

**International Civil Aviation Organization (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)**

**Re-assessment Application Form for CORSIA-Eligible Emissions Unit Programmes**

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## **SECTION I: ABOUT THIS RE-ASSESSMENT**

### **Background**

In March 2020, the ICAO Council requested TAB to monitor and review the continued eligibility of emissions unit programmes that the Council determined to be eligible under CORSIA. At present, all CORSIA-eligible Emissions Unit Programmes are eligible to supply CORSIA-eligible Emissions Units for the 2021-2023 compliance cycle only.

In view of the Council's request, and in line with TAB Procedures<sup>1</sup>, TAB agreed to undertake a re-assessment of all CORSIA-eligible Emissions Unit Programmes in 2022, including to inform TAB's recommendations to ICAO Council regarding the possible extension of the current eligibility timeframe of the 2021-2023 compliance cycle.

ICAO invites all CORSIA-eligible Emissions Unit Programmes interested in continuing to be designated as CORSIA-eligible to apply for the re-assessment by TAB, providing updated information requested through this re-assessment application form and all requested supplementary materials and evidence.

This re-assessment will be conducted in line with TAB's 2022 annual assessment cycle and involve some of the same procedures and timing used in TAB's assessments of new applications and material changes to eligible programme procedures. In undertaking this work, TAB may also ask programmes to provide specific examples or case studies illustrating how programme procedures or systems perform in practice. TAB does not anticipate that this re-assessment will result in recommendations to revise or revoke the eligibility status of emissions units that the ICAO Council has approved for use during the CORSIA's pilot phase.

### **Focus of the 2022 re-assessment**

TAB will pursue four key objectives in this re-assessment process:

- (1) Sample criteria: To assess the continued consistency of programme procedures with these sample Emissions Unit Criteria (EUC) and the related *Guidelines for Criteria Interpretation*:
  - a. Realistic and credible baselines (SG3)
  - b. Additionality (SG3)
  - c. Permanence (SG4), in tandem with the *Guideline* under the *Governance* criterion for having in place long-term plans for the continued admin of multi-decadal elements, including for dissolution (SG1)
  - d. “Only counted once towards a mitigation obligation” (SG5)
  - e. Sustainable development criteria (SG1)
- (2) Updates made to programme procedures: To review procedural changes and updates that programmes introduced ***between the dates of (a)*** their initial approval by ICAO Council and ***(b) 28 February 2022***. Programmes are requested to summarize and provide evidence of any and all changes, including those that were previously submitted for TAB's review as potential material changes<sup>2</sup>. However, TAB's re-assessment

<sup>1</sup> Refer to TAB Procedures paragraph 7.4, 7.7, 7.8 ,7.22 and 7.23

<sup>2</sup> A “Material Change” is defined in TAB Procedures, paragraph 7.3. TAB's Procedures for reviewing potentially-material procedural changes are described in TAB Procedures, paragraphs 7.3, 8.4, 8.5 and 8.6.

will focus on procedural updates that were not previously submitted or assessed as potential material changes.

- (3) **Programme Registry Attestations:** To review *Emissions Unit Programme Registry Attestations* and provide a summary for Council regarding the status of *Attestation* submission, form completeness, and fulfillment of requirements by each programme and its designated registry(ies).
- (4) **Up-to-date documentation:** To obtain up-to-date application form and programme materials for record-keeping and versioning purposes.

**Translation:** As was done previously, if the programme documents and information are not published in English, the programme should fully describe in English (*rather than summarize*) this information in the fields provided in this form, and in response to any additional questions. Where this form requests *evidence of programme procedures*, programmes are strongly encouraged to provide these documents in English, to provide for accuracy and comprehension. Where this is not possible due to time constraints or document length, the programme may provide such documents in their original language in a readily translatable format (e.g., Microsoft Word). Those programmes that need to translate documents prior to submission may contact the ICAO Secretariat regarding accommodation.

**Disclaimer:** The information contained in the re-assessment application, and any supporting evidence or clarification provided by the programme including information designated as “business confidential” by the programme, will be provided to the members of the TAB to properly assess the programme and make recommendations to the ICAO Council. The application and such other evidence or clarification will be made publicly available on the ICAO CORSIA website for the public to provide comments, except for information which the applicant designates as “business confidential”. The applicant shall bear all expenses related to the collection of information for the preparation of the application, preparation and submission of the application to the ICAO Secretariat and provision of any subsequent clarification sought by the Secretariat and/or the members of the TAB. Under no circumstances shall ICAO be responsible for the reimbursement of such or any other expenses borne by the applicant in this regard, or any loss or damages that the applicant may incur in relation to the re-assessment and outcome of this process.

## **SECTION II: INSTRUCTIONS**

### **Submission and contacts**

Programmes interested in continuing to be designated as a CORSIA-eligible Emissions Unit Programme are invited to complete and submit the form, along with accompanying evidence no later than close of business on **28 February 2022** via [officeenv@icao.int](mailto:officeenv@icao.int). Within seven business days of receiving this form, the Secretariat will notify the programme that its form was received.

If the programme has questions regarding the completion of this form, please contact ICAO Secretariat.

### **Form basis and cross-references**

Questions in this form align with the questions included in the application for TAB's annual assessment, and are derived from the CORSIA emissions unit eligibility criteria (EUC) and any *Guidelines for Criteria Interpretation*. Each question includes the paragraph number for its corresponding criterion or guideline that can be found in [Appendix A “Supplementary Information for Assessment of Emissions Unit Programmes”](#).

### **Application Form completion**

The programme is expected to respond to all questions in this application form at the time of application submission. TAB cannot initiate its assessment in which this information is not provided in full as requested in this section. Failure to provide complete information may result in delays to the re-assessment process.

A “complete” response involves three components: 1) a written summary response, 2) supporting evidence, 3) planned programme revisions, and 4) updates and changes to programme procedures since the initial application/approval.

- 1) Written summary responses: The programme is encouraged to construct written summary responses in a manner that provides for general comprehension of the given programme procedure, independent of supporting evidence. TAB will confirm each response in the supplementary evidence provided by the programme. Please note that written summary responses should be provided in all cases—supporting evidence (described in c) below) should not be considered as an alternative to a complete summary response.
- 2) Supporting evidence: Most questions in this form request *evidence of programme procedures or programme elements*. Such evidence may be found in programme standards, requirements, or guidance documents; templates; programme website or registry contents; or in some cases, in specific methodologies. To help manage file size, the programme should limit supporting documentation to that which directly substantiates the programme’s statements in this form.

Regarding such requests for evidence, programmes are expected to substantiate their responses in any of these ways (**in order of preference**):

- a) web links to supporting documentation included along with the written summary response to each given question; with instructions for finding the relevant information within the linked source (i.e. identifying the specific text, paragraph(s), or section(s) where TAB can find evidence of the programme procedure(s) in question);

- b) copying/pasting information directly into this form (no character limits) along with the written summary response;
- c) attaching supporting documentation to this form at the time of submission, with instructions for finding the relevant information within the attached document(s);

**EXAMPLE** of preferred approach to providing supporting evidence that could meet expectations for complete responses to a question:

“The Programme ensures its consistency with this requirement by requiring / undertaking / etc. the following:

[Paragraph(s) introducing and summarizing specific programme procedures relevant to question]

The full contents of these procedures can be found in [Document title, page X, Section X, paragraphs X-X]. This document is publicly available at this weblink: [weblink].”

3) Planned programme revisions: Where the programme has any plans to revise the programme (e.g., its policies, procedures, measures, tracking systems, governance or legal arrangements), including to enhance consistency with a given criterion or guideline, please provide the following information in response to any and all relevant form question(s):

- a) Proposed revision(s);
- b) Process and proposed timeline to develop and implement the proposed revision(s);
- c) Process and timeline for external communication and implementation of the revision(s).

4) Updates and changes to programme procedures since the initial application/approval: Each question in this form provides discrete fields for the programme to include, and clearly distinguish between, two key pieces of information:

(1) the information provided by the programme in its initial application—which includes all written clarifications and explanations shared with TAB over the course of the programme’s initial assessment;

**and**

(2) new information describing any and all procedural changes and updates that programmes introduced *between the dates of* (a) their initial approval by ICAO Council and (b) 28 February 2022. Here, Programmes are requested to summarize and provide evidence of any and all changes, including those that were previously submitted for TAB’s review as potential material changes.

#### **Scope of application and re-assessment**

The programme may elect to revise the scope of activities supported by the programme and assessed by TAB, as compared to its current scope of eligibility. In such a case, the programme is requested to clearly identify, in the

following Appendices, the additional activities that it wishes to submit for, or exclude from, TAB's re-assessment:

In **Appendix B "Programme Re-assessment Scope"**, the programme should clearly identify, at the "activity type" level (e.g., sector(s), sub-sector(s), and/or programme/project "type(s)"), elements that were previously assessed by TAB and **is currently eligible under the Scope of Eligibility<sup>3</sup>, and additional elements that the programme is submitting for TAB's assessment**; as well as the specific methodologies, protocols, and/or framework(s) associated with these programme elements; which are described in this form.

In **Appendix C "Programme Exclusions Scope"**, the programme should clearly identify, at the "activity type" level (e.g., sector(s), sub-sector(s), and/or programme/project "type(s)"), any elements that were excluded from TAB's previous assessments or are **currently outside of programme's Scope of Eligibility, and additional elements that the programme wishes to exclude from TAB's assessment**; as well as the specific methodologies, protocols, and/or framework(s) associated with these programme elements.

**(NEW in 2022)** In **Appendix D "Emissions Unit Programme Registry Attestation"**, the programme should complete and submit the information outlined in the instructions below, based on the status of its *Registry Attestation*:

- **Programme has previously completed and submitted a Registry Attestation:** Respond only to new Question 7.3 in the *Emissions Unit Programme Registry Attestation* form (Appendix D). ICAO will append this response to the programme's most recent *Registry Attestation* on file.
  - o NOTE: These Programmes **are not** required to re-submit the *Registry Attestation*'s signature page or any other information in Questions 7.1, 7.2, 7.4–7.11 of Appendix D, but may use this opportunity to inform ICAO of any needed updates.
- **Programme has not previously completed and submitted a Registry Attestation:** Refer to the instructions for completing the attached *Emissions Unit Programme Registry Attestation*, including the signature page and accompanying information form (Appendix D). Provide the completed materials along with this application form.

**(NEW in 2022) Treatment of EUC-relevant programme procedures at the methodology level**

Programmes that identify with the following explanations are encouraged to summarize and provide evidence of both their overarching *programme-level* procedure(s) and *methodology-level* procedure(s) wherever relevant:

The CORSIA EUC and TAB assessments typically apply to *programme-level* procedures rather than to individual methodologies or projects. Most programmes' overarching guidance documents contain a mix of *general/guiding* requirements and *technical* ones. However, some programmes set out general requirements in overarching guidance documents, while reflecting key technical procedures in programme methodologies<sup>4</sup>. **Such methodologies may be relevant to TAB's assessment.** This could be the case where, e.g., the methodologies are developed directly by the

<sup>3</sup> As defined in the latest *ICAO Document "CORSIA-Eligible Emissions Units"*, available via <https://www.icao.int/environmental-protection/CORSIA/Pages/CORSIA-Emissions-Units.aspx>

<sup>4</sup> Note that any applicant may use different terminology. For example, a programme may refer to a "methodology" as a protocol or framework.

programme (staff or contractors); the programme must refer to a methodology’s requirements when describing its alignment with the EUC; the programme’s general requirements alone are too high-level/non-specific for TAB to assess them as stand-alone procedures.

EXAMPLE: Programme A’s project standard contains its *programme-level* general requirements. The standard requires all activities to pass a programme-approved additionality test. However, Programme A sets out a unique list of approved tests in each of its methodologies—rather than providing a single list or menu in its programme-level standard. These lists vary across different activity types or category(ies). Thus, TAB may ultimately need to assess Programme A’s programme- *and* methodology-level requirements in order to confirm its use of the specific additionality tests called for under the *Must be Additional* criterion.

### **“Linked” certification schemes**

This application form should be completed and submitted exclusively on behalf of the programme that is described in Part I of this form.

Some programmes may supplement their standards by collaborating with other schemes that certify, e.g., the social or ecological “co-benefits” of mitigation. The programme can reflect a linked scheme’s procedures in responses to this form, where this is seen as enhancing—i.e. going “above and beyond”—the programme’s own procedures.

For example, the programme may describe how a linked scheme audits sustainable development outcomes; but is not expected to report the linked scheme’s board members or staff persons.

Programmes should clearly identify any information provided in this form that pertains to a linked certification scheme and/or only applies when a linked certification scheme is used.

### **Disclosure of programme application forms and public comments**

Applications, including information submitted in Appendices B, C, as well as other information submitted by applicants will be publicly available on the ICAO CORSIA website, except for materials which the applicants designate as business confidential.

The public will be invited to submit comments on the information submitted, including regarding consistency with the emissions unit criteria (EUC), through the ICAO CORSIA website, for consideration by the TAB in its re-assessment.

## **SECTION III: APPLICATION FORM**

### **PART 1: General information**

#### **A. Programme Information**

Programme name: [Architecture for REDD+ Transactions \(ART\)](#)

Administering Organization<sup>5</sup>: [Winrock International \(ART Secretariat\)](#)

Official mailing address: [2451 Crystal Drive, Suite 700, Arlington VA 22202](#)

Telephone #: [+1 \(703\) 302-6500](#)

Official web address: [www.artredd.org](#)

#### **B. Programme Administrator Information**

Full name and title: [Mary Grady, Executive Director, ART Secretariat](#)

Employer / Company (*if not programme*): [Winrock International](#)

E-mail address: [mgrady@winrock.org](mailto:mgrady@winrock.org) Telephone #: [+1 805 252 1658](#)

#### **C. Programme Representative Information (if different from Programme Administrator)**

Full name and title: [Click or tap here to enter text.](#)

Employer / Company (*if not Programme*): [Click or tap here to enter text.](#)

E-mail address: [Click or tap here to enter text.](#) Telephone #: [Click or tap here to enter text.](#)

#### **D. Programme Senior Staff / Leadership (e.g., President / CEO, board members)**

List the names and titles of programme's senior staff / leadership, including board members:

##### **Winrock Senior Management**

[Rodney Ferguson, President and CEO, Winrock International](#)

[Joyjit Deb Roy, Senior Vice President of Programs, Winrock International](#)

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<sup>5</sup> Name of the business, government agency, organization, or other entity that administers the Emissions Unit Programme, *if different from "Programme Name"*.

**Architecture for REDD+ Transactions (ART) Secretariat Management:**

Mary Grady, Executive Director, Architecture for REDD+ Transactions, Winrock International

Christina Magerkurth, Managing Director, ART, Winrock International

**Architecture for REDD+ Transactions Secretariat Staff (Bios <https://www.artredd.org/about/>)**

Lucia Madrid Ramirez, ART Senior Policy Manager

Asako Takimoto, ART Senior Portfolio Manager

Felipe Casarim, ART Technical Manager

Brook Hemphill, ART Senior Associate

Lauren Nichols, ART Registry Lead

**Architecture for REDD+ Transactions Board of Directors (Bios <https://www.artredd.org/about/>)**

Frances Seymour, ART Board Chair

Carlos Nobre, ART Board Vice-Chair

Pasang Sherpa

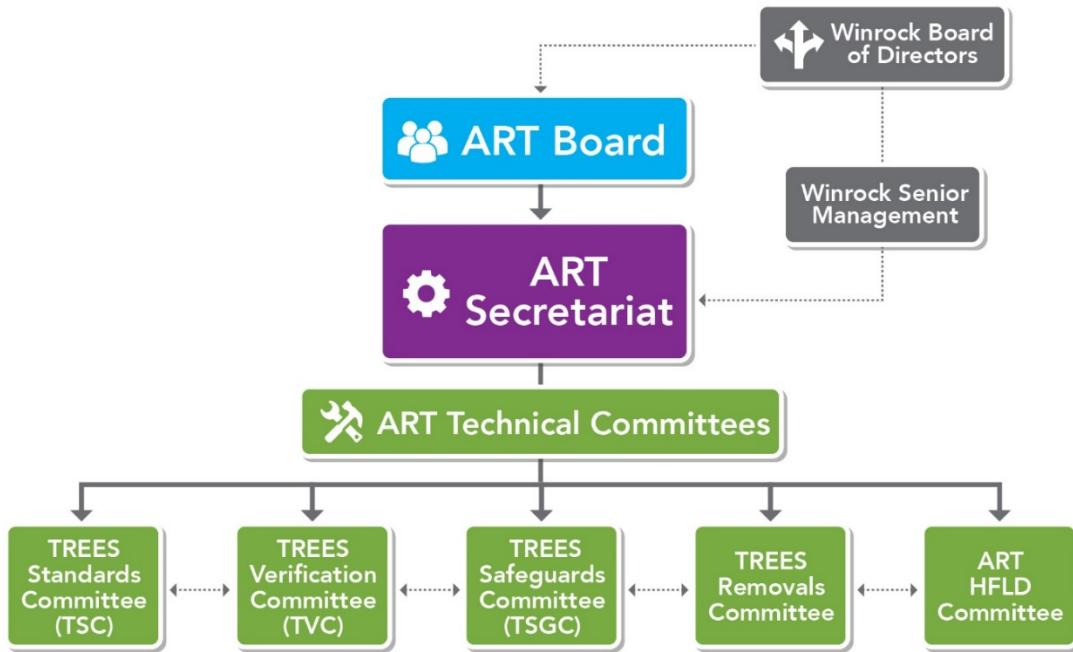
Lucia Ruiz

Agnes Kalibata

Roselyn Adjei

William Bumpers (Winrock Board representative)

Provide an organization chart (in the space below or as an attachment) that illustrates, or otherwise describes, the functional relationship a) between the individuals listed in D; and b) between those individuals and programme staff / employees; and c) the functions of each organizational unit and interlinkages with other units.



The ART Secretariat is responsible for the day-to-day operations of ART and is managed by highly qualified and experienced Winrock senior staff. The ART Secretariat oversaw the development of TREES, including the convening and management of expert committees to support specific technical areas and approval of TREES through a comprehensive stakeholder consultation process and decisions taken by the ART Board. The Secretariat oversees the implementation of TREES including the registration of jurisdictional REDD+ programs, the verification and issuance of ART Board approved emission reduction and removal units and the operation of the ART Registry. The ART Secretariat reports directly to the ART Board as well as to Winrock Senior Management and Board.

The ART Board is responsible for overseeing the scope and ambition of ART as embodied in the ART Immutable Principles and for ensuring the overall integrity of The REDD+ Environmental Excellence Standard (“TREES”) and its implementation including all program related activities and decisions.

The Winrock Board is responsible for ensuring the implementation of ART in a manner that meets Winrock’s standards for quality and integrity, including the Winrock Code of Conduct and the ART Ethical Standards. The Winrock Board oversees all programmatic and financial requirements, ensures compliance with Winrock policies and procedures (finance & accounting / audit, procurement, legal / compliance, ethical, communications, human resources and information technologies). To facilitate information flow, a Winrock Board member serves on the ART Board.

### PART 3: Emissions Unit Programme Design Elements

**Note**—where “evidence” is requested throughout *Part 3* and *Part 4*, the programme is expected to provide web links to documentation and to identify the specific text, paragraph(s), or section(s) where TAB can find evidence of the programme procedure(s) in question. If that is not possible, then the programme may provide evidence of

programme procedures directly in the text boxes provided (by copying/pasting the relevant provisions) and/or by attached supporting documentation, as recommended in “SECTION II: INSTRUCTIONS—***Form Completion: Supporting Evidence***”.

**Note**—“Paragraph X.X” in this form refers to corresponding paragraph(s) in Appendix A “Supplementary Information for Assessment of Emissions Unit Programmes”.

**Note**—Where the programme has any plans to revise the programme (e.g., its policies, procedures, measures, tracking systems, governance or legal arrangements), including to enhance consistency with a given criterion or guideline, provide the following information in response to any and all relevant form question(s):

- Proposed revision(s);
- Process and proposed timeline to develop and implement the proposed revision(s);
- Process and timeline for external communication and implementation of the revision(s).

#### Question 3.1. Clear methodologies and protocols, and their development process

Provide *evidence*<sup>6</sup> that the programme’s qualification and quantification methodologies and protocols are *in place* and *available for use*, including where the programme’s existing methodologies and protocols are publicly disclosed. (*Paragraph 2.1*)

A. Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

##### Original Application April 2020 Response:

ART’s Standard, The REDD+ Environmental Excellence Standard (TREES), is published on the ART website, TREES landing page: <https://www.artredd.org/trees> including a direct document link ([TREES 1.0](#)).

TREES establishes ART’s requirements for the quantification, monitoring, and reporting of greenhouse gas (GHG) emission reductions (ERs) from activities that reduce deforestation and degradation; for the demonstration of implementation of the Cancun Safeguards; and for the verification, registration, and issuance of ERs. TREES requirements ensure that all ART credits issued are real, measured, permanent, additional, net of leakage, verified by an accredited independent third party, and are not double counted. ART only credits national and subnational governments and does not credit project-level activities.

##### May 2020 Clarification Question Responses:

Does ART foresee developing and administering standards / frameworks / methodologies / protocols in addition to TREES, or should TAB understand TREES as the (i.e. only) methodology for quantification and qualification associated with ART? Please clarify the programme’s expectations with respect to “any new standards and methodologies” as referred to in this response.

***For reference (from Appendix A: Supplementary Information): Criterion: Clear Methodologies and Protocols, and their Development Process***—Programmes should have qualification and quantification methodologies and protocols in place and available for use as well as a process for developing further methodologies and protocols.

