

Feedback and Comments on ART TREES

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The development of ART TREES will play an extremely important and crucial role in REDD+ accounting and in climate change mitigation. Overall, this document is extremely thorough and clear and the guidance strikes an appropriate balance of specificity and flexibility.

Below I provide overall feedback on the various sections. This is then followed by comments on specific language in the referenced section.

I strongly commend all the actors who participated in the development of this standard.

General Feedback	
Validation, Verification, and Monitoring Process	<p>The involvement of the Secretariat in review is significant. Thus, the financial stability of the Secretariat needs to be secured to ensure that it has the resources to meet these reporting requirements and to continue to meet the timelines delineated.</p> <p>Thus, it is recommended that there be some type of guarantee of funding to the Secretariat, either from countries that will be purchasing TREES credits, or from large volume buyers. This should be required regardless of the number of credits created / sold.</p>
National eligibility	<p>The rationale for this is unclear. The amount of power that the national level of government holds varies greatly across countries. And thus favors countries where the national government holds the majority of decision making.</p> <p>It is recommended that there be an allowance for subnational participation as a participant if the national gov't presents a letter of no objection.</p>
Subnational Accounting area	<p>The criteria seem to be unnecessarily complex, and may limit participation.</p> <p>It is recommended that this be simplified to be</p> <ul style="list-style-type: none"> -one level down from the national (can include multiple jurisdictions) -minimum of 2 million ha or 5 million tons a year

	<p>Alternatively, if this requirement is going to be maintained, one option would be to include a list of jurisdictions that automatically meet the qualifications listed, and those which may qualify if combined with other jurisdictions or if further analysis is conducted using the country specific forest definition.</p>
<p>Subnational period only to 2025</p>	<p>This is extremely strict, and strongly disadvantages larger countries, especially those where subnational governments hold significant regulatory responsibilities, and thus regulatory approval processes to the national level may be time consuming.</p> <p>Although I would recommend that there is no requirement for national accounting, if this must be maintained, it is highly recommended that this be adapted to state:</p> <ul style="list-style-type: none"> -Countries that submit Concept Notes prior to 2025 are allowed to register subnational areas, however, the TREES Registration Document must include an explicit transition plan with a timeline for national accounting, and interim targets. All countries must include national accounting by 2035. -If a country submits a Concept Note <i>after</i> 2025, the accounting area must be at a National level. <p>It is hoped that this will encourage countries to submit TREES Concept Notes by 2025.</p>
<p>Eligible Activities</p>	<p>Currently, emission reductions from peatlands are not included as an eligible activity unless also associated with deforestation or forest degradation.</p> <p>Thus, it is highly encouraged for TREES to allow avoided peatland emissions as an allowable activity, regardless of the forest status. The absence of this extremely globally important emission reduction option should be strongly reconsidered. This will require additional guidance, including the allowance that the peat accounting area be a subsection of the entire accounting area.</p> <p>In addition, TREES may want to consider stating that by 2025 specific other activities will be</p>

	<p>included in TREES. In addition, countries will have the <i>option</i> to submit an updated reference level and monitoring report for the original crediting period to include those activities when the updated TREES Version is available.</p>
HFLD	<p>It is unclear if countries which submit a subnational accounting area are allowed to still qualify.</p>
Additionality	<p>It is recommended that more guidance be included to demonstrate the additionality of the emission reductions, including a theory of change and demonstration that the activities implemented led to the emission reductions that have taken place.</p>
<p>Crediting Level The reference period for the initial Crediting Level under TREES shall be 10 years</p>	<p>Requiring a fixed 10 year period for all countries will automatically result in inaccuracies of future emission for some countries. In some countries, the deforestation drivers over a ten year period may have significantly changed. In other countries, this may accidentally coincide with global climate change cycles (eg number of El Nino years) that limited deforestation and degradation drivers, especially fire.</p> <p>Thus, it is recommended that an allowable range be presented (eg 5-10 years), and that then countries must present the chosen reference period along with the justification for the reference period chosen.</p>
<p>Crediting Level Following the initial crediting period, the TREES Crediting Level shall represent a 20% reduction below the Crediting Level from the prior crediting period.</p>	<p>Requiring countries to apply a 15% uncertainty deduction and then an additional 20% reduction below the Crediting Level in subsequent crediting periods will be a significant reduction for many countries.</p> <p>There is concern that this may limit country participation, especially if voluntary emission reduction standards will result in a higher total payment to the country...</p> <p>If the requirement for ratcheting down the crediting level is still going to be required, it is recommended that instead total accounting of emission reductions should take place, and then the quantity of credits equaling the 20% reduction be automatically retired and labeled as 'ambition credits', however they shall be named.</p>

