

Technical Note to the TREES Version 2.0 Consultation Process

To the REDD+ Transactions Architecture (ART) Secretariat,

IPAM¹ is grateful for the opportunity to express its contributions to the public consultation process for version 2.0 of the REDD+ Environmental Excellence Standard (TREES).

Since 2000, IPAM has been working on Payments for Environmental Services proposals to compensate for deforestation reduction in the Brazilian Amazon. More recently, IPAM has provided technical and scientific assistance for the REDD+ jurisdictional systems in the region in partnership with the Amazon States. These systems deeply involve the engagement of communities, indigenous peoples and traditional population, and we consider that TREES presents a high potential to promote social benefits to them.

We expect that our comments can help improve TREES, particularly on those issues related to removals from new forests, HFLD jurisdictions, and indigenous peoples. Our comments were made based in the current context of land use in Brazilian Amazon.

Comments to version 2.0

Expanding crediting for jurisdictional-scale removals from the establishment of new forests.

Opportunities. We see expanding crediting for removals from the transformation of non-forest areas into new forest areas as an essential innovation in version 2.0. In the Brazilian Amazon (Legal Amazon), about 16 million ha are under natural forest recovery, which corresponds to more than 5% of the native vegetation area of the region (data from Mapbiomas 2017). Also, in 2019 the planted forests for commercial use covered about 152,000 hectares. The carbon credits issued for these areas will increase several jurisdictions' accounting with large forest regeneration areas and covered by tree plantation.

Technological barriers. Despite having robust methodologies for monitoring deforestation, the official monitoring (TerraClass) of degraded areas was ceased in 2016, making it impossible to quantify areas under forest regeneration. Therefore, it is essential to point out the need for close monitoring of these areas of new forests that will be included in the calculation for removals and the tools and methodologies able to do this monitoring. Considering that PRODES only calculates further deforestation and there are no official tools that calculate regeneration in Brazil, it is fundamental to break these methodological barriers and consider unofficial tools (e.g. MapBiomas) at the time of calculation.

Caution with tree plantation. It is necessary to map the areas planted for commercial use, especially if these new plantations require the clearing forest previously degraded by logging or fire. In Brazilian Amazon, logged or/and burned forests were converted to tree plantations in regions with high logging activities.

Methodological issues. There is the need to establish a conceptual standard on understanding from how long an area can be considered a non-forested area with a forested area for the calculations under ART TREES. And yet, how long this area needs to be regenerating to be considered an area with relevant permanence for quantifying carbon

¹ The Amazon Environmental Research Institute (IPAM) is a science-based NGO working for more than 25 years in the Amazon Region (<https://ipam.org.br/>).

stocks. In the eastern Brazilian Amazon, forest being naturally restored on degraded pasture and protected from fires can take 20 years to recovery 30% of original biomass.

Private areas. It is necessary to understand better how removals generated by restoration in private areas will be accounted for by the jurisdiction, since these areas can, in principle, be channeled to the voluntary carbon market.

Adding an innovative crediting approach to reward Participants that meet the new TREES criteria for High-Forest, Low Deforestation (HFLD) jurisdictions.

Crediting. While this is a good solution to compensate HFLD states, there are still questions about when HFLD jurisdictions will credit their removal credits. Will this be calculated at the beginning of the submission process or after the first year of submission? Will admission as an HFLD be given year by year, or is it established on the total period presented for admission? Is the baseline used the year directly preceding the accreditation period or the initial monitoring year? Could recent deforestation increases in HFLD states/jurisdictions be relativized from the total area of the state/jurisdiction? There are HFLD jurisdictions that were unable to get credits at the time of submission.

Understanding that some jurisdictions may redo their calculations after the release of TREES 2.0, we suggest that a tutorial or some tool be made available to assist in this accounting of foregone removals.

Proposing an eligibility pathway for Indigenous Peoples to be included as distinct subnational accounting areas under a national Participant or as direct Participants in ART.

Indigenous lands as barriers to deforestation. Despite the low additionality of indigenous lands, since they are territories already protected by law, these areas play an important role in maintaining forest stocks, stopping deforestation in the landscape scale, and mitigating climate change. However, it is necessary to have a well-designed strategy so that REDD+ actions do not promote risks to indigenous populations or cause disagreements between these populations. The experience of REDD+ projects in Amazon indigenous lands (for example Suruí Carbon Project) accumulate several issues not yet addressed by the project designers or governments.

Jurisdictional Approach. We believe that a jurisdictional approach is the most recommended, instead of direct participation from indigenous peoples. For more than a decade, Brazil is investing in the strengthening of its jurisdictional systems. These jurisdictional structures allow both indigenous groups and other groups of stakeholders who also contribute to the preservation of forests to be adequately compensated and also safeguarded from the unwanted impacts of REDD+ actions through State Safeguard Systems. These communities should be supported by all the legal apparatus and tools of the state governmental institutions.

Furthermore, this approach avoids internal conflicts (putting at risk their integrity). Moreover, it ensures that the entire jurisdiction is protected from the risk of leakage. Finally, credits generated by indigenous lands should be considered in the Brazilian NDC.

Safeguards. Another critical point regards the safeguards. In Brazil, systems that guarantee the monitoring of safeguards have been developed, both at the national and subnational levels (in some states). This includes respect for their traditional knowledge, right to consultation, right to benefit sharing, among other aspects. The indigenous populations need

to be very well advised and technically supported in terms of information and knowledge of the mechanism and being widely consulted.

Benefit sharing. According to how indigenous peoples preserve their forests, the jurisdictional approach also brings the possibility of rewarding the stakeholders – particularly indigenous peoples - involved in a differentiated manner. In this way, the indigenous peoples could be rewarded for their fundamental role as caretakers of the forests.