<sup>6</sup> For this and subsequent “evidence” requests, evidence should be provided in the text box (e.g., web links to documentation), and/or in attachments, as recommended in “SECTION II: INSTRUCTIONS—*Form Completion*”.

The existing methodologies and protocols as well as the process for developing further methodologies and protocols should be publicly disclosed.

TREES is the only quantification protocol being submitted for review by the TAB. ART is currently working on creating approaches for crediting removals, and also developing an approach to credit countries that meet the definition of High Forest/Low Deforestation (HFLD). Both of these updates are currently planned to be incorporated into a new version of TREES, and will not constitute a new standard.

If ART does envisage the development of "any new standards or methods" (i.e. in addition to TREES), please provide evidence that their development would be subject to the same procedures that were applied for the development of TREES, including the procedures for 60-day stakeholder review and consultation.

*For reference (from Appendix A: Supplementary Information): Criterion: Clear Methodologies and Protocols, and their Development Process—Programmes should have qualification and quantification methodologies and protocols in place and available for use as well as a process for developing further methodologies and protocols. The existing methodologies and protocols as well as the process for developing further methodologies and protocols should be publicly disclosed.*

There are no plans to develop methods or standards outside of TREES, at present. Section 1.2.2 of TREES outlines the process for updating the Standard, which includes a 60-day public consultation. See the text below.

*The ART Secretariat will solicit broad stakeholder input to TREES and future updates and revisions to TREES through a public comment period. TREES will be posted publicly for stakeholder review and consultation for at least 60 days prior to review by the Secretariat and Board. The ART Board will consider stakeholder comments and make decisions on any changes prior to adoption and publication of TREES. The ART Secretariat will prepare responses to submitted comments and post on the ART website the comments and responses along with the Board-approved version of the Standard.*

Once approaches have been developed, the ART Secretariat would be happy to present information to ICAO and the TAB to determine if a new submission and evaluation is deemed to be required.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none, "N/A"*):

Material Change Notification September 2022:

Change 1: ART published TREES 2.0 on August 19, 2021. TREES 2.0 includes new optional approaches for crediting removals and for crediting high forest, low deforestation (HFLD) jurisdictions, creates a pathway for participation of Indigenous Peoples territories as part of a national submission, formally updates the monitoring requirements to include a 20-year MRV requirement for Participants wishing to sell TREES credits into CORSIA, and clarifies provisions to avoid double counting under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and the Paris Agreement's Article 6.2 in addition to clarifying situations in which credits issued for use in domestic compliance markets may not be considered double issued with TREES credits.

The expansion of TREES 2.0 creates opportunities and incentives for inclusive, large-scale climate solutions from the forest sector that are needed to help achieve the goals of the Paris Agreement, notably crediting not only for reduced deforestation, but also for restoration of forest landscapes and protection of intact forests. The updates and clarifications are to enhance integrity of results.

The changes in TREES 2.0 are reflected in the published version of the [TREES 2.0 Standard](#) in addition to in the [Summary of Changes](#) document and [Statement of Reasons](#).

These updates to TREES 2.0 change responses to ART's ICAO application in various sections. Each of the key 2.0 updates is addressed separately in the detailed change descriptions below. Key updates include:

- Crediting for jurisdictional removals (optional)
- Crediting for HFLD jurisdictions (optional)
- Pathway for participation of Indigenous Peoples
- 20-year MRV requirement for ICAO's CORSIA
- Avoiding double counting with the ICAO CORSIA and exceptions to double issuance

Summarize the programme's process for developing further methodologies and protocols, including the timing and process for revision of existing methodologies. (*Paragraph 2.1*)

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and questions pertaining to this question:

Original Application April 2020 Response:

The process for the development of TREES is described below. ART will follow the same process for the development of any new standards or methods including updates to TREES. This includes collaboration with individual subject matter experts on science-based approaches to MRV, an active stakeholder consultation process, review and consideration of stakeholder comments and feedback, presentation to the ART Board of a synthesis of comments and proposed responses, ART Board makes decisions by consensus or majority vote, and all comments and responses as well as a Statement of Reasons are published on the ART website.

Through its Charter and as detailed in TREES Section 1.1, the ART has adopted a statement of [Immutable Principles](#) to govern its operation. All ART standards and methodologies must be consistent with these Principles.

"The ART shall...

1. Recognize countries with quantifiable ERs that result from slowing, halting, and reversing forest cover and carbon loss and maintaining forest carbon stocks;
2. Be consistent with United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP) decisions including the Paris Agreement, Warsaw Framework for REDD+, and the Cancun Safeguards, which establish environmental, social, and governance principles countries are expected to uphold when undertaking REDD+ activities, in particular to ensure the recognition, respect, protection, and fulfillment of the rights of indigenous peoples and local communities.
3. Embody high environmental integrity, which includes accounting for the uncertainty of data and the risks of leakage and reversals, the avoidance of double counting, and result in issued units that are interchangeable with ER units from other sectors;
4. Promote national ambition and contribute to Paris Agreement goals including progress toward the fulfillment of Nationally Determined Contributions (NDCs);
5. Credit ERs at the national level or subnational level as a time-bound interim measure only where it represents high ambition and large scale and is recognized as a step toward national-level accounting; and
6. Set crediting baselines for deforestation and degradation that initially reflect historical emission levels and thereafter decline periodically to require higher ambition over time."

The ART Secretariat and ART Board will conduct a review of TREES at a minimum of every three years and update the Standard if deemed necessary, including input from technical expert committees and stakeholders as well as relevant decisions of the UNFCCC.

In response to comments received during the stakeholder consultation and at the direction of the ART Board, the ART Secretariat has begun work with expert committees in 2020 to develop approaches for crediting removals as part of TREES in addition to an approach for crediting High Forest-Low Deforestation (HFLD) countries. These updates will follow the process outlined above and described in detail below and are expected to be formally adopted in 2021.

#### Development of The REDD+ Environmental Excellence Standard (TREES)

TREES was developed with support and input from three expert committees:

- The TREES Standards Committee
- The TREES Verification Committee
- The TREES Safeguards Committee

The Committees were composed of appointed independent experts with deep understanding and knowledge of REDD+, each serving in a personal capacity. Committee members provided expert advice and guidance to the ART Secretariat and Board for development of TREES. The Secretariat worked with the committees to draft TREES between June 2018 through June 2019.

TREES was published on the ART website for a 60-day public stakeholder consultation between 29 July and 27 September 2019. The Secretariat accepted late submissions from stakeholders through November. During this period, the Secretariat sent four email announcements to the dedicated ART email list, posted notice on Climate-L, Forests-L and Ecosystem Marketplace, hosted four webinars - two in English, one in Spanish and one in French - the recordings of which were posted on the ART website, co-hosted two events at the NY Climate Action Summit, and held several dedicated stakeholder meetings.

Through November 2019 the Secretariat received 46 formal stakeholder submissions, as well as additional comments via webinar and email, totaling 778 individual comments. Based on comments received, the Secretariat prepared a synthesis by topic for Board discussion and deliberation at the November 2019 ART Board meeting. The Secretariat synthesis mapped key topics to the relevant Immutable Principle(s) in the ART Charter, noting the rationale for the position taken on the topic in the public consultation draft, presented materials submitted by stakeholders, options for revisions suggested by stakeholders along with considerations relevant to those options and, based on all of these considerations, the Secretariat's recommendation. The Board discussed each topic area and voted on changes, all of which were by consensus.

TREES was published on the ART website in February 2020 along with all stakeholder submissions, responses to all individual comments and a Statement of Reasons to explain why decisions were taken by the Board.

#### May 2020 Clarification Question Responses:

ART's application notes on page 11 that it has begun work with expert committees to develop approaches to crediting removals and HFLDs under the programme. It further notes that these updates are expected to be formally adopted in 2021. Given that the relevant procedures are not yet established and no such units have yet been issued, should the TAB understand that ART intends to exclude these categories of units from its application cycle? Alternatively, does ART regard these eventual procedures as likely material changes to the

application that would merit submission of the eventual procedures underpinning those approaches for TAB's further assessment?

ART's application only includes crediting from reducing emissions from deforestation and forest degradation. Since removals and HFLDs are not included in TREES crediting, they are not excluded from the application. (It was our understanding that excluded scopes must be scopes currently allowed for crediting that are not being put forward for evaluation).

The current plan is to expand TREES to include approaches for baselines and crediting for removals and HFLDs. Since the approaches are not yet developed, we do not know to what extent they would be perceived as material changes to ART's application.

Approaches for removals and HFLDs will be science-based, conservative and subject to TREES monitoring, reporting and verification requirements. In addition, any updates will undergo public stakeholder consultation, and the Secretariat will publish all comments, responses and a Statement of Reasons on the ART website. In all of these regards, the updates to TREES will follow the same principles as those established in the published version of TREES and the procedures described in ART's current application to ensure integrity and transparency.

**B. Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none, "N/A"*):**

Material Change Notification September 2021:

Change 2: TREES 2.0 includes a new optional approach for crediting removals at the jurisdictional scale. The expansion of TREES 2.0 creates opportunities and incentives for inclusive, large-scale climate solutions from the forest sector that are needed to help achieve the goals of the Paris Agreement, notably crediting not only for reduced deforestation, but also for restoration of forest landscapes and protection of intact forests.

The changes in TREES 2.0 are reflected in the published version of the TREES 2.0 Standard in addition to in the Summary of Changes document and Statement of Reasons.

In our response to section 3.1 *Clear methodologies and protocols and their development process*, we indicated that ART's Standard, The REDD+ Environmental Excellence Standard (TREES) establishes ART's requirements for the quantification, monitoring, and reporting of greenhouse gas (GHG) emission reductions (ERs) from activities that reduce deforestation and degradation.

TREES 2.0 now also includes an approach to quantify jurisdictional removals from the conversion of non-forest to forest from forest restoration and the establishment of new forests. HFLD may optionally claim removals from forest that would have been lost in the absence of the REDD+ program.

We further update section 3.1 to note that the new crediting approaches in TREES 2.0 were developed with input from two expert committees: the HFLD Committee and the Removals Committee. In addition, the ART Secretariat commissioned a study to evaluate options for Indigenous Peoples participation, and also worked with a statistics expert to develop an updated approach for uncertainty. The ART Secretariat published the draft REDD+ Environmental Excellence Standard (TREES) version 2.0 for stakeholder consultation for 60 days between February 1 and April 2, 2021 and accepted late submissions through April 7. The Secretariat received 26 formal submissions totalling 293 individual comments. TREES 2.0 was published on the ART website

on August 19, 2021 along with all stakeholder submissions, responses to all individual comments and a Statement of Reasons to explain why decisions were taken by the Board.

Change 3: TREES 2.0 includes a new optional approach for crediting High Forest, Low Deforestation (HFLD) jurisdictions. The expansion of TREES 2.0 creates opportunities and incentives for inclusive, large-scale climate solutions from the forest sector that are needed to help achieve the goals of the Paris Agreement, notably crediting not only for reduced deforestation, but also for restoration of forest landscapes and protection of intact forests.

Guarding the carbon sequestered in intact forests is critical because these large areas of forests contribute both climate mitigation and adaptation benefits by storing carbon, regulating local and regional climate, supplying critical moisture to agricultural lands, resisting wildfire. Published projections are that future deforestation will extend into intact, high carbon forests, resulting in greenhouse gas emissions of an estimated 170 billion tons of CO<sub>2</sub> by 2050, equivalent to four times annual global CO<sub>2</sub> emissions (2019). Moreover, providing incentives to jurisdictions with intact forests to maintain those forests lowers the risk of deforestation shifting to these countries (leakage) as nearby jurisdictions with high deforestation begin reducing their forest-related emissions.

The changes in TREES 2.0 are reflected in the published version of the [TREES 2.0 Standard](#) in addition to in the [Summary of Changes](#) document and [Statement of Reasons](#).

In our original response to section 3.1 *Clear methodologies and protocols and their development process*, we indicated that ART's Standard, The REDD+ Environmental Excellence Standard (TREES) establishes ART's requirements for the quantification, monitoring, and reporting of greenhouse gas (GHG) emission reductions (ERs) from activities that reduce deforestation and degradation.

TREES 2.0 now also includes an optional approach to quantify emission reductions from the protection of intact forests from jurisdictions that qualify as High Forest, Low Deforestation (HFLD).

We further update section 3.1 to note that the new crediting approaches in TREES 2.0 were developed with input from two expert committees: the HFLD Committee and the Removals Committee. In addition, the ART Secretariat commissioned a study to evaluate options for Indigenous Peoples participation, and also worked with a statistics expert to develop an updated approach for uncertainty. The ART Secretariat published the draft REDD+ Environmental Excellence Standard (TREES) version 2.0 for stakeholder consultation for 60 days between February 1 and April 2, 2021 and accepted late submissions through April 7. The Secretariat received 26 formal submissions totalling 293 individual comments.

The ART Secretariat held an additional public stakeholder consultation period for a revised draft version of the High-Forest, Low-Deforestation (HFLD) crediting approach for Version 2.0 of TREES. The additional consultation period extended from May 24, 2021 to June 23, 2021 with late submissions accepted through July 7. The ART Secretariat received 8 formal submissions totaling 82 individual comments. TREES 2.0 was published on the ART website on August 19, 2021 along with all stakeholder submissions, responses to all individual comments and a Statement of Reasons to explain why decisions were taken by the Board.

Provide *evidence of the public availability* of the programme's process for developing further methodologies and

protocols. (*Paragraph 2.1*)

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Section 1.2.2 of TREES, Adoption of and Revisions to TREES, states that “The ART Secretariat will solicit broad stakeholder input to TREES and future updates and revisions to TREES through a public comment period. TREES will be posted publicly for stakeholder review and consultation for at least 60 days prior to review by the Secretariat and Board. The ART Board will consider stakeholder comments and make decisions on any changes prior to adoption and publication of TREES. The ART Secretariat will prepare responses to submitted comments and post on the ART website the comments and responses along with the Board-approved version of the Standard.”

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

**Question 3.2. Scope considerations**

Summarize the level at which activities are allowed under the programme (e.g., project based, programme of activities, jurisdiction-scale): (*Paragraph 2.2*)

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Per TREES section 3.1, ART is designed to credit emission reductions from jurisdictional REDD+ activities only at the national level or at the subnational level no more than one level down from national level provided certain eligibility requirements are met. ART does not credit project-level REDD+ activities (although these activities could nest within the TREES crediting level).

During an interim period through December 31, 2030, subnational accounting areas may be registered under ART as a recognized step to national-level accounting. After the interim period, accounting shall be at a national level. Participants registering subnational accounting areas may be a national government or a subnational government. No scale thresholds apply to national participants with national accounting areas.

Per TREES 3.1.1, “Where subnational accounting areas are registered either by a national government or by a subnational government:

- The boundaries of a subnational accounting area shall correspond with the entire area of one or several administrative jurisdictions no more than one level down from national level; AND
- Participating subnational jurisdiction(s) must be comprised of a total forest area of at least 2.5 million hectares; AND
- The crediting period for subnational accounting participants shall end on December 31, 2030 regardless of how many years have passed in the crediting period.

Where the TREES Participant is not a national government, the national government must provide the Participant

with a letter from the relevant national entity authorizing the Participant's application to and participation in ART. The 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 outlined in TREES Section 13, and will detail any special requirements for and exceptions to the authorization."

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none*, "N/A"):

Material Change Notification September 2021:

Change 4: TREES 2.0 includes new pathway for participation of Indigenous Peoples territories as part of a national submission.

The expansion of TREES 2.0 creates opportunities and incentives for inclusive, large-scale climate solutions from the forest sector that are needed to help achieve the goals of the Paris Agreement. This includes a new opportunity for Indigenous Peoples - who provide a critical global service as effective forest protectors - to contribute and benefit from REDD+.

The changes in TREES 2.0 are reflected in the published version of the TREES 2.0 Standard in addition to in the Summary of Changes document and Statement of Reasons.

In section 3.2 *Scope Considerations*, our original application stated that ART is designed to credit emission reductions from jurisdictional REDD+ activities only at the national level or at the subnational level no more than one level down from national level provided certain eligibility requirements are met. This includes that when a subnational accounting area is registered by a national government, the minimum scale requirement from one or more subnational accounting areas is 2.5 million hectares of forest.

With the approval of recognized Indigenous Peoples territories as discrete subnational accounting areas in TREES 2.0, we would update our response to indicate that where a subnational accounting area is registered by a national government:

- The boundaries of the subnational accounting area shall correspond with the entire area of one or several administrative jurisdictions no more than one administrative level down from national level and/or one or several recognized Indigenous territories; AND
- The included jurisdiction(s) and/or recognized Indigenous territory(ies) do not need to be contiguous; AND
- Aggregation of jurisdictions and/or recognized Indigenous territories must be conducted in line with the safeguards in TREES Section 12.

All other eligibility requirements remain the same.

Summarize the eligibility criteria for each type of offset activity (e.g., which sectors, project types, and geographic locations are covered): (*Paragraph 2.2*)

**A.** Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

ART does not have any geographic restrictions for REDD+ crediting to countries and jurisdictions that otherwise meet TREES eligibility criteria. Per TREES Section 3.2, ART will “credit Participants for emission reduction credits (ERs) below the crediting level associated with the prevention or slowing down of deforestation emissions and emissions associated with forests remaining forests following requirements in TREES. Greenhouse gas (GHG) removals (i.e., sequestration) associated with reforestation, afforestation, enhancement of forest carbon stocks, or improved forest management are not eligible for crediting under this version of TREES. Quantification of removals will be included in a future version of TREES.”

“Each TREES Participant shall submit a REDD+ implementation plan as part of the initial documentation and each subsequent TREES Monitoring Report which outlines the programs or activities including locations planned to achieve the ERs. It is expected that the implementation plan will be the National REDD+ Strategies/Action Plan developed in accordance with the Warsaw Framework. If a different implementation plan is submitted under TREES, the Participant must explain any differences between the two plans. In the case when a Participant is using a subnational accounting area, the Participant must specify which REDD+ interventions from its National REDD+ Strategies/Action Plan are relevant to the subnational accounting area.”

May 2020 Clarification Question Responses:

Please clarify ART’s approach to determining the eligibility for participation in the programme with respect to the participant’s geographic location and its current engagement in REDD+ crediting programmes (at the national, sub-national, or project levels).

*For reference (from Appendix A: Supplementary Information): Criterion: Scope Considerations—Programmes should define and publicly disclose the level at which activities are allowed under the programme (e.g., project based, programme of activities, etc.) as well as the eligibility criteria for each type of offset activity (e.g., which sectors, project types, or geographic locations are covered).*

ART is currently applicable to national governments and subnational-scale programs (which may be administered by either the national government, or, by a subnational government who has obtained national government approval). Subnational scale programs may only Participate in ART if they meet criteria outlined in Section 3.1.1 of TREES, and they may only Participate in ART until December 31, 2030. After that date all ART Participants must be national governments submitting national accounting areas. Projects are not eligible for crediting under ART. There is no geographic limitation or restriction under ART.

ART does not allow double issuance or double counting of any kind. Therefore, if a Participant is participating in a different national or jurisdictional REDD+ crediting program, or if REDD projects exist within the Participant’s accounting area, it must be demonstrated that there are no emission reductions issued under other GHG programs during the same periods for which ART issues credits. If credits have been issued in the same geographic area during the same period, ART requires that a corresponding volume of all credits issued by other programs to be deducted from the ART issuance total.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

Material Change Notification September 2021:

Change 2: TREES 2.0 includes a new optional approach for crediting removals at the jurisdictional scale. The expansion of TREES 2.0 creates opportunities and incentives for inclusive, large-scale climate solutions from the forest sector that are needed to help achieve the goals of the Paris Agreement, notably crediting not only for

reduced deforestation, but also for restoration of forest landscapes and protection of intact forests.

The changes in TREES 2.0 are reflected in the published version of the [TREES 2.0 Standard](#) in addition to in the [Summary of Changes](#) document and [Statement of Reasons](#).

In section 3.2 *Scope Considerations*, we would add that TREES 2.0 requires that to be eligible to credit for removals, Participants must demonstrate that emissions from deforestation and degradation have been reduced below the TREES Crediting Level during the same year.

Change 3: TREES 2.0 includes a new optional approach for crediting High Forest, Low Deforestation (HFLD) jurisdictions. The expansion of TREES 2.0 creates opportunities and incentives for inclusive, large-scale climate solutions from the forest sector that are needed to help achieve the goals of the Paris Agreement, notably crediting not only for reduced deforestation, but also for restoration of forest landscapes and protection of intact forests.

Guarding the carbon sequestered in intact forests is critical because these large areas of forests contribute both climate mitigation and adaptation benefits by storing carbon, regulating local and regional climate, supplying critical moisture to agricultural lands, resisting wildfire. Published projections are that future deforestation will extend into intact, high carbon forests, resulting in greenhouse gas emissions of an estimated 170 billion tons of CO<sub>2</sub> by 2050, equivalent to four times annual global CO<sub>2</sub> emissions (2019). Moreover, providing incentives to jurisdictions with intact forests to maintain those forests lowers the risk of deforestation shifting to these countries (leakage) as nearby jurisdictions with high deforestation begin reducing their forest-related emissions.

The changes in TREES 2.0 are reflected in the published version of the [TREES 2.0 Standard](#) in addition to in the [Summary of Changes](#) document and [Statement of Reasons](#).

