

## The Architecture for REDD+ Transactions (ART)

### THE REDD+ ENVIRONMENTAL EXCELLENCE STANDARD (TREES), VERSION 3.0

#### UN-REDD Programme comments 6/10.25

The UN-REDD Programme welcomes the opportunity to provide comments on the TREES 3.0 draft and appreciates the ART Secretariat's efforts in producing a draft standard of increased clarity and simplicity without sacrificing methodological rigour and integrity. This is important at a time when jREDD needs to scale rapidly.

In the table below we present our comments by section with suggestions on what can be further clarified and strengthened or recognizing the improvement made.

We hope this can contribute to an even stronger standard overall that is inclusive, rights-based, and implementable at scale.

Section	Item in TREES 3.0	UN-REDD comments and recommendations
2.4 DOCUMENTATION REQUIREMENTS	Copies shall also be submitted in any additional official language of the Participant	A welcome revision to improve accessibility.
3.1.1 Subnational Accounting	During an interim period through December 31, 2040, subnational accounting areas may be registered under ART as a recognized step to national-level accounting.	<p>The extended deadline to transition to national-level accounting is a valid recognition of reality. Perhaps, however, <i>ad-interim</i> sub-national accounting could be permitted until 2035, and re-assess the situation at that time?</p> <p>We note the value of flexibility for Participants to use subnational accounting areas as an interim step. However, it is also important to signal that planning and actions to ensure national level accounting should start early on in order to facilitate the transition, address potential technical barriers and promote cost-effective and sustainable systems across scales. It would be important that the signal sent in the standard maintains momentum towards the national scale while allowing for some flexibility when needed.</p>
3.1.1 Subnational Accounting	For transactions of TREES Credits for use in meeting NDCs under Article 6 of the Paris Agreement or for other compliance purposes, including for CORSIA, host country authorization and agreement to report	<p>Suggest edits to clearly separate eligibility of participation from applicability for some uses:</p> <p>In order to enable the use of TREES Credits in meeting NDCs under Article 6 of the Paris Agreement or for other compliance purposes, including for CORSIA, host</p>

	<p>corresponding adjustments to the UNFCCC are required. In these instances, the authorization letter will attest that the national government will support the Participant by aligning accounting and reporting as required under the Paris Agreement and towards NDCs, including addressing double counting provisions detailed in the Paris Agreement and outlined in Section 13 of this Standard, as well as any special requirements for and exceptions to the authorization. The host country may also elect to authorize transactions for non-compliance purposes.</p>	<p>country authorization and agreement to report corresponding adjustments to the UNFCCC are required. In these instances, the authorization letter will attest that the national government will support the Participant by aligning accounting and reporting as required under the Paris Agreement and towards NDCs, including addressing double counting provisions detailed in the Paris Agreement and outlined in Section 13 of this Standard, as well as any special requirements for and exceptions to the authorization.</p> <p>In the case of CORSIA, eligibility will be duly recorded in the Credit status in the TREES registry.</p>
<p>3.1.2 National Reporting Requirements</p>	<p>If a TREES Participant is a subnational government, the Participant must demonstrate conformance with Cancún Safeguards related requirements, including:...</p> <p>"2. Having submitted to the appropriate national government entity a Summary of Information or safeguards report at the respective scale that is consistent with national reporting to the UNFCCC for any year where results-based payments under TREES are sought, and"</p>	<p>Consistency with reporting on safeguards to the UNFCCC is welcomed, but rather than requiring an additional submission to the national government in the form of a Summary of Information, we suggest that the information prepared and submitted for TREES documentation on safeguard be shared with the appropriate national authority.</p> <p>Suggested edit:</p> <p>"2. Having submitted to the appropriate national government entity the information on safeguards prepared for TREES, and"</p>
<p>3.1.3 Transition Pathway to FCPF Carbon Fund and Readiness Fund Participants</p>	<p>After the first crediting period, the [FCPF Carbon Fund] Participant can continue in ART by...1. Shifting to meet</p>	<p>Further clarification is needed on several aspects of this section.</p> <p>First, the rationale for allowing FCPF Carbon Fund participants to extend participation into a second crediting period by meeting the lower "Readiness Fund criteria" is unclear. The objective of the</p>

