

TREES 2.0: UNDP Climate and Forests Review Comments

General Inputs:

UNDP welcomes TREES 2.0, particularly the recognition of indigenous and tribal territories and HFLDs, the inclusion of removals, as well the overall enhancements in terms of the practicality and clarity of this updated version of the Standard.

Markets have the potential to lower costs of achieving climate mitigation by providing flexibility. If designed and implemented in a way that ensures high integrity, including through clear and rigorous standards and methods, carbon markets can play a role in mobilizing finance, raising ambition, and meeting the goals of the Paris Agreement. Approaches should not only promote high integrity but be clear and practical, to ensure effective and consistent application.

Our inputs below focus primarily on specific examples where we see a need for further clarity, to ensure the effective use of the Standard, avoiding inconsistent assumptions and interpretations of how to apply the provisions of TREES. We have also included more detailed inputs on the pathway for eligibility of indigenous territories.

Section	Topic	Comment
3.1.	Eligibility of indigenous territories	Please see detailed inputs on this issue below the table.
3.2.	Eligible activities	<p>We appreciate that a removals module has been developed for TREES v2, and that it recognizes the importance of non-forests converted to forests. We see this as a positive step forward, but note that the current approach creates an imbalance in incentives between new forests and existing forests, as there is no crediting available for removals from forests remaining forests.</p> <p>The rationale for including emissions from forests that remain as forests but not removals from forests that remains as forests is not clear. We suggest further consideration of this limitation on eligible removals.</p> <p>Additionally, what happens in cases of temporary emissions</p>

		from forest degradation? Isn't this likely to lead to an overestimation of emissions?
4.1.3	Removal factors	Editorial – refers to “emission” factors where it should refer to removals
4.5	Scope of primary pools	Most countries do not have sufficient information on SOM, making it very challenging if not impossible to determine if conservative or not.
5.2	TREES crediting level for HFLD participants	We found the description of foregone removals as an additional potential claim, as well as the proposed approach to calculate those foregone removals confusing. In order to illustrate more clearly, perhaps a worked example of ERs calculated against the HFLD crediting level, with the additional foregone removals added, would be helpful to provide, either within the Standard, in a box, or in an accompanying technical note or guidance document.
5.2	TREES crediting level for HFLD participants	What is the relationship between the “foregone removals rate” and removal factors requirements included in 4.1.3. Should there be a cross-reference made to 4.1.3?
5.3	TREES crediting level for removals	5.3 allows combining strata when separate factors do not exist for a given stratum. Will additional guidance be considered for when and how combining is eligible, noting there have been issues raised in UNFCCC TARs regarding this matter.
5.3	TREES crediting level for removals	We recommend consideration of improved text to enhance the description of the “ongoing removals stratum.” Currently, it may lead to confusion.

5.3	Stratification of commercial and natural forests	In our view, the stratification should be a requirement not a suggestion. There is an important risk of conversion that needs to be considered.
6.2	CORSIA	In those cases where national governments do not join ART, it is unclear how subnational governments will be able to commit to continue the MRV beyond 2030 if they are no longer part of the program.
7.1	Reversals	Text is missing here to define reversals in the case of removals. Though the equation has been added in 7.1.2, the text was not revised here.
7.1.4	Reversal compensation and buffer pool management	If a participant leaves ART, and there is a debt or future reversal, it is not clear what happens in this scenario.
8	Uncertainty	There seems to be an error in equation 6.

Indigenous peoples & indigenous jurisdictions

UNDP welcomes the inclusion of indigenous peoples (IPs) in TREES, as entities that could potentially submit jurisdictional proposals to ART. In fact, the concept of "indigenous jurisdiction" – which could be reflected specifically in TREES – not only reflects a territorial reality (as indigenous peoples have their territories defined and recognized by law in many countries), but also recognizes the reality of the key role of indigenous peoples to conserve intact forests and contribute to global climate action, which is strongly supported by recent scientific evidence. In addition, there has been increasing momentum, within indigenous peoples as well as across scientific and development cooperation stakeholders, on the need to genuinely reward the roles of indigenous peoples in the forest solutions to the climate crisis. Therefore, UNDP appreciates that ART is willing to recognize and reward the roles of indigenous peoples in REDD+.