In section 3.2 *Scope Considerations*, we would add that TREES 2.0 requires that to be eligible to use the optional HFLD crediting approach, Participants must first demonstrate that they have forest cover greater than 50% and an annual deforestation rate less than 0.5% during each year of the historical reference period to be eligible to calculate an HFLD Score. These ranges do not qualify the Participant as HFLD but simply enable them to calculate their HFLD Score which is the sum of the forest cover score and the deforestation rate score. Participants whose HFLD Score is 0.5 or higher for each year of the reference period meet the HFLD Score threshold and are considered HFLD Participants under ART.

Provide *evidence* of the Programme information defining a) level at which activities are allowed under the Programme, and b) the eligibility criteria for each type of offset activity, including its availability to the public: (*Paragraph 2.2*)

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

[Original Application April 2020 Response:](#)

The level at which activities are allowed is detailed in TREES section 3, specifically section 3.1 Eligible Entities, as detailed above. The eligible activities are detailed in TREES section 3.2 Eligible Activities, as described above.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

**Question 3.3. Offset credit issuance and retirement procedures**

Are procedures in place defining how offset credits are... ( <i>Paragraph 2.3</i> )	
a) issued?	<input checked="" type="checkbox"/> YES
b) retired / cancelled?	<input checked="" type="checkbox"/> YES
c) subject to discounting ( <i>if any</i> )?	<input checked="" type="checkbox"/> YES

Are procedures in place defining... ( <i>Paragraph 2.3</i> )	
d) the length of crediting period(s)?	<input checked="" type="checkbox"/> YES
e) whether crediting periods are renewable?	<input checked="" type="checkbox"/> YES

Provide evidence of the procedures referred to in a) through e) (if any, in the case of “c”), including their availability to the public:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

In reference to a) and b) above, ART’s policies and procedures for offset credit issuance, retirement and cancellation are detailed in the ART Terms of Use Agreement and the ART Operating Procedures and summarized below.

“Issue” or “Issuance” is defined in TREES as the creation of serialized ART Credits equivalent to the number of verified GHG reductions or GHG removal enhancements for an approved REDD+ program over a specified period of time denominated in metric tons of CO2 equivalent. Issued ART Credits are delivered in the ART Registry Account Holder’s Account for transfer, retirement, surrender or cancellation.

Offset credits are issued to a specific REDD+ program upon completion of a successful third-party verification, ART Secretariat review, approval and acceptance of the verification report and statement and finally ART Board approval of the issuance (see TREES Section 2 the ART Cycle). Upon issuance by ART, each offset credit is automatically assigned a unique serial number, is issued into the Registry account of the emissions reduction project and appears in the public issuance report: <https://art.apx.com/>. Once offset credits are issued, they can be transferred to another ART account holder, retired or cancelled.

“Retire” or “retirement” is defined in TREES as the permanent removal of an ART credit from circulation as a transactable unit so that it represents a permanent reduction or removal of CO2e from the atmosphere. A retired credit may be applied toward the emission reduction target of the ART account holder (towards its NDC achievement) or on behalf of a third party towards an emission reduction target (including NDC achievement).

“Cancel” or “Cancellation” is defined in TREES as the permanent removal of an ART credit from the Registry so that it cannot be transferred, transacted, retired or applied towards any emission reduction targets. The exception to this is for airplane operators who cancel units to surrender them towards their CORSIA compliance obligations.

ART credit retirements are completed by account holders when logged into the ART registry. The ART Secretariat processes all offset credit cancellations except those for CORSIA. All retirement and cancellation transactions are made publicly available on the ART registry. The following web link provides links to the public registry reports from the ART website: <https://art.apx.com/>.

In reference to c) above, specifically if ART offset credits are subject to discounting, the answer is no. ART does not implement any flat “unit discounting” procedures. Each offset credit issued under ART is considered equally fungible and to represent an equal benefit to the atmosphere. TREES defines relevant sources of uncertainty and leakage that must be assessed and the related deductions that are to be applied before crediting.

In reference to d) and e) above, the TREES crediting period length and renewal are defined in TREES section 2.3. The TREES crediting period is five calendar years. The initial crediting period may begin up to four calendar years prior to the year a TREES Participant submits the TREES Concept Note, but may not overlap with the 5-year historical reference period used to determine the initial Crediting Level. All subsequent crediting periods shall begin on the date following the end date of the previous crediting period. The crediting period may be less than 5 years only in cases where the Participant is subnational, and must therefore terminate its crediting period on December 31, 2030, per section 3.1.1 of this Standard and transition to National Accounting. Further, if accepted as an offset registry under ICAO, ART will require TREES Participants wishing to sell emission reduction credits into CORSIA to commit to a twenty-year period of monitoring, reporting and verification, a period equivalent to four TREES crediting periods.

The TREES crediting period renewal process occurs as outlined in Section 2.2. 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. The Crediting Level shall be recalculated in accordance with TREES Section 5.

#### May 2020 Clarification Question Responses:

1.1. The application indicates that ‘retirement’ procedures are in referent to greenhouse gas targets (e.g. NDCs), while ‘cancellation’ refers to voluntary cancellation. Does the ART have procedures in place to identify/indicate cancellation for specific purposes, such as for use in the CORSIA? Regarding the programme’s response describing the difference between retirement, and cancellation (and the exception made for units cancelled for CORSIA purposes), can ART please describe what the latter exception involves? Specifically, are process for and implications of cancelling units for CORSIA identical to those outlined for unit retirement in this case? If not, can you please describe any differences, and why this approach was taken?

*For reference (from Appendix A: Supplementary Information): Criterion: Carbon offset credits must be quantified, monitored, reported, and verified*

Yes, the ART Registry functionality requires the indication of the specific purpose for retirements and cancellations. The registry includes a drop-down menu of standard options for cancellation such as “Convert to ARB Offset Credits” and “Removal of Credits from the Registry” as well as an additional field to write in details.

As part of the CORSIA registry updates, a new cancellation purpose will be added to the drop-down menu for “CORSIA Compliance” and the write-in field can be used to identify the aeroplane operator for which the units are

being cancelled. Only units that have been designated as CORSIA-eligible will be able to be cancelled for CORSIA compliance.

The process for cancelling units for CORSIA is identical to the process for retiring units. All retired and cancelled credits are viewable in public registry reports.

1.2. Does ART TREES limit the types of entities that can hold registry accounts (i.e. is account ownership limited to national governments / their designees, or can private entities (retailers, private buyers) also request their own accounts? Is the latter what is meant by “Entity” on page 18 of your application?

**For reference (from Appendix A: Supplementary Information): Criterion:** Carbon offset credits must be quantified, monitored, reported, and verified

The type of entities that can hold ART Registry accounts includes national and subnational governments (the latter with national government approval) and their authorized designees as well as private companies such as retailers and private buyers. Entity accounts are those that are not government accounts such as corporations, non-profits, universities etc., that may wish to purchase or finance ART credits / NDC performance.

#### July 2020 Clarification Question Responses:

Can ART please identify in programme documentation, and describe, the steps that must be undertaken at the time of crediting period renewal? (ART describes how it guards against increased crediting levels, i.e. reference emissions, but does not describe the steps that are required to reassess the appropriate crediting levels and where these steps are mandated).

Section 5.1 of TREES describes the process for both calculating the initial crediting level and updating the crediting level for subsequent crediting periods. For the second crediting period, a new historical reference level of the previous five years is used to establish the crediting level. That is, the mean of the annual emissions reported and verified for the five years in the first crediting period are equal to the crediting level for the second crediting period in accordance with the requirements of TREES and Equations 1, 2, and 3. The crediting level may not increase over time. If the crediting level calculated for the second crediting period exceeds the crediting level for the first crediting period, the crediting level from the first crediting period must be used.

As outlined in Section 14.1 of TREES, a validation and verification are required after the first year of each new crediting period. The validation scope includes a review of the underlying data and quantification of the crediting level. This ensures a detailed third-party review and assessment of the updated crediting level proposed by the Participant.

What does ART estimate as the first possible year of crediting period? Please explain how this would be estimated, given the programme’s use of the historical reference period.

Per Section 3.8 of TREES, a Participant “may claim ART credits for emissions reductions that occurred up to four calendar years prior to the year of submittal of the TREES Concept, provided all other requirements under TREES are met for each year of crediting.” For example, if a Participant submits their TREES Concept in 2020, the earliest possible crediting period would be 2016-2020 with a historical reference period of 2011-2015. If a Participant submits their TREES Concept in 2021, the earliest possible crediting period would be 2017-2021 with a historical reference period of 2012-2016, and so on.

**B. Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):**

N/A

#### Question 3.4 Identification and Tracking

Does the programme utilize an electronic registry or registries? ( <i>Paragraph 2.4.2</i> )	<input checked="" type="checkbox"/> YES
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Provide web link(s) to the programme registry(ies) and indicate whether the registry is administered by the programme or outsourced to a third party (*Paragraph 2.4.2*):

**A.** Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Yes, ART utilizes an electronic registry. The ART registry is an online, secure, logic-based platform developed and administered by APX ([www.apx.com](http://www.apx.com)), per a private, bilateral legal Master Services Agreement between APX and Winrock/ART and customized for ART's workflow and approvals process. The registry is web-based and links to open an account and to view public reports are available on the ART website: [ART Registry - ART Architecture for REDD+ Transactions \(artredd.org\)](http://ART Registry - ART Architecture for REDD+ Transactions (artredd.org))

The ART Secretariat manages and oversees all registry functions including account applications through an extensive account review and approval process, a day-to-day processing of REDD+ program document reviews, REDD+ program registration approval and offset credit issuance and cancellation (as applicable).

July 2020 Clarification Question Responses:

Please stipulate (e) to which, if any, other registries the programme registry is linked, and where such linkages are disclosed.

The ART Registry is not linked to any other registries.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none, "N/A"*):

N/A

Does the programme have procedures in place to ensure that the programme registry or registries...:	
a) have the capability to transparently identify emissions units that are deemed ICAO-eligible, in all account types ? ( <i>Paragraph 2.4.3</i> )	<input checked="" type="checkbox"/> YES
b) identify, and facilitate tracking and transfer of, unit ownership/holding from issuance to cancellation/retirement? ( <i>Paragraphs 2.4 (a) and (d) and 2.4.4</i> )	<input checked="" type="checkbox"/> YES
c) identify unit status, including retirement / cancellation, and issuance status? ( <i>Paragraph 2.4.4</i> )	<input checked="" type="checkbox"/> YES
d) assign unique serial numbers to issued units? ( <i>Paragraphs 2.4 (b) and 2.4.5</i> )	<input checked="" type="checkbox"/> YES
e) identify in serialization, or designate on a public platform, each unique unit's country and sector of origin, vintage, and original (and, if relevant, revised) project registration date? ( <i>Paragraph 2.4.5</i> )	<input checked="" type="checkbox"/> YES
f) are secure (i.e. that robust security provisions are in place)? ( <i>Paragraph 2.4 (c)</i> )	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the procedures referred to in a) through f), including the availability to the public of the procedures referred to in b), d), and f):

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

- a) Yes, the ART Registry can identify which units are ICAO-eligible in all account types and public reports. The ART Secretariat has already developed this functionality in cooperation with APX and it can be enabled after ART's approval to supply emissions units for the CORSIA.
- b) Offset ownership and all transactions—including issuance, transfers, retirements, and cancellations—are tracked within ART's registry system. Offset ownership and transactions are tracked in individual accounts, and the ART administrator can view and search the ART Holdings report for the current and historical ownership of any serialized offset as well as track all individual transactions and retirements of offsets system-wide (by program, account, date, serial number etc.) in the Credit Transfer History report. Offset ownership information is available upon issuance in the public issuance report and ultimately upon retirement in the public retirement report.
- c) The ART registry system is a permanent record and repository for all ownership of each offset from issuance through retirement or cancellation. The ART registry administrator has 24-hour access to system-wide reports such as the ART Holdings report, which tracks the current and historical ownership of any serialized offset, as well as the Credit Transfer History report, which is a time and date stamped record of all individual transactions, retirements and cancellations of offsets system-wide (by project, account, date, serial number etc.). Additionally, public reports are available for offset credit issuance, retirement and cancelation.
- d) The ART registry assigns unique serial numbers to each offset credit upon issuance. Serialized credits are automatically issued into the Participant's account once the Emission Reductions and Issuance record is approved by the ART administrator. The format for ART serial numbers includes identification references to key information including program (ART), country, program ID, credit vintage, batch number, unit serial number block start and unit serial number block end values that represent the volume of credits issued in the batch. For example, serial number ART-MX-192-2018-203-1-5000 indicates that the credits were issued under the Architecture for REDD+ Transactions (ART), from a REDD+ program in Mexico, with Program ID 192, with credit vintage 2018, from credit batch 203, for which the serial block begins with 1 and the serial block ends with 5000 (representing a volume issued in the batch of 5,000 credits). Serial numbers of all credits are included in public program, issuance, retirement and cancellation reports.
- e) Each unique unit's country and vintage year are identified as part of the credit's serial number. In addition, the public registry reports (<https://art.apx.com/>) for REDD+ programs, issued credits, retired credits, cancelled credits), which are down downloadable, sortable and searchable, include detailed information on all REDD+ programs and credits including name and ART identification number, location (country), vintage year of credits, verifier, quantity and date of credits issued, retired or canceled, serial numbers, and links to registration and verification documentation.
- f) The ART Registry platform, operated by APX, has robust security provisions in place following best industry practice to maintain, access, secure, back up and recover all information stored in the registry database. As required in the legal Master Services Agreement (MSA) between Winrock and APX for ART registry services, APX maintains the ART Registry as detailed in the [confidential] APX Registry Platform Security Overview, an appendix to the MSA. All security information relevant to ART account holders is referenced in the public ART

## Terms of Use Agreement and ART Operating Guidelines.

APX operates the ART Registry based on best-in-class database technology, geographically redundant servers and data centers, which are monitored 24/7. All data centers are firewall protected. Servers and databases are secure with detailed access policies. Access to the Registry is through SSL-secured communication including authentication of username and password. Protocols are in place for regular database back-ups, which are archived using redundant, geographically distributed storage, and for recovery of the operating system, application or database.

### May 2020 Clarification Question Responses:

Would ART please share with TAB the APX Registry Platform Security Overview Appendix to the MSA, or relevant sections thereof (on a business-confidential basis), as evidence of the security provisions in place as described in your response to this question?

**For reference (from Appendix A: Supplementary Information): Criterion: Registry security review:** The programme should have provisions in place ensuring the periodic audit or evaluation of registry compliance with security provisions.

Yes, the ART Secretariat is willing to share the APX Registry Platform Security Overview appendix to the MSA on a business confidential basis. In order to do so, APX has requested that the TAB clarify in an email (to ART) that sharing the document as “business confidential” means that the TAB will treat the document as confidential and will not share or disclose with any third-party without explicit approval from APX.

The application indicates that the registry’s ability to identify ICAO-eligible units has been developed and can be launched immediately, if ART is deemed to be an eligible emissions unit programme. Would ART be able to provide a demonstration of this function to the TAB upon request?

**For reference (from Appendix A: Supplementary Information): Criterion: Unit identification:** The programme registry (or registries) should be capable of transparently identifying emissions units that are deemed ICAO-eligible, in all account types.

ART has worked with its registry platform service provider APX to develop ICAO-related functionality into the ART Registry including designation / identification of units as ICAO eligible. The code has been written, but not yet linked to the ART Registry. (Note that the code is based on the already implemented and live ICAO-eligibility functionality on the ACR Registry, for which APX also provides registry services). The code can be incorporated into the ART Registry User Acceptance Testing (UAT) site, tested and launched within a month of ART’s approval to supply units to the CORSIA.

The application indicates that the unit serial number denotes the host country and program ID, but makes no reference to the registration or start date of the particular jurisdictional program. Does ART also track and publish the start date of crediting of each jurisdictional program, by the program ID number?

**For reference (from Appendix A: Supplementary Information): Criterion: Unique serialization:** The programme should have policies in place requiring the programme registry (or registries) to assign to each emissions unit a unique serial number; identify units’ country and sector of origin, vintage, and original (and, if relevant, revised) project registration date.

The program start date under ART will be published in program documentation and in publicly available summary of REDD Program information on the registry. ART allows a start date to be up to four years prior to the time when initial ART documentation is submitted, provided that all TREES requirements are met. For country

programs that submit documentation in 2020, the earliest start date for ART emission reductions is 2016, which aligns with ICAO requirements.

July 2020 Clarification Question Responses:

ART is requested to share the MSA contents pertaining to the avoidance of conflicts of interest by APX, and the APX Registry Platform Security Overview appendix to the MSA, on a business confidential basis. Sharing the document as “business confidential” means that the TAB will treat the document as confidential and will not share or disclose with any third-party without explicit approval from APX.

The requirement for third-party registry services provider APX to avoid, disclose and mitigate any situations that present a conflict of interest (COI) are detailed in the legal Master Services Agreement (MSA) between Winrock and APX for ART Registry Services as executed in 2019 and amended from time to time (which is a private agreement between Winrock and APX and not posted publicly).

The APX Registry Platform Security Overview, which is an appendix to the MSA, is included as Attachment A on a business confidential basis.

Following from the programmes’ explanation regarding the registry data exchange standards, please identify if and where information is publicly disclosed by ART or APX.

The registry data exchange standards are not public information. Winrock does, however, require that APX conduct regular SOC audits to verify that APX has the proper processing integrity in place for data exchange standards. APX conducted a SOC2 and a SOC3 audit finalized in early 2020 stating that APX is compliant with Processing Integrity requirements. The SOC3 report is a high-level summary of the SOC2 report (which details controls that APX has in place and the tests of those controls). The SOC3 audit report is included as Attachment B on a business confidential basis.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

List any/all international data exchange standards to which the programme’s registry(ies) conform: (*Paragraph 2.4 (f)*)

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

ART's registry platform services provider, APX, implements industry standard tools and technologies such as ETL tools and Extensible Markup Language (XML) to ensure process integrity. XML technology allows the registry to organize and annotate data while it is transmitted. Transmitting data as XML allows verification that a complete set of data is transferred, i.e. that no data is lost while being transmitted. ETL tools, such as Wherescape and SQL Server Integration Services (SSIS), allow the registry platform to define workflows for processing of data. A typical workflow validates that a complete set of data has been provided, processes and stores the data into a data repository, as well as identifies and logs any errors encountered during processing of the data. Additionally, via a scheduler, the workflows are configured to kick off at predefined points in time or upon occurrence of certain events with notifications sent out upon completion of a workflow, including information about errors that have been encountered. This is a critical component of the overall goal of having processing integrity as it ensures that critical issues are identified, escalated, and remediated quickly.

Additionally, Winrock requires APX conduct regular SOC2 audits. The most recent SOC2 audit verifies that APX has proper "processing integrity" in place.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none, "N/A"*):

N/A

Are policies and robust procedures in place to...	
a) prevent the programme registry administrators from having financial, commercial or fiduciary conflicts of interest in the governance or provision of registry services? (Paragraph 2.4.6)	<input checked="" type="checkbox"/> YES
b) ensure that, where such conflicts arise, they are appropriately declared, and addressed and isolated? (Paragraph 2.4.6)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b):

**A.** Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

All ART staff who conduct activities on the Registry (ART Registry administrators) adhere to the Winrock Conflict of Interest (COI) policy as detailed in Winrock's Code of Conduct (<https://code.winrock.org/>) in addition to ART Ethical Standards ([ART-Ethical-Standard-.pdf \(art-redd.org\)](#)).

This is detailed in TREES Section 1.3 Conflict of Interest, which states: "*To ensure all ART Board members and the ART Secretariat are held to the highest standards for ethics and professional conduct and for avoidance of conflicts of interest, ART Board members and Secretariat staff shall be subject to the ART Ethical Standards. The ART Secretariat is also subject to the Conflict of Interest policy as detailed in Winrock's Code of Conduct. Each ART Board member and ART Secretariat staff member is required to regularly affirm in writing that they are in compliance with this policy, that they disclose, avoid and mitigate all Conflicts of Interest, and that they take reasonable action to avoid circumstances that create the appearance of a Conflict of Interest. ART Board and Secretariat members are required to notify the Winrock Chief Ethics and Compliance Officer immediately if any*

*Conflict of Interest situations arise or come to their attention, so the conflict can be appropriately mitigated. The Officer will consider any mitigation proposed and will make a recommendation to the ART Board for the Board's action."*

The requirement for third-party registry services provider APX to avoid, disclose and mitigate any situations that present a conflict of interest (COI) are detailed in the legal Master Services Agreement (MSA) between Winrock and APX for ART Registry Services as executed in 2019 and amended from time to time (which is a private agreement between Winrock and APX and not posted publicly).

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none, "N/A"*):

N/A

Are provisions in place...	
a) ensuring the screening of requests for registry accounts? ( <i>Paragraph 2.4.7</i> )	<input checked="" type="checkbox"/> YES
b) restricting the programme registry (or registries) accounts to registered businesses and individuals? ( <i>Paragraph 2.4.7</i> )	<input checked="" type="checkbox"/> YES
c) ensuring the periodic audit or evaluation of registry compliance with security provisions? ( <i>Paragraph 2.4.8</i> )	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the registry security provisions referred to in a) through c):

**A.** Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

- a) ART receives registry account applications via the ART registry platform. Account application reviews and approvals (or denials) are conducted by the ART Secretariat through an extensive application review process.