	<p>the Readiness Fund criteria (see below) for a second crediting period...</p> <p>Current FCPF Carbon Fund Participants may use their FCPF accounting area for one crediting period...</p> <p>...if they have a TREES Concept accepted by ART no later than December 31, 2028. Subnational accounting areas for these [FCPF Readiness Fund] Participants shall meet the requirements in Section 3.1.1, except that the total subnational accounting area must be comprised of a total forest area of at least 1 million hectares based on the area at the beginning of the TREES Crediting Period.</p>	<p>transition pathway should be to progressively align participants with the higher-integrity requirements of ART TREES rather than reverting to readiness-level criteria. Additionally, if TREES requirements are already expected to apply (beyond accounting area), the need for second period is unclear.</p> <p>Second, the text does not specify whether FCPF Carbon Fund participants must fully apply ART TREES methodological requirements (e.g., baseline setting, additionality, leakage, safeguards, permanence, buffer, etc.) during the transitional crediting period, or whether they may continue using the FCPF Carbon Fund methodological framework for accounting and verification.</p> <p>What are the implications for countries that miss this deadline (e.g., whether they would be excluded from transitional flexibility).</p> <p>The application of a 1 million ha minimum forest area threshold to Readiness Fund countries appears inconsistent with ART TREES' integrity principles. The text currently suggests that 1 million ha forest area threshold may be met by aggregating non-contiguous forest areas (3.1.1 requirements), which could undermine jurisdictional integrity and resemble the bundling of multiple project areas. Better to specify that the 1 million ha accounting area must at least consist of a contiguous natural forest area to maintain consistency with ART's integrity standards.</p>
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<p>3.3 REDD+ IMPLEMENTATION PLAN</p>	<p>"..ongoing activities planned or being taken to mitigate these drivers. The plan must also describe where activities are being conducted."</p>	<p>We suggest changing the word "activities" for "mitigation policies and measures, actions and plans" to ensure the scope of the implementation plan relates to jurisdictional responses. This is also in line with the scope of REDD Strategies and BIR reporting,</p> <p>What granularity is expected from the description of the activities? we suggest clarifying the general nature of this requirement (i.e. avoid excessive requirements, e.g. geographical information per activity at a local scale. Such information would not be actionable nor practical to collect by ART.</p>
<p>3.4.1 Emission Reduction and Removals Rights</p>	<p>[Entire sub-section]</p>	<p>The explicit inclusion of a sub-section on ERR rights is a most welcome improvement upon TREES 2.0 (where these requirements were included but in the annexed description of TREES concept note structure and contents).</p>
<p>3.4.2 Benefit Sharing Arrangements</p>	<p>[Entire sub-section]</p>	<p>Although there is no explicit requirement for benefit sharing arrangements within the WFR, or the Cancun safeguards, upon which TREES is based, the explicit inclusion of requirements on benefit sharing is a welcome revision. Benefit sharing, as central issue to effective and legitimate jREDD, has matured to the point that both Participants and buyers alike understand that it is of critical importance to demonstrating the (social) integrity of ERRs.</p> <p>That said, Participants would benefit from explicit clarification, here and/or in the BCB certification modules (Specifically BCB Module 3, Mandatory Indicators under Theme 1. Sustainable Indigenous and Community Economy), of the two sets of requirements when it comes to benefit sharing with IP&amp;LCs.</p> <p>Suggest some clarification of benefit sharing arrangements in cases of subnational accounting - <i>In cases of subnational accounting, Participants shall ensure benefit sharing arrangements are</i></p>

		<i>aligned with existing and applicable appropriate national policies, procedures, rules or regulations on the topic of benefit sharing from natural resource, particularly forest carbon, transactions.</i>
	The stakeholder groups eligible to receive benefits, including, where applicable, Indigenous Peoples, Local Communities, Afro-descendant Peoples, and other rights holders;	Suggest alternative formulation - <i>The stakeholder groups eligible to receive benefits, including, where applicable, Indigenous Peoples, Local Communities, Afro-descendant Peoples, <u>women, youth, elders and other vulnerable groups</u> and other <u>private land holders</u> – to a) indicate more gender-responsive benefit sharing requirements; and b) be consistent with text used in the safeguards section. It also acknowledges the possibility of commercial private sector stake-/title holders, e.g. project-level REDD+, important to nested approaches.</i>
	The principles and criteria guiding how benefits are allocated	Rather than, or in addition to, principles and criteria, it might be more pragmatic to require a description of <i>what</i> kinds of benefit allocated among stakeholders, including descriptions of elements such as: a) monetary and non-monetary benefits; b) carbon and non-carbon benefits; and c) costs versus benefits. This, together with other descriptive elements would then result in a straightforward, yet comprehensive set of requirements: <i>who</i> benefits- <i>what</i> benefits are shared - <i>how</i> benefits are shared.
	The processes used to develop and implement the benefit sharing arrangements	Suggest making explicit reference to ERR rights requirements - <i>The processes used to develop and implement the benefit sharing arrangements, <u>in full respect of ERR rights, aligned with the framework provided in section 3.4.1 above</u></i>
3.4.2 Benefit Sharing Arrangements	The Participant shall provide a description of the benefit sharing arrangements that govern the distribution of proceeds and benefits derived from TREES Credits. Implementation of benefit-sharing arrangements is not possible in ex-ante issuance of credits.	Given that transactions and proceeds are separate processes from the issuance of credits, we suggest clarifying that the requirement on benefit sharing within the Standard focuses on describing the arrangements in place to be activated to allocate proceeds and benefits from potential transactions of TREES Credits.  Suggest deleting the reference to "implement" and refer only to

