

COMMENTS BY COLOMBIA ON THE TREES STANDARD IN RESPONSE TO THE PUBLIC COMMENT PERIOD

September 27, 2019

1. The general purpose of ART TREES is laudable, of generating a market-friendly standard for REDD + with national and sub-national accounting, and not at the project level. In that sense, the exercise and the stated purpose of being consistent with the provisions of the UNFCCC, the Paris Agreement, the Warsaw Framework for REDD + and the Cancun safeguards are very valuable; since these are the REDD + modalities that have been agreed internationally by all countries.
2. However, although stated as a purpose, the standard is NOT consistent with the UNFCCC on numerous fronts, of which several items are mentioned here:
 - a. In eligibility requirements, all countries are included and not just developing countries. REDD+ as developed under UNFCCC is a mechanism only to remunerate developing countries.
 - b. The scheme does not require that countries have met the requirements of the UNFCCC of REDD+ to access the scheme (except for the Cancun safeguards and the REDD+ Strategy), which discourages participation in the REDD+ framework of the Convention. This goes against the Warsaw Framework's call for financial mechanisms to use the Warsaw Framework modalities to determine their funding. For example, countries are not required to have submitted their reference levels to the UNFCCC and to have these assessed, nor to have presented results to the UNFCCC. Nor is it required to register the results certified by ART TREES and paid for in the Lima Information Hub, created just for this by the Convention. In that sense, the standard is not according with the decisions of the Convention and forcing countries to have several reference levels and several reports of results.
 - c. The scheme does not speak about results-based payment - what is currently in force in the Warsaw REDD+ framework; but only about fungible credits, although it was asserted in the webinar that ART TREES could serve both purposes. If a country wants to access payments for results, the requirements for this should be less complex than for carbon credits, since with payments for results there is no transfer of ownership as there is with credits, nor are there adjustments against the NDC as with Article 6 ITMOs. This distinction is not manifest, with the consequence of making payments for results more burdensome since they must adhere to market credit standards.
 - d. With respect to the Paris Agreement, the standard does not mention Article 5 at all, which is the one referring to REDD +. Nor is it required in the standard that there is consistency between the crediting level with the NDC of the countries, which is necessary to assure that ITMOs generated through ART TREES can be adjusted correspondingly to the NDCs as required by Article 6.2 of the Paris

Agreement. A provision of Article 6 that is not applied by TREES is to require authorization from the seller and buyer country for transactions. In TREES it is only required from the seller.

- e. With regards to Article 6 of the Paris Agreement, it is inappropriate to approve a standard like ART TREES before COP25, since at COP25 very important decisions must be taken on the rulebook for Article 6, which should clarify the picture of how ITMOs transactions will work (transfer of mitigation results) between countries. If ART TREES is decided before, there is a high risk that the standard will be incompatible with the regulation of Article 6, and the provisions for updating the standard indicate that this will be done every 3 years, which will leave 3 years of possible incompatibility.
- f. With regard to safeguards, the standard exceeds what was agreed in the UNFCCC, for example by assigning equal treatment to local communities and indigenous communities, when in the Colombian case, the latter enjoy special treatment not applicable to the former. Other example is the requirement of demanding prior, free and informed consent, which gives a veto power, but in Colombia only applies for very specific cases where there is a very high socio-cultural and environmental impact for indigenous people, or the rest of cases with impact on indigenous communities the process of “previous Consultation” applies but doesn’t have a veto power.
- g. On the other hand, the standard talks about safeguards verification, a notion that was never approved by the UNFCCC because of how intrusive it is. It is one thing to report and report on compliance with safeguards, and another thing is to be verified as a country on them by a third party. On the other hand, national interpretations of safeguards such as those made by Colombia are not allowed in TREES, but additional indicators are prescribed.
- h. The standard includes a definition of HFLD (High Forest Low Deforestation) countries that is not present in the GCF guidelines (the concept without definition appears in the GCF) and has not been adopted internationally by the United Nations.
- i. The standard generates several additional requirements not present in the UNFCCC rules, in particular deductions for uncertainty and reversals.
- j. The standard has a perverse provision that allows a country to include only 90% of the forested areas of its territory in accounting and still be called “national”, contrary to the spirit of the UNFCCC REDD+ framework. This may lead to exclusions of certain areas by countries for their convenience at the expense of environmental integrity, particularly if the areas excluded are key for biodiversity or other ecosystem services
- k. The standard does not recognize that categories such as forest degradation are much more difficult to measure than deforestation, and still require similar levels of accuracy.