- b) ART Registry accounts are only approved for authorized government entities and registered businesses / legal entities that meet ART's account application requirements. Individuals are not permitted to open ART Registry accounts. Account access via unique login ID and password is provided to the individual approved and listed as the Account Manager and other Authorized Account Representatives and Agents, which must be individually reviewed and approved by the ART Secretariat.
- c) The ART Registry Master Services Agreement (MSA) executed between Winrock and APX, and updated from time to time, includes a description of the APX Platform Security provisions with which APX agrees to comply including provisions for periodic audits of registry compliance with security protocols. In the MSA, APX represents that it will follow best industry practice to secure, back up and recover all information stored by or on behalf of APX as part of the Registry Service and will maintain the systems and processes described in the detailed APX Registry Platform Security Overview. APX further commits to conducting Service Organization Controls (SOC) 2 Type II audits on a biennial basis, as defined by the American Institute of Certified Public Accountants (AICPA) and shall provide a copy of such audit report(s) to Winrock for review.

In February 2018, APX successfully completed a Service Organization Controls (SOC) 2 Type II examination related to security, availability and processing integrity principles defined by the American Institute of Certified Public Accountants (AICPA). APX worked with MossAdams LLP, an independent certified public accounting firm, to perform an in-depth audit of the control objects and activities for APX. Service Organization Control (SOC) reports are internal control reports on the services provided by a service organization designed to provide valuable information to help users assess and address the risks associated with an outsourced service. APX also has obtained a follow-on SOC 3 report based on the same security and availability principles covered in the SOC 2 audit. (Announcement link: <https://apx.com/corporate-news/1379/>).

#### May 2020 Clarification Question Responses:

- 1.1. Page 18-21 of ART's application describe in detail the account screening procedures. Could ART please share with TAB the document in which these procedures are located, which will be managed on a business sensitive basis?

**For reference (from Appendix A: Supplementary Information): Criterion:** Registry account screening: The programme should have provisions in place ensuring the screening of requests for registry accounts; and restricting programme registry (or registries) accounts to registered businesses **and individuals**.

For programs crediting sovereigns (i.e., national and subnational governments), comprehensive application documentation is critical to ensure thorough vetting of the authorization of organizations and their representatives.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

#### Question 3.5 Legal nature and transfer of units

Does the programme define and ensure the following:	
a) the underlying attributes of a unit? (Paragraph 2.5)	<input checked="" type="checkbox"/> YES
b) the underlying property aspects of a unit? (Paragraph 2.5)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the processes, policies, and/or procedures referred to in a) and b), including their availability to the public:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

#### Original Application April 2020 Response:

TREES Section 4 states that “*The ART unit of exchange is a greenhouse gas emission reduction or removal enhancement, denominated in metric tons of CO<sub>2</sub>e, quantified and verified pursuant to ART Standards, including TREES, that is serialized and issued on the ART Registry as an ART Emission Reduction (ER)*”. This is the TREES definition of an ART Credit.

TREES requires that Participants document ownership of emission reductions in registration documentation including the TREES Concept and the TREES Registration Document. Pursuant to TREES Annex A, the TREES Concept requires a “*Description of ownership rights to ERs to be issued by ART.*” REDD+ country program applications are required to “*provide a brief summary of the Participant’s rights to the ER’s generated from the accounting area (regulatory frameworks, laws or administrative orders) or a description of how rights will be obtained in accordance with domestic law including where agreements have been made providing such rights. Please describe any agreements in place or that will be in place for the transfer or ER rights or benefit allocation arrangements with landowners / resource rights holders that exist between the Participant and project owners and/or landowners.*” In the TREES Registration Document, Participants are required to “*describe ownership rights to ERs to be issued under ART.*”

In addition, all ART registry Account Holders must execute the legally-binding ART Terms of Use (ToU) agreement prior to account approval. ART ToU Section 16 b) and h) require that the ART Account holder represent and warrant that it has all authority and all constitutional, statutory, regulatory and other consents, approvals and authorizations necessary for it to legally ..... engage in activity including the registration, issuance, transfer, surrender and retirement of ART credits on the registry and that it holds legal title to and all beneficial title in each

ART Credit in its account.

**May 2020 Clarification Question Responses:**

The TREES requirement pertaining to ownership of ERs is to “describe” the nature of their ownership of the ERs, but not to “demonstrate” or substantiate it. Are there any rules or guidelines defining minimum expectations that participants should demonstrate in this description?

**For reference (from Appendix A: Supplementary Information): Criterion: Legal Nature and Transfer of Units:** The programme should define and ensure the underlying attributes and property aspects of a unit, and publicly disclose the process by which it does so.

The TREES Documents require Participants to provide a description of the means by which they have the right to the credits generated under ART or the process that will be followed to ensure rights are obtained. Because Participants are national governments or sub-national governments and the scale of the programs is quite large, it is anticipated that demonstrating ownership will be different for each and may include several different types of arrangements. Some of the arrangements may already be in place and others in process, which may take time to negotiate and finalize. Therefore, under ART, each Participant is required to produce documents to support a *prima facia* demonstration that it has the appropriate authority and has established emission reduction (ER) ownership rights or has a process or plan in accordance with domestic law to address the question of ER ownership. This could include a series of interim acceptable demonstrations of a pathway towards ER ownership such as regulatory frameworks, administrative orders and/or demonstration of any benefit allocation arrangements with land or resource rights holders. For example, a Participant may have individual agreements with REDD+ projects, indigenous peoples or private landowners, and/or laws conveying rights to ERs from national parks or government-owned land. In line with the TREES Validation and Verification Standard, the ART VVB will ensure that the description covers rights to all potentially claimed ERs. All rights will need to be fully documented and finalized prior to credit issuance to satisfy the requirements of TREES Section 15.2, which states that TREES requires clear proof of ownership of emission reductions.

**B. Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):**

N/A

**Question 3.6 Validation and verification procedures**

Are standards, requirements, and procedures in place for... (Paragraph 2.6)	
a) the validation of activities?	<input checked="" type="checkbox"/> YES
b) the verification of emissions reductions?	<input checked="" type="checkbox"/> YES
c) the accreditation of validators?	<input checked="" type="checkbox"/> YES
d) the accreditation of verifiers?	<input checked="" type="checkbox"/> YES

Provide evidence of the standards, requirements, and procedures referred to in a) through d), including their availability to the public:

**A. Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:**

#### Original Application April 2020 Response:

In response to both a) and b), validation and verification processes and requirements are outlined in two key documents: TREES Chapter 14 and the TREES Validation and Verification Standard Chapter 3. Both are publicly available and web links are provided below.

- [TREES](#)
- [TREES Validation and Verification Standard](#)

Chapter 14 of TREES outlines key processes and high-level requirements. The general requirements for validation and verification are described below:

Validation and Verification is required following calendar year 1 of each crediting period. Verification is required after calendar years 3 and 5 of each crediting period. TREES Participants may elect to have verifications following calendar years 2 and 4 of the crediting period. If these optional verifications are conducted and a positive verification conclusion is reached, a TREES Participant may be able to issue credits annually. If the optional verifications are not conducted, a TREES Participant will only be able to issue credits following calendar years 1, 3, and 5, as no credits will be issued without verification.

TREES Validations and Verifications shall be conducted in accordance with the TREES Validation and Verification Standard. The Validation and Verification Body shall submit a TREES Validation Report following completion of the validation and a TREES Verification Report and Statement to the ART Secretariat following completion of the verification. Once approved, these will be posted on the ART Registry.

The TREES Validation and Verification Standard provides additional detail on the processes and requirements.

The Standard covers the following topics in detail in Chapter 3:

- General Requirements
  - Validation and Verification Cycle
  - Validation Scope
  - Verification Scope
- Level of assurance
- Validation and Verification process
  - Contracting
  - Conflict of Interest
  - Audit process
- Public availability of documents
- VVB Record keeping
- Terminating an audit
- Materiality
- Validation and Verification Errors
- Complaints and Appeals

In response to questions c) and d), the requirements and processes for accreditation of ART validation and verification bodies is located in TREES Section 14 and the TREES Validation and Verification Standard Chapter 2. Both are publicly available at the web links above.

Chapter 14 of TREES outlines key processes and high-level requirements. Validation and Verification Bodies shall be accredited for validation and verification by an accreditation body that is a member of the International Accreditation Forum (IAF) with whom ART has a Memorandum of Understanding (MOU) as outlined in the

## TREES Validation and Verification Standard.

Validation and Verification Bodies shall also complete an application and an Attestation of Validation and Verification Body to be an approved TREES Validation and Verification Body. This process serves to ensure the Validation and Verification Body has the technical capabilities, qualifications, and resources to successfully complete a TREES validation and verification. Additional detail regarding the process and required capabilities, qualifications, and resources are provided in the TREES Validation and Verification Standard.

The Validation and Verification Body application documents and a list of approved TREES Validation and Verification Bodies shall be maintained by the ART Secretariat on the ART website.

The TREES Validation and Verification Standard provides additional detail on the initial and ongoing accreditation processes and requirements.

The Standard covers the following topics in detail in Chapter 2:

- Eligibility
  - Accreditation
  - Competencies
- Approval under ART
- Training
- VVB Rotation
- Monitoring of VVB Performance

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

### Question 3.7 Programme governance

Does the programme publicly disclose who is responsible for the administration of the programme? (Paragraph 2.7)	<input checked="" type="checkbox"/> YES
Does the programme publicly disclose how decisions are made? (Paragraph 2.7)	<input checked="" type="checkbox"/> YES

Provide evidence that this information is available to the public:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

#### Original Application April 2020 Response:

ART governance and administration is detailed in Section 1.2 of TREES, which states that ART is governed by a Board and managed by the ART Secretariat.

The ART Board of Directors is composed of a diverse group of objective, globally recognized experts, who are responsible for strategic guidance and for ensuring ART’s environmental and social integrity. The Board oversees ART’s implementation in accordance with the evolving UNFCCC decisions and will guarantee good governance, transparent rules, and processes that assure quality and adequate safeguards. The ART Board is comprised of members serving in their individual capacities and operates in accordance with the ART Board Charter and the ART Ethical Standards. The ART Board is responsible for:

- Approving the TREES Standard, TREES Validation and Verification Standard and future Standard versions or revisions
- Approving issuance of emission reduction credits
- Making final decisions on disputes

Per Section 2.1 of TREES, as the ART program administrator the ART Secretariat is responsible for the day-to-day operations of ART including:

- Drafting, maintaining, and revising Standards for ART Board approval
- Developing documentation templates and guidance documents
- Convening technical committees as deemed necessary by the ART Board
- Conducting desk reviews to assess eligibility and compliance of Participants requesting admittance into ART and approving admittance into ART
- Overseeing independent verification
- Reviewing Participants' monitoring reports and third-party verification documents
- Making recommendations to the ART Board on issuance of credits
- Developing and maintaining the ART Registry and website

Key ART team members are listed on the ART website: <https://www.artredd.org/about/>. With collectively over 150 years of experience in carbon accounting, verification, climate science and policy, carbon project development, registry operations and environmental markets, all ART team members are committed to uphold the mission of environmental integrity and transparency.

ART discloses how decisions are made related to various program aspects including the following:

As described in Section 14 of TREES and Section 2.1.1 of the TREES Validation and Verification Standard, ART depends upon accreditation programs that are members of the International Accreditation Forum (IAF) and with which ART has an MoU to determine eligibility of Validation and Verification Bodies for consideration of approval on ART. Per Section 2.2, ART Secretariat staff confirms the VVB applicant's accreditation as part of the broader ART VVB approval application review.

As described above in section 3.1 of this application and detailed in TREES under Sections 1.2.1 and 1.2.2 are the development process for TREES and the process for adoption of and revisions to TREES, which includes expert technical committees and a public stakeholder consultation prior to approval by the ART Board for publication.

Designated ART Secretariat staff members oversee the review of new account applications and approval of registry accounts according to its established process as referenced in response to 3.4 of this application, above.

Individual ART country program registration applications and verification reviews are conducted by ART Secretariat technical experts per TREES Section 2.1 and 2.2 (ART Cycle).

TREES Section 2.1 and 2.2 detail the ART Cycle, decision points and responsible decision makers including the ART Board approval of issuance of ART emission reduction units.

Further, TREES Chapter 16 addresses procedures for complaints and appeals to decisions taken by the ART Secretariat as described below.

For complaints:

*All complaints relating to verification should be directed to and resolved through the VB's complaints and appeals procedure.*

*When a TREES Participant or stakeholder objects to a decision made by ART representatives or the application of the ART program requirements, the following confidential complaint procedure shall be followed:*

- I. *The TREES Participant or stakeholder sends a written complaint via email to redd@winrock.org. The complaint must detail the following:*
  - A. *Description of the complaint with specific reference to TREES Standard requirements, as applicable;*
  - B. *Supporting documentation provided for consideration by ART in the complaint resolution process; and*
  - C. *Complainant name, contact details, and organization.*
- II. *The ART Secretariat shall assign a representative to research and further investigate the complaint. The representative assigned to handle the complaint shall not have been involved with the issue that is the subject of the formal complaint.*
- III. *The ART Secretariat will provide a written response via email to the complainant detailing the ART Secretariat's decision on the matter.*

For appeals:

*If a complaint remains unresolved after the conclusion of the complaint procedure, a TREES Participant or stakeholder may appeal any such decision or outcome reached. The following confidential appeals procedure shall be followed:*

- IV. *The TREES Participant or stakeholder sends a written appeal via email to redd@winrock.org. The appeal must detail the following:*
  - A. *Description of the appeal with specific reference to TREES Standard requirements, as applicable;*
  - B. *Supporting documentation provided for consideration by ART in the appeal resolution process, including previous communication on the complaint and all relevant details of the previously implemented complaint procedure; and*
  - C. *Appellant name, contact details, and organization.*
- V. *The ART Secretariat will convene a committee of representatives to review and discuss the matter. The committee will include a member of Winrock Senior Management or Board, a member of the ART Board of Directors, and one external expert selected by the appellant and approved by the ART Secretariat, all of whom will have equal votes. The committee may also include additional technical and/or subject matter expert or experts as necessary, who will not be able to vote. The committee members selected will depend on the subject matter and nature of the appeal. The appellant will be contacted if any additional information is needed or clarification is required.*
- VI. *The decision reached by the committee shall be communicated via written response to the TREES Participant or stakeholder. Any decision reached by the committee shall be final.*

July 2020 Clarification Question Responses:

Can ART put more clarity on what TREES mean exactly? It is procedures or rulesets but sometimes it means what participants are implementing under ART Board's approval.

The REDD+ Environmental Excellence Standard (TREES) sets out ART requirements for the quantification, monitoring, and reporting of GHG ERs; demonstration of implementation of the Cancun Safeguards; and verification, registration, and issuance of ERs. The ART Board provides oversight to the ART program and has the following responsibilities:

- Approving TREES, TREES Validation and Verification Standard and future Standard version or revisions
- Approving issuance of emission reduction credits
- Making final decisions on disputes

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

Can the programme demonstrate that it has... (Paragraph 2.7.2)	
a) been continuously governed for at least the last two years?	<input checked="" type="checkbox"/> YES
b) been continuously operational for at least the last two years?	<input checked="" type="checkbox"/> YES
c) a plan for the long-term administration of multi-decadal programme elements?	<input checked="" type="checkbox"/> YES
d) a plan for possible responses to the dissolution of the programme in its current form?	<input checked="" type="checkbox"/> YES

Provide evidence of the activities, policies, and procedures referred to in a) through d):

A. Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

- a) The Architecture for REDD+ Transactions (ART) was established in 2018 and initially governed by an Interim Steering Committee (ISC) working with the ART Secretariat. The ISC members included Lorenzo Bernasconi (Rockefeller Foundation), Andreas Dahl-Jorgensen (Norwegian International Climate and Forest Initiative), Nat Keohane (Environmental Defense Fund) and Dan Zarin (Climate and Land Use Alliance). In July 2018, The ART Secretariat convened three Technical Committees to provide input to the development of the TREES Standard ([Program History - ART Architecture for REDD+ Transactions \(artredd.org\)](#)): the TREES Standard Committee, the TREES Verification Committee and the TREES Safeguards Committee. The ART Board of Directors officially convened in June 2019 and approved TREES to be published for stakeholder consultation in July 2019. TREES v1.0 was published and the ART Registry launched in February 2020.
- b) Discussions between Winrock and the ISC regarding details of the operationalization of ART began in January 2018. ART has been continuously operational formally since June 2018, the start date of the period of performance in Winrock’s funding agreement with the government of Norway to operationalize ART.
- c) and d) Winrock serves as the Secretariat of ART, and as such, Winrock International stands behind ART’s long-term commitments including multi-decadal program elements. In the unlikely event that ART is discontinued in its current form, Winrock is legally responsible for the administration of any ongoing program elements or the appointment of a comparable qualified organization to do so. Such elements include the management of the Buffer Pool, as mutually agreed in section 41. **“Long Term Commitments”** of the ART ToU agreement.

Winrock International was created in 1985 from the merger of three predecessor Winthrop Rockefeller organizations: the Agricultural Development Council established in 1953, the Winrock International Livestock Research and Training Center established in 1974 and the International Agricultural Development Service established in 1975. Winrock operates in over 60 countries with a global staff of over 1,200 employees including experts in forestry, agriculture, renewable energy and energy efficiency, and water and an annual budget of \$100 million. Winrock is governed by a Board of Directors with fiduciary responsibility

to assure it fulfills its commitments. The Board is also responsible for management of Winrock's modest endowment.

July 2020 Clarification Question Responses:

What are the legal arrangements for the long term administration of ART by Winrock?

The current legal arrangement for Winrock to serve as the Secretariat of ART is through a funding agreement with the government of Norway for ART's establishment and operation. Winrock was selected to serve as the ART Secretariat based not only on capabilities and qualifications of key staff, but also access to other Winrock staff expertise on a short-term basis and on the effectiveness of relying on Winrock's existing organizational infrastructure (legal & compliance, finance & accounting, contracts, human resources, IT, communications) rather than having to create and staff a new organization and infrastructure from the bottom up.

Winrock, Norway and the ART Board envision a transition from ART being donor-funded to being financially self-sustainable over time. We anticipate a Board-approved fee structure to be in place by the end of this year to support ART operations. To support the long-term vision for ART and with the agreement of Winrock and the ART Board, we have held initial discussions with the FCPF regarding the creation of a formal pathway for REDD countries and programs to transition to ART upon sunsetting of the carbon fund in 2025.

There is currently no plan envisioned to transition ART outside of Winrock, however, if such transition were to occur at the direction of the ART Board, the oversight of all multi-decadal program elements would be transferred to the new ART Secretariat.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none, "N/A"*):

N/A

Are policies and robust procedures in place to...	
a) prevent the programme staff, board members, and management from having financial, commercial or fiduciary conflicts of interest in the governance or provision of programme services? (Paragraph 2.7.3)	<input checked="" type="checkbox"/> YES
b) ensure that, where such conflicts arise, they are appropriately declared, and addressed and isolated? (Paragraph 2.7.3)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b):

**A.** Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

All ART Secretariat staff and management adhere to the Winrock Conflict of Interest (COI) policy as detailed in Winrock's Code of Conduct (<https://code.winrock.org/>). In addition, ART Secretariat management and staff and ART Board members adhere to ART Ethical Standards. Under these policies, all ART management, staff and Board members must avoid, disclose and mitigate all conflicts of interest.

This is detailed in TREES Section 1.3 Conflict of Interest, which states: "*To ensure all ART Board members and the ART Secretariat are held to the highest standards for ethics and professional conduct and for avoidance of conflicts*

*of interest, ART Board members and Secretariat staff shall be subject to the ART Ethical Standards. The ART Secretariat is also subject to the Conflict of Interest policy as detailed in Winrock's Code of Conduct. Each ART Board member and ART Secretariat staff member is required to regularly affirm in writing that they are in compliance with this policy, that they disclose, avoid and mitigate all Conflicts of Interest, and that they take reasonable action to avoid circumstances that create the appearance of a Conflict of Interest. ART Board and Secretariat members are required to notify the Winrock Chief Ethics and Compliance Officer immediately if any Conflict of Interest situations arise or come to their attention, so the conflict can be appropriately mitigated. The Officer will consider any mitigation proposed and will make a recommendation to the ART Board for the Board's action."*

#### **From the ART Ethical Standards:**

##### ***What Is a Conflict?***

*A conflict of interest exists when an individual who is responsible for acting in the best interests of ART has another interest or loyalty that could influence or impair, or may appear to influence or impair, the individual's ability to act in ART's best interests. Conflicts exist, for example, when a ART Board or staff member can either influence or make a decision on contractual, procurement, recruitment and employment, or other business transactions, and that employee has a relationship with the business or persons being hired. Conflicts of interest may be actual, potential or even just a matter of perception. Conflicts must be approved per this policy before proceeding.*

##### ***Who Is Covered?***

*Conflicts can be caused by relationships with or among these covered persons:*

- *Board members*
- *Employees*
- *Families of employees*
- *Close personal friends*
- *Families of board members*
- *Entities owned or controlled by employees, board members, or their families*

***Families*** means (as defined by the U.S. Internal Revenue Service) spouse, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren, and any person with whom the covered person shares living quarters under circumstances that closely resemble a marital relationship or who is financially dependent upon the covered person. Families may also extend to members of the same clan, tribe, or communities and vary depending on the location and culture.

##### ***Conflict Review, Mitigation, and Approval***

*If an actual, perceived, or potential conflict is present, an ART Board or staff member must first disclose the conflict. In the case of staff, If avoidance / recusal is not in the best interest of ART, approval of a conflict management approach must be obtained by Winrock's Chief Risk and Compliance Officer before proceeding, and the ART Ethics Committee will be informed and review that decision. ART Board members must disclose any conflicts to the ART Ethics Committee, with a proposed means to mitigate—or minimize—the conflict. The Ethics Committee will make a recommendation to the ART Board, which will review the proposed conflict management approach and have final approval authority. Winrock's Chief Risk and Compliance Officer will be available to consult with the ART Ethics Committee and Board in an Advisory Capacity.*

#### ***Take Action:***

### ***Disclosure and Management of a Conflict of Interest***

***Employees (report and obtain approval for conflicts):*** All ART employees shall identify conflicts of interest before taking any conflicted action and address the conflict as noted above (obtain approval from the Chief Risk and Compliance Officer before proceeding).