	The processes used to develop and implement the benefit sharing arrangements.	develop/design benefit sharing arrangements.
	In addition to describing the arrangements, the Participant shall demonstrate how the process used to develop and implement benefit sharing arrangements is consistent with TREES safeguards and report on this in the safeguard sections of the TREES Registration Document and TREES Monitoring Report, particularly: ... œ Safeguard D (full and effective participation of relevant stakeholders); and	Consider highlighting the importance of issues related to gender issues as well as those related to youth and vulnerable groups by explicitly referencing them in relation to the requirement to demonstrate consistency with Safeguard D:  œ Safeguard D (full and effective participation of relevant stakeholders, including women, youth and vulnerable groups); and
3.9 EARLIEST CREDITING PERIOD START DATE AND VINTAGE	[entire sub-section]	Validation Delays: The average two-year delay in validation and verification is a concern. TREES should consider setting maximum review timelines or allowing retroactive crediting based on submission date rather than acceptance date.  Retroactive Crediting: The current language allows crediting for up to four years prior to the “year of acceptance” of the TREES Concept. We suggests changing this to “year of submission” to avoid penalizing jurisdictions for long review timelines.
4.1.2 Emission Factors	For peat soils a methodology for tracking emissions through time both for the crediting level and during reporting periods must be presented.	TREES would benefit from inclusive (of the main tropical peatland countries’) methodological guidance on emissions and removals from peat soils. UN-REDD is available to enter into a dialogue with the ART Secretariat on this topic.
4.2.2 Removal Factors	Participants may determine that the emission factors do not need updating and this should be explained and justified in the TREES Documentation.	Typo? Should read as - <i>Participants may determine that the <u>removals</u> factors do not need updating...</i>
5.3 CALCULATING A TREES CREDITING	Commercial forest is defined as any homogeneous tree planting or forest	Most countries will have planting statistics where for some planted areas, the species composition will not be available. The

LEVEL FOR REMOVALS	regeneration with the purpose of timber, fiber, fruit or tree sap harvest. To be eligible for crediting under TREES, commercial forests must not include any invasive alien species.	species can typically not be assessed through a remote sensing assessment. What would the implications of this missing data be for countries? What if this is missing for the reference period, but not for the crediting period?
8. UNCERTAINTY	[Entire sub-section]	Recommend removing the requirement for annual uncertainty assessments, arguing that they are redundant and administratively burdensome. Instead, uncertainty should be assessed at the end of each crediting period.
12.1 PURPOSE	TREES requires Participants to demonstrate they have implemented REDD+ activities defined in the REDD+ Implementation Plan consistent with Cancún Safeguards ensuring activities not only do no harm but also enhance social and environmental benefits.	Participants would benefit from explicit clarification, here and/or in the BCB certification modules, of the two sets of requirements when it comes to enhancing social and environmental benefits
12.2 STRUCTURE	Due to the highly related nature of the Structure and Process indicators, Participants shall report on these together.	Combining of structural and process indicators is a welcome revision as will significantly increase the clarity, and reduce the burden of safeguards reporting, validation and verification.
	There are three types of indicators:	Suggest rephrasing to - <i>There are <u>two</u> types of indicators:</i> To clarify that Participants are required to report against two, not three indicators. ART could consider further alignment to UNFCCC concepts and language of 'addressing and respecting' safeguards by relabeling as follows: Structure and process indicators become ' <i>addressing indicators</i> '; and Outcome indicators become ' <i>respecting indicators</i> '.  Further, the text on safeguards structure could be clearer on how safeguards outcomes are the results of implementing the structures and processes.
12.4 SAFEGUARDS	[Entire sub-section]	The simplified language of safeguards indicator formulation, throughout, is also a welcome revision to improve clarity and reduce Participant transaction costs.
12.4.4 Cancún Safeguard D	Structure and Process Indicator: Participants have in	Despite no explicit reference to gender in the Cancun safeguards, the inclusion of

	place a legal framework, policies or programs as well as the necessary procedures and resources to respect, protect and fulfill the right of all relevant stakeholders, including women, youth and vulnerable groups, to participate fully and effectively...	gender-responsive language is a noteworthy positive improvement on TREES 2.0.
13.1 Double issuance	The deduction for each calendar year shall be based on the verified or soon to be verified...	Consider setting the deduction based only on the verified number of ERRs.
	Exception to this requirement	<p>The exception to the requirement of ERR's deduction should be considered to the full scope of the domestic use providing that the ERRs are not used for NDC accounting or international compliance. By including the terms "voluntary" and "international" in the exception paragraph adds clarity to the domestic scope of the exception, while ensures the credits aren't used beyond the host country and maintains environmental integrity for the accounting of mitigation efforts.</p> <p>An exception to this requirement may be granted in cases in which credits from projects located within the Participant jurisdiction are verified and/or issued by a GHG program and labelled as being allowed only for use in a domestic compliance <b>or domestic voluntary</b> market within the Participant jurisdiction. Further, this exception is only applicable if the Participant (i.e., the host country government) provides assurance and verifiable evidence that the specified project credits are only eligible for use towards meeting obligations under a domestic compliance <b>or domestic voluntary</b> scheme or program, and that no entity is permitted to make claims about the use of the specified project credits towards <b>international</b> corporate climate or net-zero targets. In the</p>

		case of this exception, the volume of credits verified and issued to projects specifically for use in a domestic compliance scheme, and for which no claims are allowed to be made, will not be deducted from TREES issuance volume.
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