3. The standard is similar to a carbon market voluntary standard so, which are the implications of getting in on it? ¿And how binding is the standard for the countries deciding to involve in it? Particularly for the NDC and the way the NDC is designed.
4. The standard should deem a trial period in order not to penalize those countries which can't accomplish requirements as expected, how can this hamper the payments as agreed previously? Would any kind of clause be regarded to cope with this issue?
5. Regarding activity data sourced from remote sensing how can the next paragraph be addressed?: *Analyses must identify cyclical systems such as timber or tree crop harvest rotations and shifting cultivation/fallow systems such that deforestation (or emissions following temporary tree clearing for tree harvest systems) from these activities is not counted more than one time. That is, the first conversion in such a cyclical system will be calculated, net of post-harvesting regrowth; any subsequent increases or decreases in canopy cover or tree stocks*
6. The TREES standard is very strict in proposing the use of tier 2 and 3 for estimating emissions from above-ground biomass and soil organic. While Colombia has achieved meaningful results in improving its emissions factors related to above-ground biomass, its unclear how the uncertainty regarding soil's emissions will perform. In overall, the uncertainty on national emissions factors are as high as 15% and over, so the total uncertainty of estimations will be higher than such number so, if the estimation's uncertainty of country is over 15%, how will the buffering contribution work in this case?. This issue could prevent the choice of other carbon pools such as dead organic matter and soil. The above-mentioned issue could be unfavourable for countries which are not able to use tiers 2 and 3. We suggest reviewing this concern.
7. With respect to the assessment of histosols, the country does not have significant areas in this taxonomic unit, nor is it associated with forest cover; additionally the classification from the level of taxonomic order requires the exclusion of soils from other taxa that have similar characteristics to histosols (e.g. : some Andisols), therefore the criterion on soils must be integral for both organic and mineral soils.
8. About crediting level, TREES just accepts a 10-years historic average as method for calculating the FREL so, it does not allow another kind of projections or adjustments that could be useful for certain countries in generating more accurate models of projected deforestation using historic deforestation data. The standard is aware of uncertainty's estimation is a key issue to get the crediting period. Under this approach, the uncertainty must be a cross-cutting issue with disregard of how FERL had been modelled.
9. The requirement of a 20% reduction of crediting level at the end of 5-years crediting period that will be employed as the next crediting level, may be far too large for some countries and not take into account the performance of deforestation in each country. This approach should be on a gradual basis during the first crediting levels at least; otherwise, targeting a 20% reduction in the second crediting level will prove to be hard of accomplishing.

10. Concerning reversals, TREES establishes that it will keep a credit buffering as much as 25% with regard to emissions reduction results achieved during crediting period. If an emission reversal take place above the crediting level, the buffering will be retired to offset that reversal. What happen if the emission reversal is higher than the buffer contribution? The reversal approach is questionable as no analogous mechanisms exist for credits in fossil-fuel emission reduction projects. The penalty for not generating results in non-forest projects is the no generation of credits, not the creation of debits.
11. Who would the required assessment do to define successful results-based payments? It's unclear how the standard's manager would keep its independence regarding donors and buyers. It's advisable to count on a third party to be unrelated to either standard's makers or donors.
12. A possible alignment of interests between country and verifying entity should be eliminated. This can be achieved if the standard is the one who hires the verifier and the country pays the standard.
13. With the rules as they are proposed, Colombia would not eligible for this standard in the near future, and the Joint Declaration of Intent could not be operationalized in that framework.
14. In summary, it is highly inconvenient to approve the standard as it is and it is requested to discuss it further with the REDD+ countries and wait for the results of COP25 to make adjustments and take those decisions into account.