***Senior Directors, Directors, and Project Directors (report and obtain approval for conflicts and annually acknowledge the Policy):*** In addition to the above, Senior Directors, Directors, and Project Directors have an enhanced obligation to report and address conflicts because of their position within ART. The Chief Risk and Compliance Officer shall circulate annually a Conflicts Acknowledgment Form that requires acknowledgment that each understand and adhere to ART's Conflict of Interest Policy. The form must be acknowledged immediately upon receipt.

***Executive Team and Board of Directors (report and obtain approval for conflicts, annually acknowledge the policy and annually disclose all affiliations):*** ART's Executive Team and members of the ART Board of Directors also have enhanced obligations to report conflicts, as conflicts relating to this group may require reporting of conflicts to regulators. In addition to addressing conflicts as they arise per this policy, both acknowledgment and affiliation disclosure is required. The Chief Risk and Compliance Officer shall circulate annually an Acknowledgment and Affiliation Disclosure Form for the ET and Board to:

1. Acknowledge understanding of and adherence to ART's Conflict of Interest Policy, and
2. List entities in which they, or a member of their families, have a material interest or occupy a position that might create a conflict of interest under this policy.

### ***Principles for Evaluating Conflicts***

In evaluating conflicted situations to determine an appropriate course of action, the ART Ethics Committee (and Chief Risk and Compliance Officer as required) shall be guided by the following:

- Are there alternative approaches that would avoid the conflict?
- Is there an actual or perceived private benefit or private inurement that must be avoided?
- Is the transaction being conducted transparently, with full disclosure of the conflict?
- Does the transaction support ART's mission?
- Is there a consequence to ART for not proceeding that might outweigh the reputational or other impact of the conflict?
- What is the nature and the risk to ART's reputation if the action proceeds?
- What is the mitigation proposed and does it minimize risk to ART?

Specific examples of conflicts and the approval requirements are set forth below. Approval requirements vary depending on the level of risk incurred.

### ***Examples of Conflicts of Interest***

Conflicts of interest are not always clear-cut and easy to define and require case-by-case analysis; not all types are listed here. Early consultation with the ART Secretariat and Board Ethics Committee and Winrock's Chief Risk and Compliance Officer can assist in determining if a conflict exists, by analyzing the facts and determining strategies for avoidance or mitigation.

#### **1. Transactions with Persons or Entities Covered by this Policy**

Transacting business can create conflicts. Examples include hiring a company that is owned by a relative; entering into a partnership with a company that you own or control or your relatives own or control; or

*giving business to a close personal friend. If money flows between ART and the conflicted entity or person, that creates the conflict.*

**2. Acceptance of Gifts, Gratuities, or Business Courtesies**

*We avoid any actions that create a perception that favorable treatment of outside entities by ART was sought, received or given in exchange for personal business courtesies.*

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

If the programme is not directly and currently administered by a public agency, can the programme demonstrate up-to-date professional liability insurance policy of at least USD\$5M? (Paragraph 2.7.4)	<input checked="" type="checkbox"/> YES
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Provide evidence of such coverage:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Yes, ART is covered by Winrock’s professional liability insurance policy.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

**Question 3.8 Transparency and public participation provisions**

Does the programme publicly disclose... (Paragraph 2.8)	
a) what information is captured and made available to different stakeholders?	<input checked="" type="checkbox"/> YES
b) its local stakeholder consultation requirements (if applicable)?	<input checked="" type="checkbox"/> YES
c) its public comments provisions and requirements, and how they are considered (if applicable)?	<input checked="" type="checkbox"/> YES

Provide evidence of the public availability of items a) through c):

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

- a) ART's publicly available [Terms of Use \(ToU\)](#) describes what information is collected by ART and from the Account Holder account. Section 14 specifically addresses ART's policies on the ownership and use of data and the registry.

TREES Section 15.2 specifically states that "*all documents listed in TREES Section 2.4 shall be made publicly available through the ART Registry.*" This includes the TREES Concept, the TREES Registration Document, the TREES Monitoring Report, the Validation and Verification Report and Statement.

- b) ART requires local stakeholder consultation per its safeguards described in detail in the response to section 3.9 of this application. Specifically, Cancun Safeguard D is "*the full and effective participation of relevant stakeholders – in particular indigenous peoples and local communities – in actions referred to in paragraphs 70 and 72 of decision 1/CP16.*"

The specific TREES local stakeholder consultation criteria are in 4.1 and 4.2:

*Criterion 4.1. Respect, protect and fulfil the right of all relevant stakeholders to participate fully and effectively in the design and implementation of REDD+ actions (stakeholders include the private sector and project developers).*

*Criterion 4.2. Promote adequate participatory procedures for the meaningful participation of indigenous peoples and local communities, or equivalent.*

*Under 4.2 it is noted that "If the institutions consulted are not considered representative by the people they claim to represent, the consultation may have no legitimacy. "If an appropriate consultation process is not developed with the indigenous and tribal institutions or organizations that are truly representative of the communities affected, the resulting consultations will not comply with the requirements of the Convention" (ILO Governing Body, 282nd session, 2001, GB.282/14/2)."*

For each criterion above, ART Participants are required to:

1. Demonstrate that relevant governance arrangements (e.g., policies, laws, and institutional arrangements) are in place in the country or applicable jurisdiction(s) to ensure the implementation of REDD+ actions is done in consistency with the criterion;
  2. Demonstrate that relevant institutional mandates, as well as processes, procedures, and/or mechanisms are in place and enforced in the country for the implementation of REDD+ actions in consistency with the criterion;
  3. Demonstrate implementation outcomes for each theme have been identified and monitored.
- c) Per TREES Section 1.2.2, the "*ART Secretariat and ART Board will conduct a review of the TREES Standard at a minimum of every three years and update the Standard if deemed necessary, including input from technical expert committees and stakeholders as well as relevant decisions of the UNFCCC.*"  
*"The ART Secretariat will solicit broad stakeholder input to TREES and future updates and revisions to TREES, through a public comment period. TREES will be posted publicly for stakeholder review and consultation for at least 60 days prior to review by the Secretariat and Board. The ART Board will consider stakeholder comments and make decisions on any changes prior to adoption and publication of TREES. The ART Secretariat will prepare responses to submitted comments and post on the ART website the comments and responses along with the Board-approved version of the Standard."*  
For updates or revisions to TREES, the ART Secretariat posts the draft documentation on the ART website for at least 60 days and sends out a notice to its email list-serve and via other media soliciting stakeholder

comments. During this period, the ART Secretariat will actively engage with stakeholders including offering webinars, public workshops and private consultations. Once finalized and published, the ART website includes full documentation of public comments and responses and a statement of reasons for changes that were made to the consultation documents.

July 2020 Clarification Question Responses:

Can ART be clearer in how the Programme selects its stakeholders, local or otherwise?

There are two types of stakeholders under ART.

The first category is ART stakeholders. ART stakeholders might engage with our program by providing comments on proposed TREES updates or changes, providing feedback on ART and its processes, and/or by providing comments on Participant documents that have been posted on the ART Registry. ART considers anyone interested in REDD+ and markets to be an ART stakeholder. This might include governments, scientists, NGOs, Civil Society Organizations (CSOs), communities, indigenous peoples, private landowners, project developers, corporations, other Standards bodies, financial entities or others interested in REDD+.

The second category of stakeholders are ART Participant program stakeholders. As part of TREES Safeguard Theme 4.1 (Section 12.5.4), Participants are required to identify all relevant stakeholders. Stakeholders may include landowners, project developers, communities, indigenous peoples, NGOs, CSOs, regulatory bodies, or others. The list of relevant stakeholders will differ across the Participant's accounting area for different activities. The Participant's identification process and results will be validated and verified to ensure all appropriate stakeholders were identified and offered the opportunity to provide feedback.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none*, "N/A"):

N/A

Does the programme conduct public comment periods relating to... (Paragraph 2.8)	
a) methodologies, protocols, or frameworks under development?	<input checked="" type="checkbox"/> YES
b) activities seeking registration or approval?	<input checked="" type="checkbox"/> YES
c) operational activities (e.g., ongoing stakeholder feedback)	<input checked="" type="checkbox"/> YES
d) additions or revisions to programme procedures or rulesets?	<input type="checkbox"/> YES

Summarize and provide evidence of any programme procedures referred to in a) through d):

**A.** Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

- a) Yes, ART requires a public stakeholder consultation for updates or revisions to TREES per the response to 3.8 c) above. By way of specific example, the Secretariat notes that the public stakeholder consultation process for TREES was conducted for 60 days in 2019 between July 29th and September 27<sup>th</sup>. The Secretariat accepted late submissions of comments through November 12<sup>th</sup>. The Secretariat sent four email announcements to the dedicated ART email list, posted notice on Climate-L, Forests-L and Ecosystem Marketplace, hosted four webinars - two in English, one in Spanish and one in French - the recordings of which were posted on the ART website, co-hosted two events with Emergent at the NY Climate Action Summit, and held several dedicated

stakeholder meetings.

Through November 12<sup>th</sup> the Secretariat received 46 formal submissions, as well as additional comments via webinar and email, totaling 778 individual comments. All documentation is posted on the ART website (<https://www.artredd.org/trees/>) including:

- [TREES public consultation version](#)
- [Stakeholder comments submitted](#)
- Secretariat responses to 778 comments received in the [TREES Stakeholder Comment and Response Log](#)
- [A Statement of Reasons of changes to TREES](#)
- Published [TREES v1.0](#)
- TREES launch webinar recordings in [Spanish](#), [English](#) and presentation deck in [Portuguese](#) and [Bahasa](#)

- b) and c) TREES Section 2.5 states that “*Stakeholders can submit comments and feedback to ART on an ongoing basis by contacting the ART Secretariat. In addition, subscribers to the ART listserv shall receive notification of the availability of new and relevant Participant documentation as it becomes publicly available to ensure that stakeholders have ample opportunity to submit comments to ART regarding these submissions. Comments submitted within 30 days of notice will be directed to the Participants to be addressed and will also be provided to the VVB at the beginning of Validation and Verification.*”
- d) ART does not conduct public comment periods on programme procedures and rulesets because these do not exist outside of TREES and the ART Registry Terms of Use (ToU). Public comment periods for TREES are described above. Per Section 1 of the ToU, ART Registry Account Holders are provided 45 days' notice of any changes to the ToU before they go into effect.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

#### Question 3.9 Safeguards system

Are safeguards in place to address... (Paragraph 2.9)	
a) environmental risks?	<input checked="" type="checkbox"/> YES
b) social risks?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the safeguards referred to in a) and b), including their availability to the public:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

#### Original Application April 2020 Response:

In response to a) and b), ART’s safeguards requirements to address environmental and social risks are publicly available in [TREES](#) Section 12 and are also referenced in the Validation and Verification Scopes in the [TREES Validation and Verification Standard](#).

TREES requires Participants to demonstrate they have implemented REDD+ actions defined in the REDD+ implementation plan consistent with Cancun Safeguards ensuring activities do no harm. These requirements are outlined in Section 12 which is structured as follows:

1. **Cancun Safeguards.** Each Cancun Safeguard is listed to set out the environmental, social, and governance principles Participants are expected to uphold when undertaking REDD+ actions. Cancun safeguards A, E, F and G address environmental risks while Cancun Safeguards B, C and D address social risks.
2. **Themes.** Each safeguard is further broken down into thematic topics which are encompassed in Cancun Safeguards and which define the conditions that must be met in order to address and respect the Cancun Safeguards in alignment with national policies, laws and regulations.
3. **Indicators.** Each indicator is meant to provide the step-wise process by which Participants can demonstrate conformance with all Cancun Safeguards while relying on progressive reporting on how the safeguards have been addressed and respected throughout REDD+ implementation. Verification will occur against the indicators only; as such, applicability, temporality, and scope conditions are included as appropriate.

There are three types of indicators:

Structure—demonstrate the relevant governance arrangements (e.g., policies, laws, and institutional arrangements) that are in place in the country and applicable jurisdiction for the case of subnational Participants under TREES and guarantee the implementation of REDD+ actions is done in consistency with Cancun Safeguards;

Process—demonstrate that relevant institutional mandates, as well as processes, procedures, and/or mechanisms that are in place and enforced in the country for the implementation of REDD+ actions in consistency with the Cancun Safeguards; and

Outcome—demonstrate implementation outcomes against the themes under which Cancun Safeguards have been unpacked, in consistency with the respect of rights and fulfillment of duties in accordance with international and national legislation and applicable jurisdictional legislation for the case of subnational Participants under TREES.

At the start of the first crediting period, Participants must demonstrate conformance with Cancun Safeguards by reporting against all structure and process indicators. In addition, at the beginning of the first crediting period, Participants must either demonstrate conformance with the outcome indicators or present a plan for achieving conformance with the outcome indicators by the end of the crediting period. By the beginning of the second crediting period, Participants must demonstrate conformance with all structure, process and outcome indicators under all themes under each of the Cancun Safeguards.

### ***Cancun Safeguard A***

*Actions are complementary or consistent with the objectives of national forest programs and relevant international conventions and agreements*

#### ***THEME 1.1 Consistency with the objectives of national forest programs***

Structural Indicator: Domestic legal framework for REDD+ actions is clearly defined and designed in consistency with national and if applicable, subnational, forest policies/programs.

Process Indicator: Public institutions have made use of, mandates, procedures and resources to ensure REDD+ actions are integrated into the broader policy framework of the forest sector, and inconsistencies identified and resolved.

Outcome Indicator: Implementation of REDD+ actions has been consistent with or complemented the objectives of the national and if applicable, subnational, forest policies/programs.

**THEME 1.2 Consistency with the objectives of relevant international conventions and agreements**

Structural Indicator: Domestic and if applicable, subnational, legal framework for REDD+ actions recognize and promote the application of ratified relevant international conventions and agreements in the context of implementation of REDD+ actions.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to ensure REDD+ actions integrate specific measures that recognize and promote the application of ratified relevant international conventions and agreements.

Outcome Indicator: Implementation of REDD+ actions has been consistent or has complemented the objectives of identified, ratified and relevant international conventions and agreements.

**Cancun Safeguard B**

Transparent and effective national forest governance structures, taking into account national legislation and sovereignty

**THEME 2.1 Respect, protect, and fulfill the right of access to information**

Structural Indicator: Participants have in place procedures for accessing information in accordance with international human rights standards, and these are anchored in relevant ratified international conventions/agreements and/or domestic and if applicable, subnational, legal framework.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions and agreements and/or domestic and if applicable, subnational, legal framework, policies, and programs for accessing information.

Outcome Indicator: Public has been aware of and exercised the right to seek and receive official information on the implementation of REDD+ actions, as well as the addressing and respecting of safeguards throughout that implementation.

**THEME 2.2 Promote transparency and prevention of corruption, including the promotion of anti-corruption measures.**

Structural Indicator: Participants have in place anti-corruption measures reflecting the principles of rule of law, proper management of public affairs and public property, integrity, transparency, and accountability, and these are anchored in relevant ratified international conventions/agreements and/or domestic and if applicable, subnational, legal framework.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal frameworks that includes anti-corruption measures reflecting principles of the rule of law, proper management of public affairs and public property, integrity, transparency, and accountability.

Outcome Indicator: The distribution of REDD+ benefits related to the implementation of the REDD+ results-based actions have been carried out in a fair, transparent, and accountable manner, as per relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework.

**THEME 2.3 Respect, protect, and fulfill land tenure rights.**

Structural Indicator: Participants have in place procedures for the recognition, inventorying, mapping, and security of customary and statutory land and resource tenure rights where REDD+ actions are implemented, and these are anchored in relevant ratified international conventions/agreements and/or domestic and if applicable, subnational, legal framework.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework that includes an effective process to recognize, inventory, map, and secure (statutory and customary) rights to lands and resources relevant to the implementation of REDD+ actions.

Outcome Indicator: In conformity with relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework stakeholders had access to, use of, and control over land and resources; and no involuntary relocation took place without the free, prior, and informed consent (FPIC) of any indigenous peoples and local communities (or equivalent) concerned.

#### **THEME 2.4 Respect, protect, and fulfill access to justice.**

Structural Indicator: Participants have in place procedures for guaranteeing non-discriminatory and non-cost prohibitive access to dispute resolution mechanisms at all relevant levels, and these are anchored in relevant ratified international conventions/agreements and/or domestic and if applicable, subnational, legal framework.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic legal framework that includes judicial and/or administrative procedures for legal redress, which, *inter alia*, provide access for indigenous peoples, local communities, or equivalent stakeholders with a recognized legal interest.

Outcome Indicator: Resolved disputes, competing claims, and effective recourse and remedies have been provided when there was a violation of rights.

#### **Cancun Safeguard C**

Respect for the knowledge and rights of indigenous peoples and members of local communities by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples

#### **THEME 3.1 Identify indigenous peoples and local communities, or equivalent.**

Structural Indicator: Participants have in place procedures that require the identification of the distinct identity of indigenous peoples, and local communities, or equivalent, and their respective rights, and these are anchored in relevant ratified international conventions/agreements and/or domestic and if applicable, subnational, legal framework.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework that identify indigenous peoples and/or local communities, or equivalent, and their respective rights.

Outcome Indicator: Indigenous peoples and local communities, or equivalent, have been identified and their respective rights and interests have been recognised in the design of REDD+ actions.

#### **THEME 3.2 Respect and protect traditional knowledge.**

Structural Indicator: Relevant ratified international conventions/agreements, and/or domestic and if applicable, subnational, legal framework define, respect, and protect indigenous people's knowledge and/or local communities' knowledge.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework that aim to protect the rights of indigenous peoples and/or local communities over their respective traditional knowledge, innovations, and practices.

Outcome Indicator: Traditional knowledge of indigenous peoples and/or local communities, or equivalent, has been identified and incorporated in the design and implementation of REDD+ actions.

**THEME 3.3 Respect, protect, and fulfill rights of indigenous peoples and/or local communities, or equivalent.**

Structural Indicator: Participants have in place processes that recognize, respect, and protect human rights and fundamental freedoms for its citizens, recognizing the distinct identity and rights of indigenous peoples and/or local communities, or equivalent, in conformity with customary law, institutions, and practices as applicable and these are anchored in relevant ratified international conventions/agreements and/or domestic and if applicable, subnational, legal framework.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework to protect and fulfill the rights of indigenous peoples local communities, or equivalent and guarantee respect for their integrity throughout the implementation of the REDD+ actions.

Outcome Indicator: Human rights and fundamental freedoms of indigenous peoples and local communities, or equivalent, have been identified and incorporated in the design and implementation of REDD+ results-based actions.

**Cancun Safeguard D**

The full and effective participation of relevant stakeholders—in particular indigenous peoples and local communities—in actions referred to in paragraphs 70 and 72 of decision 1/CP16

**THEME 4.1. Respect, protect, and fulfill the right of all relevant stakeholders to participate fully and effectively in the design and implementation of REDD+ actions.**

Structural Indicator: Participants have in place procedures that recognize, respect, and protect the right of all relevant stakeholders to participate fully and effectively, including timely access and culturally appropriate information prior to consultations, and these are anchored in relevant ratified international conventions/agreements and/or domestic and if applicable, subnational, legal framework.; access is established to recourse mechanisms to ensure the participation process is respected.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework to enable and ensure full, effective and timely participation in the design and implementation of REDD+ actions.

Outcome Indicator: Relevant stakeholders have participated fully and effectively in the design and implementation of REDD+ actions.

**THEME 4.2. Promote adequate participatory procedures for the meaningful participation of indigenous peoples and local communities, or equivalent.**

Structural Indicator: Relevant ratified international conventions, agreements, and/or domestic legal framework recognizes, respects, and protects the respective rights to participation of indigenous peoples, local communities, or equivalent, through their respective decision-making structures and processes,<sup>7</sup> which requires appropriate procedures take place in a climate of mutual trust.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal

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<sup>7</sup> If the institutions consulted are not considered representative by the people they claim to represent, the consultation may have no legitimacy. “If an appropriate consultation process is not developed with the indigenous and tribal institutions or organizations that are truly representative of the communities affected, the resulting consultations will not comply with the requirements of the Convention” (ILO Governing Body, 282nd session, 2001, GB.282/14/2).

*framework to ensure, where relevant, the participation of indigenous peoples and/or local communities, or equivalent according their respective rights and decision-making structures and procedures.*

Outcome Indicator: Planning, coordination, implementation, and evaluation of REDD+ actions were, where relevant, undertaken with the participation of indigenous peoples and/or local communities, or equivalent, including if applicable through FPIC, in accordance with relevant international and/or domestic and if applicable, subnational, legal framework, and in accordance to according their respective rights and decision-making structures and procedures.

#### **Cancun Safeguard E**

*That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of decision 1/CP16 are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits*

##### **THEME 5.1 Non-conversion of natural forests.**

Structural Indicator: Relevant ratified international conventions, agreements, and/or domestic legal framework consistently define the term natural forests, distinguishing them from plantations and spatial distribution of natural forests is mapped.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework to ensure the design and implementation of REDD+ actions avoids the conversion of natural forests.

Outcome Indicator: REDD+ actions did not result in the conversion of natural forests to plantations or other land uses.