In order to see this pathway for IP eligibility realized, a number of issues and needs stand out, which require consideration in TREES 2.0 as well as in subsequent processes, so that "indigenous jurisdictions" could be realized as be part of ART.

Above all, there is need for a specific consultation process with indigenous peoples on this matter. There is a limited and patchy understanding on TREES among indigenous peoples, as well as possible skepticism on the role of high-integrity carbon markets as ART/TREES represent. This is negative for the global REDD+ agenda, for ART and for indigenous peoples themselves, as it is a missed opportunity for forest solutions. In this sense, we strongly recommend a dedicated outreach process, which includes both a capacity-building element and consultations, so that indigenous peoples both understand the provisions of

ART/TREES and how to operationalize these and can inform it, in order to generate a genuine engagement and collaborative dynamic. Given the time it would likely require, UNDP suggests that a dedicated IP participation and consultation process on ART/TREES could be organized to inform TREES 3.0. These dedicated consultations could also inform the development of supplemental operational or technical guidance to complement such provisions in the Standard itself for “indigenous jurisdictions”.

In terms of TREES 2.0, we would like to highlight the following issues relevant to IPs and potential indigenous jurisdictions which may require enhanced clarity, a review or tailored flexibility:

- **Geography:** If Criterion 1 means that the territorial boundaries have to be contiguous, this limits very much the options (as many IP territories are fragmented by geographic or geopolitical reasons). Would the “one or several administrative jurisdictions” criterion for subnational governments also apply for IPs territories? Would IPs territories across national borders be able to build a joint proposal? Clarity and flexibility on these details would be helpful.
- **Size:** Criterion 2 (requiring total forest and non-forest area of at least 2.5 M ha) limits very much the opportunities for an indigenous jurisdiction, as IP territories are often reduced or fragmented because of historical, geopolitical or juridical reasons. This criterion could only be applied in very few countries and, in practical terms, will impede the participation of indigenous jurisdictions in ART. Could there be some threshold alternative or flexibility considered, such as for small and medium-sized countries (e.g. countries < 1 M km²), to enable and incentivize indigenous jurisdictions? For instance, allowing indigenous jurisdictions that cover 5% of the national territory, or at least 1 million hectares, could be more realistic and practical – and since indigenous jurisdictions are essentially forested territories, this would already represent a substantial REDD+ offer, well beyond project scale, and would meaningfully address leakage risks.
- **Representation:** Indigenous jurisdictions usually have governance arrangements that differ from the monolithic governance mechanisms of national or decentralized jurisdictions, as represented by a government with hierarchical structures. This makes representation complex – the provisions to define representation should be discussed with indigenous peoples.
- **Resource rights & REDD+ assets:** A typical issue in indigenous territories is that indigenous peoples can own or govern natural resources on the ground (e.g. farmland, forests), but tenure is excluded from underground resources (e.g. oil) or aboveground resources (e.g. carbon ERs). There are also issues of right to use vs asset ownership. Therefore, TREES should have specific provisions that take into account these tenure and resource rights realities in indigenous territories, so to account for IP realities, while being juridically appropriate for governments.
- **Technical assistance:** For IPs to prepare and field a proposal, there is a need for: (i) dedicated technical assistance, such as on carbon accounting and safeguards compliance; and (ii) some degree of governmental support, especially with data, information and official endorsement. In order to facilitate that, ART should have some enabling measures, such as partnering with organizations that can provide such technical assistance to IPs, and some incentives to encourage governments to support indigenous jurisdictions submit proposals to ART.

