strategy/plan in place?</p>
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3.4 EMISSION REDUCTION AND REMOVALS RIGHTS AND BENEFIT SHARING ARRANGEMENTS

3.4.1 Emission Reduction and Removals Rights

<p><i>Participant shall provide a demonstration of its rights to the ERRs generated from the accounting area based on regulatory frameworks, laws or administrative orders. It may not be necessary for the Participant to establish or enact new legislation or a legal framework to address carbon rights. However, the Participant must explain how, under existing constitutional or legal frameworks, carbon rights and/or related intangible property interests, are established and addressed.</i></p>	<p>In various countries carbon rights are an issue of ongoing debate and sometimes also tension among different interest groups. It would be helpful to receive a concrete time-bound plan by national governments, how and when carbon rights will be agreed upon (while respecting Cancun Safeguards). This should be a definite deadline.</p>
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3.4.2 Benefit Sharing Arrangements

<p><i>Require explicitly that Participants provide a description of the benefit sharing arrangements, including demonstrating conformance with relevant safeguards</i></p>	<p>Are there templates / further guidance on benefit sharing principles and criteria as well as processes? This would be regarded useful.</p>
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3.5 ADDITIONALITY

<p><i>Governments already have the power to draft and enforce legislation to address emissions; the fact that they haven't been incentivized to do so to date (resulting in forest loss) means that any generated results based on jurisdictional actions as compared to the jurisdiction's own recent historical past is the best metric to demonstrate additional climate progress.</i></p>	<p>The variation on annual deforestation rates is subject to various drivers, whereas government policies are only one part. Others are e.g. commodity prices, climate conditions and conflicts.</p>
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<i>TREES only calculates emission reductions based on a fraction (0.05%) of a jurisdiction's carbon stock — meaning that credits are conservatively-issued and meet the additionality criterion for carbon market financing.</i>	Why have alternative HFLD approaches with side-specific variables, such as developed by Sylvera/Singapore, not been taken into account?
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3.8 REGULATORY COMPLIANCE

<i>Any known instances of non-compliance or violations with laws, regulations, or other legally binding mandates directly related to REDD+ activities must be disclosed in the TREES Monitoring Report along with corrective or preventive plans or actions.</i>	Please specify what happens if non-compliance persists - and which timeframes / grace periods apply here.
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SECTION 4. CARBON ACCOUNTING

4.1 EMISSIONS ACCOUNTING REQUIREMENTS

<i>Only anthropogenic emissions shall be considered, and IPCC guidance shall be adhered to on any exclusion of non-anthropogenic emissions.</i>	This is a tricky issue. Recent forest fires have been man-made but then extended heavily due to droughts. How does the standard distinguish here between anthropogenic and non-anthropogenic?
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4.1.2 Emission Factors

<i>Emission factors and components of emission factors can be derived from several data sources including on-the-ground plot measurements and inventories, peer-reviewed literature, use of models, biomass maps, and, where allowable, use of default factors such as IPCC Tier 1.</i>	We suggest adding the requirement to use the best available emission factor sources/methodologies at the time of reporting, and where this is not feasible, an explanation should be provided.
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4.2 REMOVALS ACCOUNTING REQUIREMENTS

4.2.1 Activity Data

<i>Stratification between commercial forest and natural forest restoration is recommended</i>	Why is this only a recommendation, and not a requirement? Could plantations also be accounted for here?
<i>If an area that is being credited for removals under ART is converted back to non-forest, these emissions must be reported as deforestation emissions for that year in next monitoring report submitted to ART.</i>	What does "these emissions" refer to? The total deforestation emissions as calculated for a natural forest stratum?