##### **THEME 5.2 Protect natural forests, biological diversity, and ecosystem services.**

Structural Indicator: Relevant ratified international conventions, agreements, and/or domestic legal framework identifies priorities for the protection and conservation of natural forest areas, biodiversity, and ecosystem services, to which REDD+ actions could contribute.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic legal framework to ensure REDD+ actions are designed and implemented with a view to avoiding adverse impacts on natural forest areas, biodiversity, and ecosystem services potentially affected.

Outcome Indicator: REDD+ actions promote the protection and maintenance of natural forest areas, biodiversity and ecosystem services.

##### **THEME 5.3 Enhancement of social and environmental benefits.**

Structural Indicator: Relevant ratified international conventions, agreements, and/or domestic legal framework regulate the assessment of social and environmental benefits of interventions in those sectors implicated for REDD+ actions.

Process Indicator: Public institutions have made use of mandates, procedures, and resources to implement relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework to ensure social and environmental benefits are identified and integrated into the design and implementation of REDD+ actions.

Outcome Indicator: REDD+ actions have contributed to delivering social and environmental benefits.

#### **Cancun Safeguard F**

*Actions to address the risks of reversals*

**THEME 6.1** *The risk of reversals is integrated in the design, prioritization, implementation, and periodic assessments of REDD+ policies and measures.*

Process Indicator: *Public institutions have identified and integrated measures to address the risk of reversals in the design, prioritization, implementation, and periodic assessments of REDD+ actions.*

*No structure or outcome indicators have been developed for Safeguard F as these issues are broadly addressed by requirements in other sections of the Standard.*

#### **Cancun Safeguard G**

*Actions to reduce displacement of emissions*

**THEME 7.1** *The risk of displacement of emissions is integrated in the design, prioritization, implementation, and periodic assessments of REDD+ policies and measures.*

Process Indicator: *Public institutions have identified and integrated measures to address the risk of displacement of emissions in the design, prioritization, implementation, and periodic assessments of REDD+ actions.*

*No structure or outcome indicators have been developed for Safeguard F as these issues are broadly addressed by requirements in other sections of the Standard.*

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

#### **Question 3.10 Sustainable development criteria**

Does the programme use sustainable development criteria? (Paragraph 2.10)	<input checked="" type="checkbox"/> YES
Does the programme have provisions for monitoring, reporting and verification in accordance with these criteria? (Paragraph 2.10)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

#### Original Application April 2020 response:

Aiming to respect the autonomy of Participants to develop and implement their own sustainable development criteria reflecting the unique contexts of their specific country situations, TREES does not provide specific sustainable development criteria for Participants to meet. However, TREES does require Participants to define how their REDD+ activities contribute to sustainable development as part of the Participant’s TREES Registration Document (TREES Annex A, item 22 on the Registration Document list).

In addition, Participants must define and then monitor desired outcomes (goals) for 16 themes derived from the Cancun Safeguards which all influence successful sustainable development. This includes protecting natural forests, biological diversity and ecosystem services; enhancing social and environmental benefits; ensuring the rights of indigenous peoples and local communities are respected, protected, and fulfilled; and respecting and protecting traditional knowledge. The Participant’s desired goals are validated as part of the TREES Registration Document. Participants are required to provide updates on the outcome indicators in each monitoring report which is then verified in accordance with the TREES Validation and Verification Standard.

## May 2020 Clarification Question Response:

1.2. In respect to the mandatory use of Sustainable Development Criteria and the public disclosure of the criteria:

- a) Please clearly list the Sustainable Development Criteria used by your program.

ART credits national or subnational REDD+ programs. As a result, it is critical that ART respect the work governments have already conducted to develop sustainable development goals, priorities and processes. ART requires each Participant to demonstrate how its REDD+ activities contribute to sustainable development in both the TREES Registration Document and in every TREES Monitoring Report: available for download at [www.artredd.org/trees](http://www.artredd.org/trees). If a government does not have its own published sustainable development goals, it can report against the UN Sustainable Development Goals (SDGs).

In addition, ART requires REDD+ activities to be implemented in accordance with the Cancun Safeguards. The Cancun Safeguards were intentionally designed to define how REDD+ activities could be implemented to do no harm while also promoting positive sustainable development benefits. TREES' use of Cancun Safeguards in their entirety as the basis for defining safeguard requirements ensures criteria for sustainable development are built into the Standard in Section 12. While the structure and process indicators also define criteria, the outcome indicators are presented here as examples of the criteria included in TREES affecting sustainable development:

### Section 12.5.1

- Implementation of REDD+ actions has been consistent with or complemented the objectives of the national and if applicable, subnational, forest policies/programs.
- Implementation of REDD+ actions has been consistent or has complemented the objectives of identified, ratified and relevant international conventions and agreements.

### Section 12.5.2

- Public has been aware of and exercised the right to seek and receive official information on the implementation of REDD+ actions, as well as the addressing and respecting of safeguards throughout that implementation.
- The distribution of REDD+ benefits related to the implementation of the REDD+ results-based actions have been carried out in a fair, transparent, and accountable manner, as per relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework.
- In conformity with relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework stakeholders had access to, use of, and control over land and resources; and no involuntary relocation took place without the free, prior, and informed consent (FPIC) of any indigenous peoples and local communities (or equivalent) concerned.
- Resolved disputes, competing claims, and effective recourse and remedies have been provided when there was a violation of rights.

### Section 12.5.3

- Indigenous peoples and local communities, or equivalent, have been identified and their respective rights and interests have been recognised in the design of REDD+ actions.
- Traditional knowledge of indigenous peoples and/or local communities, or equivalent, has been identified and incorporated in the design and implementation of REDD+ actions.
- Human rights and fundamental freedoms of indigenous peoples and local communities, or equivalent, have been identified and incorporated in the design and implementation of REDD+ results-based actions.

### Section 12.4.5

- Relevant stakeholders have participated fully and effectively in the design and implementation of REDD+ actions.
- Planning, coordination, implementation, and evaluation of REDD+ actions were, where relevant, undertaken with the participation of indigenous peoples and/or local communities, or equivalent, including if applicable through FPIC, in accordance with relevant international and/or domestic and if applicable, subnational, legal framework, and in accordance to according their respective rights and decision-making structures and procedures.

#### Section 12.5.5

- REDD+ actions did not result in the conversion of natural forests to plantations or other land uses.
- REDD+ actions promote the protection and maintenance of natural forest areas, biodiversity and ecosystem services.
- REDD+ actions have contributed to delivering social and environmental benefits.

b) Please provide information (such as procedural document/link) on how the Sustainable Development Criteria used by your program is disclosed to the public.

[Section 12 of TREES](#) presents the criteria all participants must meet and this document is available on the ART website. The TREES Registration Document and TREES Monitoring Report require Participants to report on these criteria as well as to describe how their REDD+ actions contribute to sustainable development goals. Participants may use their own sustainable development goals or refer to the UN SDGs.

c) Please confirm that the use of the Sustainable Criteria is mandatory.

The reporting on safeguards indicators (criteria) that relate to sustainable development is mandatory as is reporting on the REDD+ activities' contributions to sustainable development goals. However, ART provides flexibility for governments to report against their own sustainable development goals and priorities. If they do not have stated sustainable development goals, ART allows them to report on the REDD+ contributions to achieving the SDGs.

d) Please provide information on how project proponents demonstrate to you that their project activity meets your Sustainable Development Criteria.

Governments initially report on their sustainable development goals or the SDGs in the TREES Registration Document. Governments then report on continued progress towards achieving these goals in every TREES Monitoring Report. In addition, governments must also report on how they plan to and have met the sustainable development criteria contained in the TREES Safeguard indicators in these documents.

e) If applicable, please provide information on how monitoring and evaluation of the fulfillment of your Sustainable Development Criteria is done.

The TREES Registration Document will contain both the Participant's (government's) specific national sustainable development goals or the prioritized SDGs, as well as a plan for monitoring safeguards performance (outcome indicators in Section 12) to demonstrate monitoring of the sustainable development criteria contained in the TREES Safeguard indicators. It is anticipated that most governments will draw upon their national safeguards information systems (SIS) which they have been developing to track the necessary data and evaluate performance. The proposed approach will be evaluated (validated) by the VVB in accordance with the TREES Validation and Verification Standard. Governments will then

report on progress toward achieving their sustainable development goals and fulfillment of all of the sustainable development criteria outlined in the TREES Safeguard indicators in each TREES Monitoring Report. All safeguards statements made in the monitoring reports will be verified by an independent third-party VVB.

f) Does the environmental and social framework point to specific development criteria? Can you list them?

Yes, the TREES Safeguard indicators included in Section 12 of TREES include the specific requirements. TREES' use of Cancun Safeguards in their entirety as the basis for defining safeguard requirements ensures criteria for sustainable development are built into the Standard in Section 12. While the structure and process indicators also define criteria, the outcome indicators are presented here as examples of the criteria included in TREES affecting sustainable development:

#### Section 12.5.1

- Implementation of REDD+ actions has been consistent with or complemented the objectives of the national and if applicable, subnational, forest policies/programs.
- Implementation of REDD+ actions has been consistent or has complemented the objectives of identified, ratified and relevant international conventions and agreements.

#### Section 12.5.2

- Public has been aware of and exercised the right to seek and receive official information on the implementation of REDD+ actions, as well as the addressing and respecting of safeguards throughout that implementation.
- The distribution of REDD+ benefits related to the implementation of the REDD+ results-based actions have been carried out in a fair, transparent, and accountable manner, as per relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework.
- In conformity with relevant ratified international conventions, agreements, and/or domestic and if applicable, subnational, legal framework stakeholders had access to, use of, and control over land and resources; and no involuntary relocation took place without the free, prior, and informed consent (FPIC) of any indigenous peoples and local communities (or equivalent) concerned.
- Resolved disputes, competing claims, and effective recourse and remedies have been provided when there was a violation of rights.

#### Section 12.5.3

- Indigenous peoples and local communities, or equivalent, have been identified and their respective rights and interests have been recognised in the design of REDD+ actions.
- Traditional knowledge of indigenous peoples and/or local communities, or equivalent, has been identified and incorporated in the design and implementation of REDD+ actions.
- Human rights and fundamental freedoms of indigenous peoples and local communities, or equivalent, have been identified and incorporated in the design and implementation of REDD+ results-based actions.

#### Section 12.4.5

- Relevant stakeholders have participated fully and effectively in the design and implementation of REDD+ actions.
- Planning, coordination, implementation, and evaluation of REDD+ actions were, where relevant, undertaken with the participation of indigenous peoples and/or local communities, or equivalent, including if applicable through FPIC, in accordance with relevant international and/or domestic and if applicable, subnational, legal framework, and in accordance to according their respective rights and decision-making structures and procedures.

### Section 12.5.5

- REDD+ actions did not result in the conversion of natural forests to plantations or other land uses.
- REDD+ actions promote the protection and maintenance of natural forest areas, biodiversity and ecosystem services.
- REDD+ actions have contributed to delivering social and environmental benefits.

*For reference (from Appendix A: Supplementary Information): Criterion: Sustainable Development Criteria:* Programs should publicly disclose the sustainable development criteria used, for example, how this contributes to achieving a country's stated sustainable development priorities, and any provisions for monitoring, reporting and verification.

#### 1.3. Give examples of projects and how they access responses from programs.

*For reference (from Appendix A: Supplementary Information): Criterion: Safeguards System:* Programs should have in place safeguards to address environmental and social risks. These safeguards should be publicly disclosed. ART does not credit REDD projects, but instead credits national governments or sub-national governments with national government approval (i.e., Participants). Participants can access the safeguard requirements in TREES Section 12. TREES outlines the monitoring and reporting requirements as well as the validation and verification requirements each participant must meet. The document templates provide outlines of what must be reported and suggested formats.

Participant document submissions (TREES Concept, Registration Document, Monitoring Reports) will be publicly available on the ART Registry. This will enable all relevant stakeholders including credit purchasers, communities, civil society organizations, project developers, private landowners, indigenous communities and other groups, to easily access the information submitted on safeguards by the national or sub-national governments. Documents will be posted prior to validation and verification to enable public comments prior to validation and verification activities and increase overall transparency.

In addition, final validation and verification reports which will include a summary of VVB activities undertaken to validate and verify conformance with the safeguards requirements and any findings and resolutions will also be available through the website. Finally, per the requirement in TREES Section 3.1.2 of TREES, Participants will need to submit a Summary of Information on safeguards to the UNFCCC for any year for which results-based payments are sought under TREES. The UNFCCC Information Hub is publicly available so any stakeholder would also be able to access safeguards information there.

#### 1.4. Is there a possibility to tell TAB if you have already access on safeguards and can you share how it was done?

Please be program specific.

*For reference (from Appendix A: Supplementary Information): Criterion: Safeguards System:* Programs should have in place safeguards to address environmental and social risks. These safeguards should be publicly disclosed.

As of yet, ART has not yet received submissions of required TREES documentation from any Participants as TREES was just published in February 2020. The spread of COVID and the understandable focus of government efforts on addressing the pandemic has led to delays in the expected timeframe for Participants to join ART.

It is anticipated that most Participants will modify their Summary of Information on safeguards (SOI) reports to demonstrate conformance with all of the safeguard requirements of TREES Section 12. Many countries have already submitted these reports to the UNFCCC in order to show how they address and respect the Cancun Safeguards. Examples can be found in the UNFCCC Information Hub (<https://redd.unfccc.int/info-hub.html>).

However, countries have included different level of detail, so some reports will need more modification than others in order to demonstrate conformance with TREES.

July 2020 Clarification Question Response:

- 1.1. TREES do not point/list sustainable development criteria for Participants to meet. Please list the Sustainable Development Criteria used.

TREES embeds the sustainable development criteria in Section 12, Environmental, Social, and Governance Safeguards, which are listed below. Combining the safeguards requirements and sustainable development criteria rather than separating them into distinct requirements better reflects the integrated approach for crediting governments (rather than projects) at a jurisdictional or national scale. The ART Safeguards Committee recommended this approach based on their experiences with national safeguards and sustainable development design and implementation work. The approach is also consistent with the UN-REDD Learning Journal, “8 REDD+ Safeguards Under the UNFCCC” published in May 2017, which states that “*A country approach to safeguards may be beneficial for several reasons: ... It can help engender country ownership and help ensure that the safeguards goals are appropriate to national circumstances and contribute to national sustainable development and green growth goals*” (pages 5-6).

Our initial application response may have caused confusion. TREES does include *sustainable development criteria* within Section 12, but does not specify the *sustainable development goals* that Participants must establish. ART requires each Participant to demonstrate how its REDD+ activities contribute to sustainable development in both the TREES Registration Document and in every TREES Monitoring Report. Templates for these documents are available for download at [www.artredd.org/trees](http://www.artredd.org/trees). If a government does not have its own published sustainable development goals, it can report against the UN Sustainable Development Goals (SDGs) as stated in the templates.

TREES Sustainable Development Criteria: In Section 12 of TREES, each of the following themes represents a sustainable development criterion. Three indicators are presented under each theme. At a very high level, these indicators ensure Participants have a legal or other binding framework requiring these criteria to be addressed (Structure indicators), ensure that resources are allocated to implement the programs to meet the criteria (Process indicators) and monitor the outcomes and adjust the programs as necessary (Outcome indicators). The full set of outcome indicators were included in our last written responses. Each theme is linked to its corresponding Cancun Safeguard to highlight the integration with Participant’s ongoing work to meet UNFCCC requirements and contribute to sustainable development.

THEME 1.1 Consistency with the objectives of national forest programs.

THEME 1.2 Consistency with the objectives of relevant international conventions and agreements.

THEME 2.1 Respect, protect, and fulfill the right of access to information.

THEME 2.2 Promote transparency and prevention of corruption, including the promotion of anti-corruption measures.

THEME 2.3 Respect, protect, and fulfill land tenure rights.

THEME 2.4 Respect, protect, and fulfill access to justice.

THEME 3.1 Identify indigenous peoples and local communities, or equivalent.

THEME 3.2 Respect and protect traditional knowledge.

THEME 3.3 Respect, protect, and fulfill rights of indigenous peoples and/or local communities, or equivalent.

THEME 4.1. Respect, protect, and fulfill the right of all relevant stakeholders to participate fully and effectively in the design and implementation of REDD+ actions.

THEME 4.2. Promote adequate participatory procedures for the meaningful participation of indigenous peoples and local communities, or equivalent.

THEME 5.1 Non-conversion of natural forests.

THEME 5.2 Protect natural forests, biological diversity, and ecosystem services.

THEME 5.3 Enhancement of social and environmental benefits.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

**Question 3.11 Avoidance of double counting, issuance and claiming**

Does the programme use sustainable development criteria? (Paragraph 2.10)	<input checked="" type="checkbox"/> YES
Does the Programme provide information on how it addresses double counting, issuance and claiming in the context of evolving national and international regimes for carbon markets and emissions trading? (Paragraph 2.11)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the information referred to above, including its availability to the public:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

ART’s published standard, TREES, includes detailed requirements for avoiding double counting of emission reductions in all of its forms (including double issuance, double use and double claiming) in the context of national and international carbon markets.

TREES Section 13 Avoiding Double Counting states “*In the context of climate change mitigation, the term double counting describes situations where a single GHG ER or removal is used towards more than one mitigation target, pledge, obligation or other mitigation commitment or effort. Double counting must be avoided including when ERs are used to meet compliance mitigation obligations, targets, pledges, commitments or efforts. Double counting can occur in a number of different ways, including double issuance, double use/double selling, and double claiming, as described below. The risks related to double issuance and double use can be mitigated through operational processes, tracking systems, and oversight by crediting programs. TREES will incorporate by reference relevant future decisions and guidance on accounting and reporting in the UNFCCC for the Paris Agreement and, as applicable, the International Civil Aviation Organization (ICAO) for its Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Adherence to such decisions and guidance will be additional to the requirements laid out in this section, which shall continue to apply regardless of the outcome of those international processes.*”

TREES Section 13.1 states that “*Double issuance occurs when more than one unique unit is issued for a single ER or removal, within the same program/registry or when more than one program/registry issues unique units for a single ER or removal. To mitigate the risk of double issuance, TREES requires the disclosure of any issued emission reductions in the same accounting area, including credits from projects, which will be deducted from TREES issuance volume, checks of duplicate registration under other programs (including offset programs) and requirements for disclosure of other registrations, as well as for cancellation of the units on one registry prior to re-issuance on another.*”

TREES Section 13.2 states that “*Double use occurs when a unique issued unit is used twice, for example if it is 1) sold to more than one entity at a given time (also referred to as double selling) due to double issuance or fraudulent sales practices, or 2) used by the same owner toward more than one obligation / target. Double use can also occur if the use of a unique issued unit is reported, but the unit is not retired or cancelled. To prevent double use, TREES requires clear proof of ownership upon registration, tracking of ownership of credits within the registry by serial number and account, and an annual attestation of ownership and use. In addition, double selling will be prohibited through rules in the legal Terms of Use agreement to be executed by all ART Registry account holders, which will expressly prohibit double use of credits and prohibit the transfer of ownership of credits off-registry.*”

TREES Section 13.3 states that “*Double claiming occurs when the same ER is counted by two or more Parties or entities (e.g. buyers and sellers) towards climate change mitigation obligations, targets, pledges, commitments or efforts. TREES ERs credits have a number of potential uses, including:*

VII. *Credits issued under TREES can be sold and transferred outside of the host country to another Party for use toward achievement of its NDC.*

*To prevent double claiming of the ERs by the host country and another Party toward Paris Agreement NDC targets, TREES requires that the host country issue a letter to explicitly authorize the use of the specific ERs by another Party and in that letter attest to report the transfer to the UNFCCC in the structured summary of its biennial transparency reports and make an accounting adjustment as required by the UNFCCC. This authorization letter will be posted publicly on the ART Registry. Credits cannot be transferred to another Party’s registry account or retired on behalf of another Party until such authorization letter is delivered. When the transfer or retirement is affected, the specific reason for the transfer (between registry accounts) or retirement will be stated. In the case of a transfer between accounts, the Party reporting the use of the ER toward its NDC must retire the credits noting the reason for retirement for the public record.*

VIII. *Credits issued under TREES can be sold and transferred to a non-Party (e.g., an airline toward meeting its CORSIA mitigation obligation or for other ER actions, such as for use in an emissions trading scheme [ETS]).*

*To prevent double claiming of the ERs by the host country and a non-Party for use toward mitigation obligations (such as under CORSIA or in an ETS), TREES requires that the host country issue a letter to explicitly authorize the use of the specific ERs by the transferee (buyer) and in that letter agree to report the transfer to the UNFCCC in the structured summary of its biennial transparency reports and to make an accounting adjustment as required by the UNFCCC. The letter will be posted publicly on the ART registry. Credits will not be designated as eligible for use towards the non-Party target or obligation and cannot be transferred to another ART registry account or retired on behalf of the buyer until such authorization letter is delivered. When the transfer or retirement is affected, the reason for the transfer (between registry accounts) or retirement will be stated. In the case of a transfer between accounts, the entity reporting the use of the ER toward its mitigation obligation, such as under the CORSIA or an ETS, must retire the credits, noting the specific reason for retirement for the public record.*

IX. *Credits issued under TREES can be retained by the host country and used toward achievement of its NDC.*

*In the event the ERs are to be used by the host country toward the achievement of its own NDC, there is no double claim. In this case, the host country Party must retire the credits before reporting the use of the ERs toward its NDC, noting the reason for retirement for the public record including that title of the ER was not transferred.”*

In addition to requirements in TREES, ART’s legal Terms of Use Agreement with all ART Registry Account Holders includes clear rules against double use and selling as detailed in ToU Section 15, 16 and 18, excerpts included below, which detail rules against double registration of unique emissions reductions on any other registry or database and duplicate use of emissions reductions including a prohibition on the transfer or use

of credits off-registry as well as requirements for retailers to retire credits on the registry if they are being claimed to satisfy voluntary or regulatory emissions reduction obligations.

