

ART / TREES 3.0 Consultation feedback

Submission of the UK Department for Energy Security and Net Zero (DESNZ)'s International Forests Unit

The UK welcomes the efforts of the ART Secretariat and Board to develop this updated version of the TREES standard.

We appreciate the critical role that ART and the TREES standard can play in helping to drive up the integrity and ambition of REDD+ results-based finance, including through global carbon markets.

The opportunity to comment upon the standard through a transparent public process is welcomed. Generally, the updates in TREES 3.0 strengthen the standard. However, there is room for improvement on several key issues. We have provided suggestions for some procedural and technical considerations and clarifications. These are outlined below.

1. Section 2 – the ART cycle

- The UK welcomes the amendment allowing Participants to submit documents in their official language, and the increased time period for stakeholders to comment on public documents. However, requirements for Participants to share these documents with stakeholders pro-actively for consultation should be strengthened.
- We have concerns that the current allowance for the initial crediting period to “begin up to four calendar years prior to the year the Participant submits the TREES Concept Note” is too generous. This allows participants to “hold” vintages for several years in advance of the actualisation of TREES programming. This raises questions on additionality of the resulting credits, with potential vintages being backdated many years prior to the carbon credit work beginning, let alone credit verification.
- Section 3.5. Additionality specifies that *“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.”* The logic that the additionality comes from the government taking action on deforestation as a result of the intended benefits from the carbon credit scheme is difficult to assert when it is up to 4 years prior to the submission of the scheme concept note.
- Allowing a four-year period prior to submitting a concept note also raises questions on the social integrity of resulting credits and the ability of the VVB to effectively assess compliance with the Cancun Safeguards, given that many steps would have to have been implemented and documented by the Participant up to five years before the first Monitoring Report is submitted. The extent of meaningful stakeholder participation and impacts on stakeholders, including their ability to report any grievances, could be particularly difficult for the VVB to assess given the potentially long passage of time.

2. Section 3 - Eligibility, Applicability and Key requirements

- We recognise the practical challenge for subnational participants to transition to national level accounting by 2030, but are concerned 2040 is too long an extension period. 2035 would still provide a generous extension while keeping the long-term goal of transition to national

REDD+ within reach. An exception to this would be territories and lands of IPs, LCs and Afro-descendent communities.

- We welcome the inclusion of text setting out requirements on ERR rights and the clarification on the requirement for participants to provide a description of benefit sharing arrangements. However, there is no minimum requirement set out, which risks a box ticking exercise without meaningful participation of beneficiaries from the outset in the design and implementation of benefit-sharing and other key programme elements. Could ART provide some examples of best practice on benefit-sharing?
- We also suggest that participation processes should begin earlier in the ART Cycle with the design of TREES Concept, particularly with regard to establishing ERR rights and benefit sharing arrangements (as well as the design and monitoring of safeguards in Section 12) and that compliance on early participation is assessed at Concept and Registration, as well as Monitoring Reports.
- The demonstration of evidence that ERR rights are in place is not required until verification, “or at a later date within the same crediting period”. It would make the verification process more efficient for all parties if this evidence was presented earlier in the Participant’s registration process with ART, rather than this emerging as an issue during the verification process. Early demonstration of evidence of ERR rights will also better support ART’s objectives of going beyond ‘do no harm’ and enhancing social and environmental benefits (Section 12).
- We welcome the updated additionality text setting out more details on how this approach works and why it is sufficiently robust. However, we would encourage ART to continue to innovate and explore where evidence around additionality can be strengthened. For example, is there an option to include further demonstration of evidence on the drivers of deforestation in reports?

3. Section 4 - Carbon accounting

- We welcome additional references to good practise for activity data, emissions factors and clarification on use of biomass maps.
- Section 4.1 and 4.4 we recommend including language on climate impacts, and being clear how ART distinguishes between anthropogenic and non-anthropogenic emissions - given the increased likelihood of overlap of these categories with more intense climate impacts overlapping with anthropogenic activity.

4. Section 6 - Monitoring

- ART should consider increasing its standard post-monitoring requirements and aligning these with international best practise (e.g. IC-VCM, CORSIA), outside of the existing exception for CORSIA participants.

5. Section 12 - Environmental, Social and Governance Safeguards

- We welcome some of the language changes to the safeguards, and the extensive rounds of consultations with IP and LC representatives informing these changes.
- However, we still consider much of the language to be high level, with no practical examples of how these apply in practice, where the benchmark is set for each indicator for verification, and alignment across different indicators. It is particularly important to have transparency around how these will be assessed during the verification process, including greater clarity on indicators. Without greater clarity and some further standardisation of expectations,

participants and VVBs may have different interpretations of what is required for compliance and verification and there is a risk of inconsistent application of indicators across jurisdictions.