	<p>This will add more transparency and accountability and may add assurance that such 'credits' are not sold via the voluntary market. Or if the intent is that this <i>is</i> allowable, this should be explicitly stated.</p>
<p>Buffer Pool Management "the buffer contributions made to the buffer pool 10 years prior will be returned to the Participant to be used as the Participant chooses. This shall continue in each subsequent year if no reversals occur."</p>	<p>Allowing full release of all buffer contributions is relatively risky considering the number of countries that will be contributing to the buffer pool.</p> <p>Thus, it should be considered to instead require a slower draw down of buffer credits over time.</p>
<p>Uncertainty</p>	<p>Uncertainty analyses are calculated on the reference period and the crediting period. However, there is no analysis of the impact of such uncertainties on the actual emission reductions.</p> <p>Thus, it is recommended that an uncertainty requirement, or at least the calculation of the uncertainty, also be placed on emission reductions.</p>
<p>"Disclosures about participation in other REDD+ crediting or payment-for-performance programs and/or REDD+ Project(s) within the proposed area regardless of credit ownership"</p>	<p>It is recommended that more clear language be provided on how accounting should take place if other 'payments for performance programs' are included in the accounting area.</p> <p>In addition, it is recommended that this include a more clear definition of 'payment for performance' such that it only relates to payment for emission reductions registered in a national registry as there may be many types of 'payment for performance programs' that also impact deforestation and degradation rates.</p> <p>For example, if an entity (company, village group, national park) is being provided financing from an international entity upon demonstrated performance that is not related to emission reductions, but may support deforestation reductions, does this need to be disclosed and how does this impact accounting? (eg performance financing related to continued maintenance forest-elephant habitat from an international donor; performance based financing for water quantity/quality assurance, but which also requires maintenance of forest cover; an international commodity buyer</p>

	<p>providing payments to a village if it continues to cease the use of fires; an increase in payments for timber with the implementation and certification of reduced impact selective logging practices). It might be relatively difficult for the national level government to ensure that it has full knowledge of such programs across the entire country and thus has fully disclosed all such programs. And it is currently unclear how this needs to be accounted and what the impact is on the ER issuance.</p> <p>If needed, ART could also require that where Non-ghg related payment for performance activities are taking place and registered nationally, that the activity must pass an additionality requirement using a financial additionality tool.</p>
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Comments on Specific Language:	
1.2.2.	Include reference to grandfather allowances
2.1	<p>There are 4 different 'review and approval' points by the Secretariat.</p> <p>This is a significant transaction cost. However, it is not clear how the costs of these reviews are financed. Does the submission at each step incur a specific cost? Or is that all work of the Secretariat funded from ODA, or from transaction fees when credits are sold?</p> <p>In what document will such information be presented?</p>
<p>2.2</p> <p>"The TREES Participant submits a TREES Monitoring Report to the Secretariat for review following calendar years 1, 3, and 5 of each crediting period."</p>	<p>Will more specificity be delineated at a later time? It is recommended that the language be written more explicitly to state the deadline for each report. Eg dec 31st of year 2...</p> <p>In addition, this require is significant. It assumes that this will be cost effective for a country. Eg the funds received for selling credits will be able to finance such frequent reporting.</p> <p>One option, which would benefit low credit producing countries, would be to allow a country to have the option to present a 'status update report' demonstrating that they are on track to</p>