The following are representations and warranties of all ART account holders in the legal Terms of Use Agreement Section 16 to prevent double issuance, double use and double selling:

- k) *Account Holder will only use the Registry for the registration, Issuance, transfer, retirement and/or surrender of ART Credits that are attributable to the emission reduction credit and removal activities included in the ART Standards and specifically acknowledges that it shall not use any other database or registry for the same purpose at the same time as such Emission reduction credit and removal activities are registered in the Registry;*
- n) *Account Holder has not registered and will not register any GHG reduction or removal simultaneously both in the Registry and in any other system, platform or exchange that tracks, trades, exchanges, transfers or otherwise deals with the emissions, emission reductions, emission offsets, emission credits, or other environmental attributes related to emission reduction projects or activities nor will any transaction of the same emissions, emission reductions, emission offsets, or other environmental attributes related to emission reduction projects or activities be conducted outside of the Registry;*
- o) *Except as allowed under ART, Account Holder commits not to claim ART Credits which have already been or are expected to be registered with another compliance or voluntary emissions reduction program;*
- r) *Neither Account Holder nor any Indirect Owner, if any, has retired, sold, claimed, represented elsewhere or used, nor will it retire, sell, claim or represent elsewhere or use to satisfy obligations in any jurisdiction outside of the Registry, any of the GHG reductions by the activities associated with Account Holder's ART Credits without reporting such disposition within the Registry.*

ART ToU Section 18 has specific provisions for **No Double-Counting**: “*Account Holder shall not engage in Double-Counting of ART Credits in any of its forms. In the event Account Holder becomes aware that any ART Credits may be or have been subject to Double-Counting, Account Holder shall immediately notify the Administrator in writing with the details of such Double-Counting. In the event the Administrator becomes aware or reasonably believes that any ART Credits may be or have been subject to Double-Counting, the Administrator may immediately suspend the Accounts associated with such Double-Counting and take action in accordance with these Terms of Use, including Section 23, and the Operative Documents.*”

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

Material Change Notification September 2021:

Change 6: TREES 2.0 clarifies provisions to avoid double counting. This includes clarifying situations in which credits issued for use in domestic compliance markets may not be considered double issued with TREES credits, includes clarifying provisions to avoid double claiming with compliance markets, and requirements to avoid double counting under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), as new Appendix B.

The clarifications to situations in which credits issued for use in domestic compliance markets may not be considered double issued with TREES credits recognizes that credits issued only for use in domestic compliance markets are not considered double counted with credits that will be used for international purposes because they effectively nest into the domestic jurisdictional accounting and are not used towards Paris Agreement or ICAO targets or for voluntary claims.

The clarifications to provisions to avoid double claiming were made recognizing that international requirements for Corresponding Adjustments to avoid double counting under the Paris Agreement Article 6 are still being negotiated, that the infrastructure for countries to account for Corresponding Adjustments is not yet in place, that there will be a transition period for the Paris Agreement rules and infrastructure to be in place, and that Corresponding Adjustments may not be required for all potential agreements that ART Participants may enter into.

However, the double claiming clarifications in section 13.3 and in the new ***Annex B: ART's Requirements for Avoiding Double Counting with ICAO's CORSIA*** recognize that requirements for Corresponding Adjustments are clear for government-to-government transfers under Article 6.2 and for transfers for use in the ICAO CORSIA. The ART Registry already has infrastructure in place to facilitate the avoidance of double claiming for all transactions where accounting for international transfers may be required or preferred. This includes functionality to publish Host Country Letters of Authorization for transfer of TREES Credits, to label TREES Credits associated with a Letter of Authorization, as well as to label TREES Credits for which a corresponding adjustment has been applied. The detailed requirements in Annex B were added to TREES to ensure conformance with Paris Agreement and ICAO CORSIA requirements for avoiding double counting of post 2020 units and to specify a compensation mechanism(s) for the CORSIA.

The changes in TREES 2.0 are reflected in the published version of the TREES 2.0 Standard in addition to in the Summary of Changes document and Statement of Reasons.

The response to 3.11 *Avoidance of Double Counting, Issuance and Claiming* in our original application can be replaced in its entirety by the new language in TREES 2.0 Section 13.

With the exception of the clarification on double issuance as detailed below, the new text does not substantively alter, but rather streamlines and clarifies the requirements to avoid double counting including double use and double claiming.

In our May 2020 written response to ICAO TAB question 3.4 we stated that “*ART does not allow double issuance or double counting of any kind. Therefore, if a Participant is participating in a different national or jurisdictional REDD+ crediting program, or if REDD projects exist within the Participant’s accounting area, it must be demonstrated that there are no emission reductions issued under other GHG programs during the same periods for which ART issues credits. If credits have been issued in the same geographic area during the same period, ART requires that a corresponding volume of all credits issued by other programs to be deducted from the ART issuance total.*

The new section on double issuance in TREES 2.0, including the exception for credits verified and/or issued for use towards an obligation in a domestic compliance scheme and for which no entity is allowed to make claims about the use of the credits towards corporate climate targets, is as follows:

Double issuance occurs when more than one unique unit is issued for a single ERR, within the same program/registry or when more than one program/registry issues unique units for a single ERR. To mitigate the risk of double issuance, TREES requires the disclosure of any verified or issued emission reductions in the same accounting area, including credits from projects, which will be deducted from TREES issuance volume, checks of

duplicate registration under other programs (including offset programs) and requirements for disclosure of other registrations, as well as for cancellation of the units on one registry prior to re-issuance on another.

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 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 scheme or program, and that no entity is permitted to make claims about the use of the specified project credits towards corporate climate or net-zero targets. In the 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.

With regard to ICAO application section 4.7 *Are Only Counted Once Towards a Mitigation Obligation*, ART has regularly provided updates to ICAO on how we described the operationalization of these requirements in its original April 2020 application. ART further detailed information on requirements to avoid double counting in response to ICAO's 29 July 2020 response to questions (specifically 5.9, 5.10, 5.11), in the June and August 2020 ART Board-approved Resolutions and the published Board-approved *TREES ICAO Eligibility Guidance* dated August 2020 and also in the published TREES 2.0 February 2021 stakeholder consultation document *Annex B: ART's Requirements for Avoiding Double Counting with ICAO's CORSIA*, which detail requirements for host country letters of authorization, reporting of corresponding adjustments to the UNFCCC and compensation for or replacement of units used under the CORSIA and also claimed by the Host Country towards meetings its NDC (the "compensation mechanism").

The Annex B was also detailed in ART's April 2021 material change form to ICAO and in response to ICAO questions in July 2021 in which we also clarified that while the imminent publication of TREES 2.0 will formalise the adoption of the TREES ICAO Eligibility Guidance document dated August 2020, *the ICAO requirements and the August 2020 ART Board guidance are already legally and technically in place even prior to the publication of TREES 2.0*. This is based on Section 1 of the ART Terms of Use Agreement, which incorporates by reference the Operative Documents as legally binding, which includes Board-approved published Guidance.

ART's requirements for avoiding double counting with ICAO's CORSIA do not alter any information submitted to the TAB, rather reflect full implementation of requirements that ART indicated would be put in place.

## PART 4: Carbon Offset Credit Integrity Assessment Criteria

**Note**—where “evidence” is requested throughout *Part 3* and *Part 4*, the Programme should provide web links to documentation. If that is not possible, then the programme may provide evidence of programme procedures directly in the text boxes provided (by copying/pasting the relevant provisions) and/or by attached supporting documentation, as recommended in “SECTION II: INSTRUCTIONS—*Form Completion*”.

**Note**—“Paragraph X.X” in this form refers to corresponding paragraph(s) in Appendix A “Supplementary Information for Assessment of Emissions Unit Programmes”.

**Note**—Where the programme has any plans to revise the programme (e.g., its policies, procedures, measures, tracking systems, governance or legal arrangements), including to enhance consistency with a given criterion or guideline, provide the following information in response to any and all relevant form question(s):

- Proposed revision(s);
- Process and proposed timeline to develop and implement the proposed revision(s);
- Process and timeline for external communication and implementation of the revision(s).

### Question 4.1 Are additional

Do the Programme’s carbon offsets... ( <i>Paragraph 3.1</i> )	
a) represent greenhouse gas emissions reductions or carbon sequestration or removals that exceed any greenhouse gas reduction or removals required by law, regulation, or legally binding mandate?	<input checked="" type="checkbox"/> YES
b) exceed any greenhouse gas reductions or removals that would otherwise occur in a conservative, business-as-usual scenario?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b), including their availability to the public:

A. Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

#### Original Application April 2020 Response:

- a) TREES Section 3.4 addresses additionality requirements. TREES applies a performance-based approach whereby only emissions achieved below a historical reference-level baseline (i.e., the TREES Crediting Level) will be eligible for crediting. In this way, additionality is ensured by issuing only ERs that are below the TREES Crediting Level. Only reported emission reductions that are verifiably lower than the TREES Crediting Level will be eligible for receiving emission reduction credits.

Like other jurisdictional REDD+ crediting programs, ART does not require a demonstration of regulatory additionality as it is not appropriate for national or large subnational scale activities. At the national or large subnational scale, deforestation and forest degradation are highly complex and driven by numerous causes and involving multiple stakeholders including governments, companies, communities and consumers. Studies suggest that domestic policies are the most effective means to address the drivers of deforestation. This

includes a wide variety of legal, regulatory and policy measures that influence various aspects of land use, including permitting requirements, land and forest management policies, addressing land tenure issues, offering incentives, improving enforcement of policies, using fiscal levers, as well as many others. A key goal of ART is to offer financial incentives to governments to enable implementation, development and enforcement of these measures. A regulatory framework is, indeed, a critical component to an ART Participant's strategy for reducing emissions. It is therefore not practical, or workable to enforce a regulatory additionality requirement at this scale.

In fact, as outlined in TREES Section 3.2, Participants are required to provide a REDD+ Implementation Plan which outlines the REDD+ activities implemented as part of their program, including a requirement to define where the activities are occurring. This requirement ensures that Participants identify the activities that result in emission reductions.

*"Each TREES Participant shall submit a REDD+ implementation plan as part of the initial documentation and each subsequent TREES Monitoring Report which outlines the programs or activities including locations planned to achieve the ERs. It is expected that the implementation plan will be the National REDD+ Strategies/Action Plan developed in accordance with the Warsaw Framework. If a different implementation plan is submitted under TREES, the Participant must explain any differences between the two plans. In the case when a Participant is using a subnational accounting area, the Participant must specify which REDD+ interventions from its National REDD+ Strategies/Action Plan are relevant to the subnational accounting area."*

- b) TREES requires Participants to establish a five-year historical reference (crediting) level. The decision to set the reference period on a five-year historical average of emissions was based on extensive stakeholder feedback as well as an analysis conducted by key experts. The study looked at data from Hansen (2013) for 60 countries using data from 8 years, including 2011 – 2018. The study used 8 different average lengths to predict emissions for 8 different years, with 480 observations in total. Results showed that the difference between predicted and observed is the lowest between 2-5 years, indicating that a reference period in this range is the best predictor of the future. Therefore, the TREES reference (crediting) level offers a reasonable and accurate prediction of future emissions. TREES emission reductions are conservative because actual emissions are verified to be lower than the TREES crediting level.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none, "N/A"*):

Material Change Notification September 2021:

Change 2: TREES 2.0 includes a new optional approach for crediting removals at the jurisdictional scale. The expansion of TREES 2.0 creates opportunities and incentives for inclusive, large-scale climate solutions from the forest sector that are needed to help achieve the goals of the Paris Agreement, notably crediting not only for reduced deforestation, but also for restoration of forest landscapes and protection of intact forests.

The changes in TREES 2.0 are reflected in the published version of the TREES 2.0 Standard in addition to in the Summary of Changes document and Statement of Reasons.

In section 4.1 *Are Additional*, we indicated in our original application that TREES applies a performance-based approach whereby only emissions achieved below a historical reference-level baseline (i.e., the TREES Crediting

Level) will be eligible for crediting. In this way, additionality is ensured by issuing only ERs that are below the TREES Crediting Level.

Now that TREES 2.0 includes crediting for removals, the additionality is defined in TREES section 3.3: Additionality for participants using the TREES Crediting Level and the TREES Removals Crediting Level uses a performance-based approach in that only emissions achieved below a conservative historical crediting level and removals achieved any year above a historical crediting level will be eligible for crediting. In this way, additionality will be ensured by issuing only TREES credits that are below historical forest emissions and in excess of historical removals. Only reported emission reductions and removals that are verifiably better than the TREES Crediting Level will be eligible for receiving TREES credits.

Change 3: TREES 2.0 includes a new optional approach for crediting High Forest, Low Deforestation (HFLD) jurisdictions. The expansion of TREES 2.0 creates opportunities and incentives for inclusive, large-scale climate solutions from the forest sector that are needed to help achieve the goals of the Paris Agreement, notably crediting not only for reduced deforestation, but also for restoration of forest landscapes and protection of intact forests.

Guarding the carbon sequestered in intact forests is critical because these large areas of forests contribute both climate mitigation and adaptation benefits by storing carbon, regulating local and regional climate, supplying critical moisture to agricultural lands, resisting wildfire. Published projections are that future deforestation will extend into intact, high carbon forests, resulting in greenhouse gas emissions of an estimated 170 billion tons of CO<sub>2</sub> by 2050, equivalent to four times annual global CO<sub>2</sub> emissions (2019). Moreover, providing incentives to jurisdictions with intact forests to maintain those forests lowers the risk of deforestation shifting to these countries (leakage) as nearby jurisdictions with high deforestation begin reducing their forest-related emissions.

The changes in TREES 2.0 are reflected in the published version of the [TREES 2.0 Standard](#) in addition to in the [Summary of Changes](#) document and [Statement of Reasons](#).

In section 4.1 *Are Additional*, we indicated in our original application that TREES applies a performance-based approach whereby only emissions achieved below a historical reference-level baseline (i.e., the TREE Crediting Level) will be eligible for crediting. In this way, additionality is ensured by issuing only ERs that are below the TREES Crediting Level.

In TREES 2.0, additionality for HFLD jurisdictions is not performance-based, rather deemed automatically additional for any Participant that meets the HFLD Score threshold (greater than .5). This “positive list” additionality approach for HFLD is different than the performance-standard approach for non-HFLD emission reductions and removals credits.

Therefore, the response to whether ART designates certain activities as automatically additional, the answer is YES for HFLD credits. A summary of the additionality determination for HFLD credits as well as the criteria used to determine additionality and the availability to the public is included herein. This information is all publicly available, including with extensive citations from scientific literature, in the [Statement of Reasons](#) published on the ART website.

In summary, it is widely recognized that forests are critical to meeting Paris Agreement goals of limiting the planet's warming to 1.5 degrees. REDD+ recognizes the critical role of protecting, maintaining and restoring forests as a critical solution to combat climate change. An effective and equitable global system for reducing tropical deforestation should incentivize all relevant jurisdictions and actors, including both historical emitters and historical protectors of carbon stocks, if the world is to eliminate forest loss in areas where it is already occurring and continue to actively protect areas of high forest cover. Therefore, the goal of REDD+ should be to incentivize all jurisdictions to achieve and maintain High Forest, Low Deforestation (HFLD) status.

The intact forests found in HFLD jurisdictions provide both climate mitigation and adaptation benefits by storing carbon, regulating local and regional climate, supplying critical moisture to agricultural lands, resisting wildfire, and serving as an ecological source area to effectively restore and recover degraded lands and continue to provide ecological services humans depend on. Forests influence local and global temperatures and the flow of heat throughout the planet. The process of evapotranspiration cools air temperatures and the volatile organic compounds that are emitted by trees increase cloud cover which reflect heat and have a cooling effect. Recent studies have further confirmed that forests play a more important role in cooling the surface in almost all regions of the Earth than was previously thought.

Deforestation is projected to increase all over the tropics, totaling nearly 290 million hectares from 2016-2050, raising an urgent need to incentivize conservation of remaining forest stocks. In HFLD jurisdictions, passive protection of forests has in many cases until recently been the result of the distance from human settlements and roads. Unfortunately, this situation is changing rapidly as encroachment becomes more widespread and infrastructure and extractive activities are extended into previously remote areas. It is estimated that for each hectare of intact forest cleared, seven hectares of forest edges are created. Already 70% of the world's forests lie within one kilometer of a forest edge, which store on average 25% less carbon than areas far from forest edges, and this proportion is rising. Almost 97 million hectares of intact forest, equal to one-fifth of the global area of intact forest, currently lies within mining, oil and gas concessions. Expected future deforestation will penetrate interior, higher-carbon forests, resulting in enormous emissions of greenhouse gases estimated at 170 billion tons of CO<sub>2</sub> just from intact forest by 2050.

Under TREES, only jurisdictions that meet the rigorous HFLD threshold values for high forest carbon stocks and low deforestation rates are eligible to utilize the optional HFLD crediting approach. Furthermore, TREES requires action from HFLD jurisdictions. Under TREES, all HFLD jurisdictions must have a jurisdictional REDD+ implementation strategy that establishes the actions they are taking to mitigate the drivers of deforestation and degradation that have contributed to low deforestation rates in their jurisdictions.

Is additionality and baseline-setting... (Paragraph 3.1)	
a) assessed by an accredited and independent third-party verification entity?	<input checked="" type="checkbox"/> YES
b) reviewed by the programme?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b), including their availability to the public:

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Additionality and baseline setting are assessed by an accredited and independent third-party verification entity

and reviewed by the ART Secretariat. As described in TREES Section 14.2 and the TREES Validation and Verification Standard (TVVS) Section 2, validation and verification bodies (VVBs) must be accredited for validation and verification by an accreditation body that is a member of the International Accreditation Forum (IAF) and with which ART has an MoU. Section 3 of the TVVS details validation and verification general requirements and cycle, validation scope, verification scope and level of assurance in addition to detailed requirements of the audit process.

TREES Crediting Levels (i.e., baselines) must be described and demonstrated in the TREES Registration Document (TRD). The TRD, along with all supporting documentation and calculation worksheets is submitted to the ART Secretariat for review, as well as to an accredited VVB for validation and verification. Additionality is determined by verifying that all reported emissions, submitted in the TREES Monitoring Report (TMR) are lower than the TREES Crediting level. The scope of validation and verification is outlined in Section 3 of the TREES Validation and Verification Standard and includes the review and assessment of both the TREES Crediting Level (during validation) and additionality (during verification).

TREES Section 4.1 and 4.2 outlines the process of how both the Secretariat and VVBs review all documentation, and the ART Board provides final approval of all issuance. This is summarized below. The required contents of each document are listed in Annex A of the TREES Standard.

1. *The Secretariat reviews the TREES Registration Document and TREES Monitoring Report for completeness and will request revisions as needed. The Secretariat then approves the TREES Registration Document and TREES Monitoring Report for validation and verification.*
2. *The Participant selects an approved TREES Validation and Verification Body from the list of approved ART Validation and Verification Bodies maintained on the ART website. The Participant solicits bids and negotiates contracts directly with the selected Validation and Verification Body. The selection process will include a disclosure of conflicts of interest and mitigation measures, if conflicts are identified.*
3. *The Validation and Verification Body conducts the validation of the TREES Registration Document and the verification of the TREES Monitoring Report in line with the requirements of Section 14 of this Standard and the TREES Validation and Verification Standard.*
4. *The Validation and Verification Body submits the Validation and Verification Report and Verification Statement to the Secretariat who reviews the documents to ensure completeness. The Secretariat will request revisions as needed.*
5. *The Secretariat submits the Participant's final package and a recommendation to the ART Board for approval. The ART Board requests additional information as appropriate and approves the credit issuance. Following ART Board approval, the Participant's TREES Registration Document and Monitoring Report are referenced in the ART Registry as Registered and ART credits are issued based on the initial verification. If the Participant has demonstrated conformance with the High Forest Cover/Low Deforestation (HFLD) definition, credits issued will be tagged as HFLD credits.*

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

Identify one or more of the methods below that the programme has procedures in place to ensure, and to support activities to analyze and demonstrate, that credited mitigation is additional; which can be applied at the project-and/or programme-level: (*Paragraphs 3.1, and 3.1.2 - 3.1.3*)

- Barrier analysis
- Common practice / market penetration analysis
- Investment, cost, or other financial analysis
- Performance standards / benchmarks
- Legal or regulatory additionality analysis (as defined in *Paragraph 3.1*)

Summarize and provide evidence of the policies and procedures referred to in the above list, including describing any/all additionality analyses and test types that are utilized under the programme:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

As described in response to 4.1 above of this application, TREES sets out requirements for the development of the TREES Crediting Level, which is a historical reference level that works as a performance-based benchmark. All reported emissions must be below the Crediting Level to be deemed additional. Only reported emission reductions that are verifiably lower than the TREES Crediting Level are eligible to receive emission reduction credits.

TREES Section 3.4 describes Additionality requirements and TREES, Section 5 describes the Crediting Level. Additionality is ensured by issuing only emission reduction credits that are below the TREES Crediting Level.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

As described in ART’s September 2021 Material update, approaches for crediting removals and HFLD jurisdictions have been added to TREES. The additionality and crediting level Sections of TREES 2.0 reflect all crediting approaches.