- For example, potentially overlapping rights are covered under different Themes (Theme 2.3 on land tenure, 2.4 access to justice, 3.3 traditional knowledge & practices, 4.1 participation, 5.3 enhanced social benefits), with insufficient clarity and specificity on what is expected for compliance and how this would be assessed in practice. This also risks increasing the administrative burden of monitoring/reporting on multiple themes that (potentially) cover the same issue.
- We welcome the specific inclusion of women and vulnerable groups, Afro Descendant, transhumant and communities in voluntary isolation in the indicators. However, attention to these groups needs to be more consistently and explicitly referenced across all the indicators to support their meaningful and early participation. For example, we recommend using the term 'participatory procedures' in the Structure and Process Indicators throughout the themes in Section 12 on the Cancun Safeguards and especially in Themes 2.3, 3.1, 3.2 and 5.3.
- Additionally, we strongly recommend that reporting and demonstration of conformance with structure and process indicators start with the TREES Concept, given that a crediting period of up to four years prior to the Concept is possible and given that the TREES Registration Document may be submitted within two calendar years of the TREES Concept (Section 12.3). Reporting and demonstration should then continue through subsequent Monitoring Reports and the Registration Document.
- We also recommend changing all references to "conventions and agreements" in Section 12.4.1 (Cancun Safeguard A) to "instruments", and amending the term "ratified" to "ratified, adopted, or endorsed" throughout the document. For example, UNDRIP, which is mentioned in the summary statement for Cancun Safeguard C (p.67 of the consultation document) is a declaration (not a convention or agreement) and therefore not ratified but adopted or endorsed.
- We welcome new language in Outcome Indicator 2.3 on public institutions recognising, inventorying, mapping and securing customary and statutory land and tenure resource rights relevant to REDD+ implementation. We strongly recommend adding that public institutions should undertake these activities through participatory, gender-sensitive processes as this is crucial to reducing the risk of conflict over land and resources and going beyond 'do no harm'. We also suggest removing the 'involuntary' before relocation.
- We welcome the improved language of the indicators for Theme 2.4 (Respect, protect, and fulfil access to justice). However, we recommend that the Structure and Process Indicator, goes beyond ensuring that a Participant's dispute resolution mechanisms are in place, to also require that dispute resolution mechanisms are independent, functional, no cost, and accessible to communities early in the ART cycle.
- We also strongly recommend strengthening the effectiveness of dispute resolution mechanisms by including explicit requirements in the indicators for VVBs to also confirm with IPs, LCs, Afro-descendant peoples, women and other vulnerable groups that such mechanisms are independent, accessible and effective and to start this monitoring early in the ART cycle.
- We are concerned by the removal of reference to FPIC under Outcome Indicator 4.2 (present in TREES 2.0). FPIC is now only required for physical relocation under Outcome Indicator 2.3 (also present in TREES 2.0). However, FPIC is fundamental to meaningful participation in decision-making by IPLCs and other marginalised groups, including providing them with the option to withhold their consent for REDD+ activities that would impact them. This potentially very significant change is not included in ART's Summary of Changes. Could ART explain why FPIC is no longer included under Outcome Indicator 4.2? We strongly recommend that FPIC is upheld and included again in the Process and Outcome Indicators in Theme 4.2 and that its use is further strengthened. We would also recommend that on 4.2 adding in the

wording “all relevant” in front of Indigenous Peoples, Local Communities, Afro-descendant Peoples – this will ensure that all relevant groups are consulted and avoid a situation where one group is consulted and others are not.

- We welcome most of the changes made to Theme 5.3 on enhancement of social benefits and the reference to women, youth and ‘vulnerable groups’. However, we recommend also including ‘Indigenous Peoples, Local Communities and Afro-descendant Peoples or equivalent’ in both Structure/Process and Outcome Indicators (as stated in other themes). Could ART also explain how VVBs will assess how benefit sharing arrangements were developed, what social benefits have been generated through REDD+ and how these have been distributed?

6. Section 16 - Complaints and Appeals

- ART makes clear that the TREES Complaints and Appeals procedure “is not for grievances related to the design and/or implementation of a Participating jurisdiction’s REDD+ Program or for complaints regarding the conduct or decisions of the Validation and Verification Body.” Section 16 also states that “Complaints regarding a Participant’s REDD+ program, including participatory processes, distribution of benefits, activities or communities included in the program, access to information, FPIC or any topic related to the design and implementation of the REDD+ program should be directed to the appropriate dispute resolution mechanism in the jurisdiction. As required by Section 12, non-discriminatory and non-cost prohibitive dispute resolution mechanisms must be in place and these mechanisms must provide effective recourse and remedies in the case of a violation of rights, grievance, dispute or claim related to the implementation of REDD+ activities.”
- However, we strongly recommend that ART considers updating their Complaints and Appeals process to better support stakeholders with serious concerns who may not be able to have their concerns addressed through their country’s dispute resolution mechanisms at any level. We suggest ART develops such processes in consultation with vulnerable stakeholder groups, in particular Indigenous Peoples, Local Communities, Afro-descendant peoples and women and enable early access.

7. General comments

- We note that the document templates and Annex A will only be updated later. As these will guide Participants on what information is expected in various documents, including the Concept, Registration and Monitoring Report, the updates to Annex A and the templates are critically important for transparency and accountability along with ART’s Validation and Verification Standard.
- For example, what will be the expectations around the information required on designing and implementing benefit-sharing, how will this relate to other rights and in which documents will these requirements be detailed? Will there be an opportunity for public consultation on Annex A and the document templates for TREES 3.0 before these are finalised? And what is the proposed process and timeline for updating the Validation and Verification Standard to align with TREES 3.0?
- To further strengthen transparency, accountability and achieve ART’s objective of going beyond ‘do no harm’ to enhance social and environmental benefits through TREES, we also strongly recommend that ART produces some consolidated guidance for Participants and stakeholders on procedures, information requirements at different stages and good practice in key areas such as ERR and other rights, FPIC, benefit sharing and dispute resolution. This information and guidance is currently scattered across the Standard and other documents including ones that are yet to be finalised such as Annex A of TREES 3.0 and related templates, which are still to be updated.