4.2.2 Removal Factors

<i>In cases where the restoration activity includes cyclical systems and periodic harvest cycles (e.g., commercial plantations), removals credits may be claimed up to the long-term average carbon stock of one full rotation.</i>	<p>Can you provide the respective equation/an example for the calculation of the long-term average carbon stock per rotation? Does this imply that a full biomass removal (e.g. via clearcut) would take the temporal carbon storage into account?</p> <p>The inclusion of removals and clear labeling is appreciated, nevertheless is the text still unclear regarding natural regeneration. We would suggest clarifying further the natural assisted regeneration accounting. Disambiguation is needed for natural removals in intact forest without human intervention.</p>
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4.5 SCOPE OF ACTIVITIES

<i>Emissions from forest degradation can also be excluded where emissions total < 10% of reported deforestation emissions. In cases Evidence to demonstrate this exclusion may include published government reports, peer reviewed scientific literature, forest industry and market reports, or other relevant documentation.</i>	We suggest having minimum quality requirements for quantification of degradation emissions in the documented evidence, as the mentioned sources may tremendously vary in quality of its content.
<i>HFLD Participants may claim removals for any year where the emissions from deforestation and degradation are within 15% of their TREES Crediting Level.</i>	It is important to acknowledge that jurisdictions with sustained, low emissions may be unable to continuously decrease emissions.

SECTION 5. CREDITING LEVEL

5.1 CALCULATING A TREES CREDITING LEVEL FOR EMISSIONS

<i>An updated TREES crediting level may not be higher than the previous crediting level. If a new crediting level value is greater than the previous crediting level value, the previous crediting level must be used for the new crediting period. When a new pool or activity is added, the new crediting level must be calculated with the new pool or activity included in the 5-year reference data. This represents the only circumstance in which a crediting level could rise from one crediting period to the next.</i>	We suggest specifying that the rise in the new crediting level is only permissible, if this can be explained by the addition of new pool or activity data.
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5.2 CALCULATING A TREES CREDITING LEVEL FOR HFLD PARTICIPANTS

5.2.1 High Forest, Low Deforestation Eligibility

<i>In order to qualify as an HFLD Participant under ART and use the optional HFLD Crediting Level approach, national or subnational Participants must demonstrate that they meet the HFLD Score threshold in each year of the historical reference period for their accounting area, which may include recognized Indigenous territories.</i>	We suggest that the HFLD crediting level should only be permissible, if a national approach is pursued. Subnational HFLD offers opportunities to select those areas with low deforestation rates, while promoting deforestation in the rest of the country. To ensure additionality and avoid leakage, a national approach is indispensable. An exception might be made for IPLC areas, as they constitute own governance arrangements that are largely independent of other policies/drivers.
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5.2.2 HFLD Crediting Approach

<i>The HFLD Crediting Level shall be calculated in accordance with the formula presented in Equation 5.</i>	Are there any changes compared to TREES2.0?
<i>Remove option for HFLD jurisdictions to claim avoided foregone removals</i>	We suggest to eliminate an option that required significant additional work and is not being adopted by jurisdictions
<i>Allow HFLD jurisdictions to claim removals if emissions are within 15% of their TREES Crediting Level</i>	Acknowledge that jurisdictions with sustained, low emissions may be unable to continuously decrease emissions (see comment above)

5.3 CALCULATING A TREES CREDITING LEVEL FOR REMOVALS

<i>All new areas of natural forest restoration reported under ART are eligible for crediting; and, upon entering ART the incremental growth that occurs during the crediting period, on all areas of natural forest restored up to ten (10) years prior to the start of the crediting period start date is eligible for removals crediting</i>	Why are forests included those restoration has started up to 10 years prior? This appears not justified in terms of additionality.
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<i>In any given year of the crediting period, areas of non-forest converted to forest that exceed the crediting level area shall be multiplied by the removal factor (or growth equation) for that stratum to estimate the net carbon removals eligible for crediting</i>	If the forest that has been restored is lost (e.g. due to timber harvesting or fire), will the total net removal for which credits have been issued, be treated as reversal? Please outline.
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SECTION 6 MONITORING