	produce credits (eg a deforestation assessment), and then allow less frequent full Monitoring Report to be completed.
2.3 “The TREES Participant shall submit a revised TREES Registration Document for validation following the first year of a new crediting period, along with its Year 1 TREES Monitoring Report for verification.”	It is unclear why these timelines are so specific, but then not exactly (‘following the first year?’ is a non-specific but specific time period...). If a country is really efficient, why can’t it submit the updated Registration Document right away? <i>Before</i> the crediting period begins or at least during the first year?
2.4 Revised templates will be published three months prior to their due date and version updates will not be required once a document has been submitted to the Secretariat or Validation and Verification Body.	What is the ‘due date’??? Should this be switched to ‘effectiveness date’?
3.1.1 The TREES subnational accounting area shall include all forested areas within the boundaries of the participating subnational jurisdiction(s); AND	The definition of ‘accounting area’ is never provided in the document. Thus it is recommended that this definition be included. Given this line in the document, it is assumed that the ‘accounting area’ is ONLY the area that meets the definition of a forest at the start of the reference period? If so, then what happens to areas that are reforested during the crediting period? Are they ignored during all subsequent monitoring? It is assumed that this is not the intent. Thus, it is requested that clarity be provided on this point. And if that is true, then this requirement should ALSO be required for both the national and subnational levels.
3.1.1 Legal responsibility for policy-making specific to forests shall rest with subnational governmental authority(ies) or be shared between such authorities and the national government.	This language allows a lot of subjectivity... Some countries have laws stating that specific land areas are the responsibility of the subnational gov’t, while other land across the country only the national gov’t has authority over. Does this count as ‘shared’ – eg what happens in situations where the subnational gov’t do not have any authority or ability to change policies for some lands??
3.1.1 Defined as ≥90% of all areas in the country qualifying as forest under the national forest definition as described in Section 3.5.	This footnote includes rather important information, but is only listed in this footnote. Firstly, as mentioned above, the ‘accounting area’ is not defined in the document...

	<p>Secondly, this very significant point is that the 'accounting area' = $\geq 90\%$ of all areas qualifying as forest.</p> <p>For many countries the forest definition alone is really not sufficient enough to define areas that are forests remaining forests... (eg shifting cultivation areas often go in and out of this forest definition)</p> <p>And for many countries, there may be small pockets of areas that meet the 'forest definition', but are not 'natural forests', and/or the accuracy in monitoring such small pockets of forests is high, and thus may take significant time, w little benefit.</p> <p>Thus, it is recommended that instead a country must define its 'accounting area' and 'forest accounting area' in the project document, along with a justification for these areas. Instead of this minimum 90% line.</p>
<p>4.1.1 Activity Data "For the reference data, at least three interpreters should be used for the reference data, where majority agreement is used for the final reported data. Interpretation disagreement should be reported, and the locations, map classification and interpreter classification of the sample data should be shared for verification purposes. "</p>	<p>This requirement is unclear, including how an 'interpreter' is defined. It is unclear if the three interpreters must conduct an independent analysis of the entirety of the reference data, or if sampling is allowable. It is recommended that the language be edited to increase its clarity.</p>
<p>4.1.1 Activity Data The map used for the stratified area estimation should be created through direct change detection</p>	<p>This is relatively specific and may not allow for changes in the latest scientifically determined most efficient approaches for estimating change.</p>
<p>4.1.1 Activity Data That is, the first conversion in such a cyclical system will be calculated, net of post-harvesting regrowth;</p>	<p>This approach will mean that locations that are actually part of a cyclical system that happen to have already reached the 'forest definition' prior to the reference period but then fall below the forest definition after the start of the reference period will be counted as 'deforestation'. Thus this may result in deforestation being overestimated in the reference period.</p> <p>An alternative approach would be to first allow mapping and stratification of all areas that are part of a cyclical system. This may include the allowance to conduct change detection prior to</p>

	<p>the reference period, allowing such cyclical systems to be identified.</p> <p>Thus such areas could potentially be allowed to be excluded from the 'forest accounting area'.</p>
5 Crediting Level	<p>It is recommended that actual dates (or at least the end date) of the reference period be included instead of just the year. And the start of the crediting period begins immediately after the end date (eg the day after).</p>
<p>Reversals</p> <p>MITIGATING FACTOR 2 (-10%): Demonstrated interannual variability of less than 15% in annual forest emissions over the prior 10 data points used in TREES Reporting.</p>	<p>Please add clarity to this statement. Eg – what is considered a 'data point'? What if a country monitors deforestation/degradation twice in one year? Does that count as 2 data points? Are people allowed to include 'data points' that do not coincide with a monitoring report? Eg A 'data point' is taken for year 2, but a monitoring report is only submitted in year 1 and 3.</p>
HFLD	<p>Add clarity for countries submitting a subnational accounting area.</p> <p>Eg is it required that the entire country meet the HFLD requirements or is it sufficient if the subnational accounting area shall be used to assess HFLD?</p>