6.2 MONITORING AND REPORTING FREQUENCY

<i>For Participants that wish to have credits deemed eligible for ICAO's Carbon Offsetting Scheme for International Aviation (CORSA), TREES requires that the Participant agree to monitor, report and verify under TREES for a minimum of four five-year crediting periods (20 years).</i>	This should be applicable for all TREES crediting - as this constitutes best practice in other standards - and will likely help eligibility with Art 6,4. Especially those participants that leave TREES must be held accountable for the claimed ER permanence.
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SECTION 7. REVERSALS AND LEAKAGE

7.1 REVERSALS

<i>Monitoring under ART is not required after a Participant exits the program.</i>	We strongly recommend that monitoring under ART should be required for at least 20 years - even after a Participant exits the program.
<i>To maintain conservativeness under TREES, reversals are reported and a volume of credits from the buffer pool equivalent to the reversed volume is cancelled to permanently remove the credits from circulation and negate the reversal. If a Participant exits ART, any unused buffer pool contributions are cancelled to account for any possible future reversals as outlined in Section 7.1.4.</i>	The unused buffer only constitutes a proxy, while it will not be known if and to what extent reversals occur if the program has been left. Hence, it cannot be verified, if the unused buffer is sufficient or not to cover for future reversals.

7.1.1 Reversal Risk Assessment

<i>TREES considers three risk mitigating factors (below) that affect the success of the Participant. Each factor shall be assessed and verified for each calendar year reported.</i>	Reversal risks are manyfold - and partly out of direct gov control, hence this mitigating factor selections seems quite subjective. Wouldn't it be more appropriate to start with a conservative default reversal risk level - and then allow countries to reduce this level over time by also considering actual reversal
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7.1.3 Reversal Compensation

<i>If the total amount of claimed credits plus the buffer pool contribution would not fully compensate for the reversal, no emission reductions or removals have been achieved in the monitoring period and ART will not accept the TREES Monitoring Report submission.</i>	What happens if a participant drops out in such case?
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7.2 LEAKAGE

7.2.1 Leakage Deduction

<i>The TREES Leakage Deduction shall consider the program boundaries. Both activity-shifting and market leakage are covered in the standardized deductions.</i>	Are there studies that indicate if these deduction proxies are appropriate? We recommend orientating leakage deductions based on other standards, even if they might be project based. Jurisdictional drivers might also be relevant in this regard.
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7.1.3. Reversal Compensation

<i>Require Participants with a reversal to use a 30% buffer pool contribution for 5 years following the reversal</i>	Please improve clarity of requirements to ensure consistent implementation
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Section 10. CALCULATION OF EMISSION REDUCTIONS AND REMOVALS

10.3.1 Initial Removals

<i>Equation 15: Initial GHG Removals for Natural Regeneration</i>	How is additionality of removal certificates justified, if this is natural regeneration? do you refer to natural assisted regeneration beyond the removal reference level?
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SECTION 12. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE SAFEGUARDS

12.3 REPORTING REQUIREMENTS

<i>All indicators apply to all Participants. Where indicators reference a national program, framework or other requirement and a Participant is not a national government, the Participant must demonstrate how applicable subnational legislation is aligned and consistent with applicable national legislation</i>	While this is welcomed, the indicators suggest that many requirements are indeed the responsibility of the national level. How can this be respected in the subnational approaches - especially for IPLC territories, where members have no ability to e.g. set up legal frameworks or public policies? Please improve clarity of requirements and address common questions on reporting of outcomes.
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SECTION 13. AVOIDING DOUBLE COUNTING

13.1. DOUBLE ISSUANCE

<i>Verified ERRs from other initiatives (projects or programs) in the accounting area for the same calendar year, either led by the Participant or by other stakeholders, shall be deducted from the TREES issuance volume. This includes projects / REDD+ programs participating in other CO2e-based GHG crediting programs or initiatives such as multilateral and bilateral agreements and results-based payments.</i>	Please improve clarity of requirements.
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13.3. DOUBLE CLAIMING

Corresponding adjustments	Please clarify requirements and address common question and reflect latest guidance from the UNFCCC.
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