If the Programme provides for the use of method(s) not listed above, describe the alternative procedures and how they ensure that activities are additional: (*Paragraph 3.1*)

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

ART does not provide for the use of methods not listed above.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

If the programme designates certain activities as automatically additional (e.g., through a “positive list” of eligible project types), does the programme provide clear evidence on how the activity was determined to be additional? ( <i>Paragraph 3.1</i> )	<input type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures for determining the automatic additionality of activities, including a) the criteria used to determine additionality and b) their availability to the public:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

ART does not employ positive lists for additionality.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

September 2020 Material Update Notification:

In TREES 2.0, additionality for HFLD jurisdictions is not performance-based, rather deemed automatically additional for any Participant that meets the HFLD Score threshold (greater than .5). This “positive list” additionality approach for HFLD is different than the performance-standard approach for non-HFLD emission reductions and removals credits.

Therefore, the response to whether ART designates certain activities as automatically additional, the answer is YES for HFLD credits. A summary of the additionality determination for HFLD credits as well as the criteria used to determine additionality and the availability to the public is included herein. This information is all publicly available, including with extensive citations from scientific literature, in the Statement of Reasons published on the ART website.

Explain how the procedures described under Question 4.1 provide a reasonable assurance that the mitigation would not have occurred in the absence of the offset programme: (*Paragraph 3.1*)

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

TREES uses a performance standard approach for additionality. As described in 4.1 above, the TREES Crediting Level is a historical reference level based on the mean emissions from 5 years prior to the start of each crediting period. The reference period of 5 years was selected because it is a more accurate predictor of the future, when compared to using a longer reference period. Only reported emissions that are verifiably below the Crediting Level are deemed eligible for crediting under ART. This approach provides assurance that the reported emissions reductions are additional.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

Material Change Notification September 2021:

In section 4.1 *Are Additional*, we indicated in our original application that TREES applies a performance-based approach whereby only emissions achieved below a historical reference-level baseline (i.e., the TREE Crediting Level) will be eligible for crediting. In this way, additionality is ensured by issuing only ERs that are below the TREES Crediting Level.

Now that TREES 2.0 includes crediting for removals, the additionality is defined in TREES section 3.3: Additionality for participants using the TREES Crediting Level and the TREES Removals Crediting Level uses a performance-based approach in that only emissions achieved below a conservative historical crediting level and removals achieved any year above a historical crediting level will be eligible for crediting. In this way, additionality will be ensured by issuing only TREES credits that are below historical forest emissions and in excess of historical removals. Only reported emission reductions and removals that are verifiably better than the TREES Crediting Level will be eligible for receiving TREES credits.

In TREES 2.0, additionality for HFLD jurisdictions is not performance-based, rather deemed automatically additional for any Participant that meets the HFLD Score threshold (greater than .5). This “positive list” additionality approach for HFLD is different than the performance-standard approach for non-HFLD emission reductions and removals credits.

Therefore, the response to whether ART designates certain activities as automatically additional, the answer is YES for HFLD credits. A summary of the additionality determination for HFLD credits as well as the criteria used to determine additionality and the availability to the public is included herein. This information is all publicly available, including with extensive citations from scientific literature, in the Statement of Reasons published on the ART website.

In summary, it is widely recognized that forests are critical to meeting Paris Agreement goals of limiting the planet’s warming to 1.5 degrees. REDD+ recognizes the critical role of protecting, maintaining and restoring forests as a critical solution to combat climate change. An effective and equitable global system for reducing tropical deforestation should incentivize all relevant jurisdictions and actors, including both historical emitters and historical protectors of carbon stocks, if the world is to eliminate forest loss in areas where it is already occurring and continue to actively protect areas of high forest cover. Therefore, the goal of REDD+ should be to incentivize all jurisdictions to achieve and maintain High Forest, Low Deforestation (HFLD) status.

The intact forests found in HFLD jurisdictions provide both climate mitigation and adaptation benefits by storing carbon, regulating local and regional climate, supplying critical moisture to agricultural lands, resisting wildfire, and serving as an ecological source area to effectively restore and recover degraded lands and continue to provide ecological services humans depend on. Forests influence local and global temperatures and the flow of heat throughout the planet. The process of evapotranspiration cools air temperatures and the volatile organic compounds that are emitted by trees increase cloud cover which reflect heat and have a cooling effect. Recent studies have further confirmed that forests play a more important role in cooling the surface in almost all regions of the Earth than was previously thought.

Deforestation is projected to increase all over the tropics, totaling nearly 290 million hectares from 2016-2050, raising an urgent need to incentivize conservation of remaining forest stocks. In HFLD jurisdictions, passive protection of forests has in many cases until recently been the result of the distance from human settlements and roads. Unfortunately, this situation is changing rapidly as encroachment becomes more widespread and infrastructure and extractive activities are extended into previously remote areas. It is estimated that for each hectare of intact forest cleared, seven hectares of forest edges are created. Already 70% of the world’s forests lie within one kilometer of a forest edge, which store on average 25% less carbon than areas far from forest edges, and this proportion is rising. Almost 97 million hectares of intact forest, equal to one-fifth of the global area of intact forest, currently lies within mining, oil and gas concessions. Expected future deforestation will penetrate interior, higher-carbon forests, resulting in enormous emissions of greenhouse gases estimated at 170 billion tons of CO<sub>2</sub> just from intact forest by 2050.

Under TREES, only jurisdictions that meet the rigorous HFLD threshold values for high forest carbon stocks and low deforestation rates are eligible to utilize the optional HFLD crediting approach. Furthermore, TREES requires action from HFLD jurisdictions. Under TREES, all HFLD jurisdictions must have a jurisdictional REDD+ implementation strategy that establishes the actions they are taking to mitigate the drivers of deforestation and degradation that have contributed to low deforestation rates in their jurisdictions.

#### Question 4.2 Are based on a realistic and credible baseline

Are procedures in place to... ( <i>Paragraph 3.2</i> )	
a) issue emissions units against realistic, defensible, and conservative baseline estimations of emissions?	<input checked="" type="checkbox"/> YES
b) publicly disclose baselines and underlying assumptions?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b), including how “conservativeness” of baselines and underlying assumptions is defined and ensured:

A. Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

#### Original Application April 2020 Response:

- a) As described in 4.1 in this application, the TREES Crediting Level is based on a 5-year historical average of deforestation and degradation emissions. The 5-year reference period is an accurate predictor of future emissions, and thus, represents a realistic and defensible baseline.

Also, as described in Section 4 of TREES, Participants must demonstrate that all carbon estimation and quantification approaches conform with best practices. Details of each method, including an explanation of why the method was selected for use, and descriptions of how data were interpolated or prorated by calendar year, must be provided in the TREES Registration Document, and any updates to measurements and methods must be detailed in the TREES Monitoring Report.

Further, as described in Section 5 of TREES, a conservative approach is applied, where, beyond an allowable uncertainty (15% at the 90% confidence level) the Crediting Level is reduced by the calculated percentage uncertainty. It must also be demonstrated that there is no bias in the selection of data used to calculate the Crediting Level. The reference period may not overlap with the crediting period and there may be no gaps between the end of the reference period and the start of each TREES crediting period as defined in Section 2.3 of TREES.

To ensure an ongoing conservative baseline, as well as to promote ambition, an updated crediting level may not be higher than the previous crediting level. If a new crediting level value is greater than the previous crediting level value, the previous crediting level must be used for the new crediting period. When a new pool or activity is added the new crediting level must be calculated with the new pool or activity included in the 5-year reference data. This represents the only circumstance in which a crediting level could rise from one crediting period to the next.

- b) All documents listed in Section 2.4 of TREES are made publicly available. A summary of information required in each TREES document is provided in Annex A of TREES, and the templates for each document are available

on the ART website (<https://www.artredd.org/trees/>). The documents are listed below:

1. TREES Concept
2. TREES Registration Document
3. TREES Monitoring Report
4. TREES Validation and Verification Conflict of Interest Document
5. TREES Validation Report
6. TREES Verification Report
7. TREES Variance Request Form

The TREES Registration Document describes the TREES Crediting Level, including underlying assumptions and descriptions of data used to develop the Crediting Level. The TREES Monitoring Report describes the reported emissions and emissions reductions that are being claimed, relative to the TREES Crediting Level. The TREES Validation Report will provide a detailed description from an accredited third party VVB of their evaluation and assessment of the TREES Crediting Level, as well as all other eligibility requirements under TREES. The TREES Verification Report provides a detailed description from an accredited third party VVB of their evaluation and assessment of annual reported emissions and emission reduction claims. The TREES Validation and Verification Standard details the scope of both validation (Section 3.3) and verification (Section 3.4) under TREES.

May 2020 Clarification Question Responses:

1.2. Regarding the choice to use a 5-year historical average of emissions from deforestation and degradation, ART explains that the decision to set the reference period on a five-year historical average of emissions was based on extensive stakeholder feedback as well as an analysis conducted by key experts. Please provide further information and evidence, including any specific sources and findings, internal or external, that informed this decision. Would a participant seeking CORSIA eligibility and so committing to the proposed 20-year crediting period still be required to update its crediting level every five years, according to the same procedures described in this section of the application?

*For reference (from Appendix A: Supplementary Information): Criterion: Carbon offset credits must be based on a realistic and credible baseline—Carbon offset credits should be issued against a realistic, defensible, and conservative baseline estimation of emissions. The baseline is the level of emissions that would have occurred assuming a conservative “business as usual” emissions trajectory i.e., emissions without the emissions reduction activity or offset project. Baselines and underlying assumptions must be publicly disclosed.*

*While a 10-year historical average has been used in other jurisdictional REDD+ programs and initiatives to establish a crediting level, this timeframe is not based on research, and no evaluation has been performed to analyze whether a 10-year period is indeed a good predictor of forest loss. In the instances a 10-year historical average has been used, it is likely that it was determined as a basis to reward good performance of early actors.*

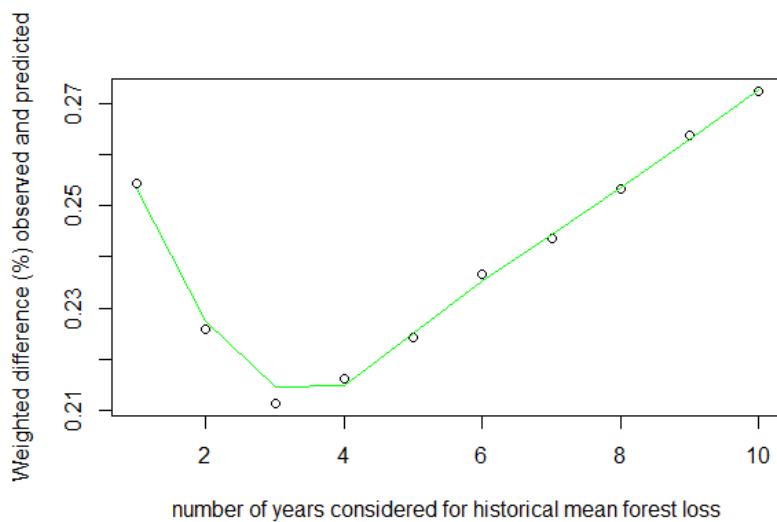
The analysis used by ART to inform the decision on the reference period was conducted by two key REDD+ experts. The analysis explores if there is a relationship between the length of period used to calculate average historical forest loss and its predicting power of future forest loss. The analysis sought to determine, based on available data on annual forest loss, what reference period is the best “business as usual” baseline. In other words, what reference period best predicts what would happen in absence of REDD+ implementation.

The analysis used the tree cover loss (30%) dataset from Hansen et al (2013) for a selection of REDD+ countries (REDD+ country being defined by one or more of the following: country is UNREDD programme

member, has submitted a forest reference (emission) level to the UNFCCC, is a FCPF CF participant or a BioCF participant). A few countries were removed from the analysis because they either have very low tree cover loss or a very high annual variation, and finally Brazil was not considered in the analysis because its size would skew the data, and because it is a unique example due to its successful efforts to stem forest loss. Therefore, it is not a good approximation of business-as-usual emissions.

The analysis included 60 countries, using single years as observed data, e.g., tree cover loss in 2011, 2012, or 2013 (all the way up to 2018), while different historical periods were used to predict the observed data, e.g., 2018 is predicted by 2017 tree cover loss (1 year), average 2016-2017 tree cover loss (2 years), average 2015-2017 tree cover loss (3 years) and so on. Also, different years, 2011 to 2018 are being predicted to filter out the effect of unusual years. As such, each point of results is based on 480 observations (60 countries x 8 predicted years).

The figure below shows the difference between observed and predicted tree cover loss for 60 countries and 8 years that have been predicted. It shows that shorter and longer historical periods less accurately predict observed tree cover loss and the optimal historical period is between 2-5 years. Extending the historical period further in the past leads to less accurate predictions of future performance. The ART Board selected a 5-year reference period to align with the TREES Crediting Period length.



A Participant seeking CORSIA eligibility would be required to commit to 20 years of MRV under TREES. This would include four consecutive five-year Crediting Periods. Without crediting period updates on a regular basis (every five years, as required in TREES), the crediting level would not decrease over time thus reducing the overall ambition of ART.

#### July 2020 Clarification Request Responses:

- 1.1. Could ART provide the analysis used to inform the decision to use a 5-year rather than 10-year historical reference period (referred to in response to clarification question 3.5)?

While the analysis was only one component of the ART Board's decision to use the 5-year reference period, we have included the analysis as Attachment C.

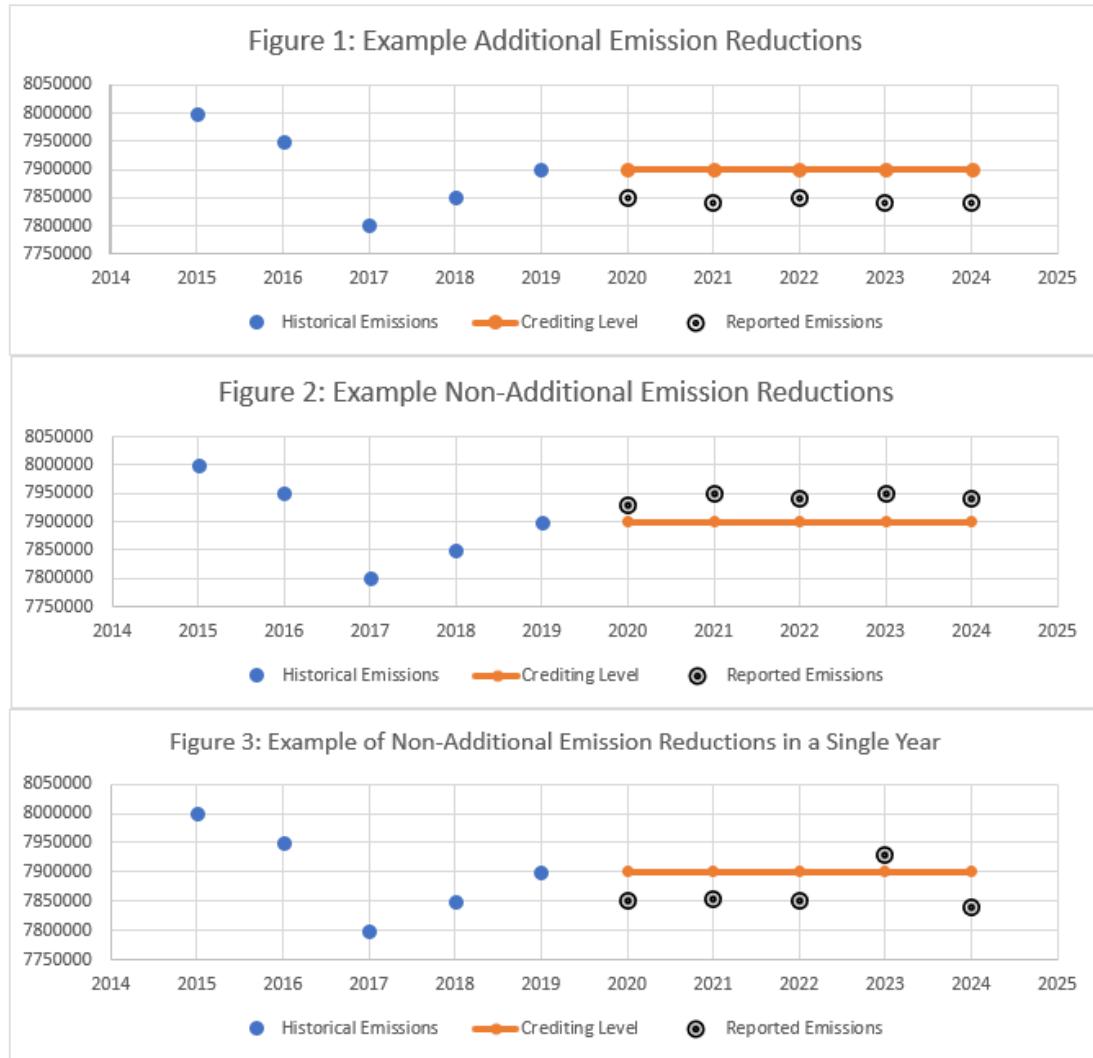
2. Would ART be in a position to illustrate how the baseline is defined and additionality demonstrated through an example activity?

The figures below are provided to illustrate how the crediting level (i.e., baseline) is defined, and how additionality is demonstrated via a performance threshold. The examples show the initial crediting level, however, the requirements are the same for all crediting periods. In all three figures the crediting level (the orange line) is equal to the average of the historical emissions (the blue dots) of the previous five years. The black dots represent the annual emissions that would be reported to ART and verified per the required schedule described in TREES.

Figure 1 shows an example where the annual reported emissions are below the crediting level. The participating national government or subnational jurisdiction in this example has successfully reduced emissions below the baseline, and thus the emission reduction credits are additional, and therefore, are eligible for ART emission reduction credits.

Figure 2 shows an example where the annual reported emissions are above the crediting level. The participating national or subnational government has not reduced emissions below the crediting level, and therefore, they are not additional, and are not eligible for ART emission reduction credits.

Figure 3 show an example of a scenario where annual reported emissions are additional in the first year, second year and third year and then are not additional in the fourth year, and then additional for the fifth year of the crediting period. In year 4 the non-additional reported emissions also trigger a reversal, which would require the participating national or subnational government to compensate for the loss by retiring credits in the ART buffer.



**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

Material Update Notification September 2021:

Change 2: TREES 2.0 includes a new optional approach for crediting removals at the jurisdictional scale. The expansion of TREES 2.0 creates opportunities and incentives for inclusive, large-scale climate solutions from the forest sector that are needed to help achieve the goals of the Paris Agreement, notably crediting not only for reduced deforestation, but also for restoration of forest landscapes and protection of intact forests.

The changes in TREES 2.0 are reflected in the published version of the TREES 2.0 Standard in addition to in the Summary of Changes document and Statement of Reasons.

In section 4.2 *Are Based on a Realistic and Credible Baseline*, we indicated that the TREES Crediting Level is based on a 5-year historical average of deforestation and degradation emissions.

Now that TREES 2.0 includes crediting for removals, we would add that the TREES removals crediting level is

based on the average area in hectares of commercial planting and natural restoration during the five-year historical reference period. Participants track any new removals areas that are planted during each year of the crediting period. If the areas of natural forest restoration and commercial planting can be tracked separately (stratified), they are treated differently allowing all areas of Natural restoration as eligible for removals crediting versus only new areas that exceed the crediting level area for commercial planting. In both cases, the area is then multiplied by the appropriate removal factor, which should take into account forest type, age, mortality rates and any other parameters that influence biomass accumulation. In addition, like emission reductions, ART offers a lookback period for removals from natural restoration. Areas of natural forest restoration and planting that were planted up to 10 years prior to the TREES crediting period start date (up to four years prior to joining ART) and otherwise meet all TREES MRV and safeguards requirements are eligible for removals crediting, but only for the incremental growth of these areas that occurs during the crediting period.

Change 3: TREES 2.0 includes a new optional approach for crediting High Forest, Low Deforestation (HFLD) jurisdictions. The expansion of TREES 2.0 creates opportunities and incentives for inclusive, large-scale climate solutions from the forest sector that are needed to help achieve the goals of the Paris Agreement, notably crediting not only for reduced deforestation, but also for restoration of forest landscapes and protection of intact forests.

Guarding the carbon sequestered in intact forests is critical because these large areas of forests contribute both climate mitigation and adaptation benefits by storing carbon, regulating local and regional climate, supplying critical moisture to agricultural lands, resisting wildfire. Published projections are that future deforestation will extend into intact, high carbon forests, resulting in greenhouse gas emissions of an estimated 170 billion tons of CO<sub>2</sub> by 2050, equivalent to four times annual global CO<sub>2</sub> emissions (2019). Moreover, providing incentives to jurisdictions with intact forests to maintain those forests lowers the risk of deforestation shifting to these countries (leakage) as nearby jurisdictions with high deforestation begin reducing their forest-related emissions.

The changes in TREES 2.0 are reflected in the published version of the [TREES 2.0 Standard](#) in addition to in the [Summary of Changes](#) document and [Statement of Reasons](#).

In section 4.2 *Are Based on a Realistic and Credible Baseline*, we indicated that the TREES Crediting Level is based on a 5-year historical average of deforestation and degradation emissions. Now that TREES 2.0 includes crediting for HFLD, we would add that for Participants that are eligible to use the HFLD crediting approach, the HFLD Crediting Level is based (like the TREES Crediting Level) on a 5-year historical average of deforestation and degradation emissions. For HFLDs, this five-year average is added to a figure that is composed of two factors that recognize the unique characteristics of HFLDs: the HFLD score and a carbon stock % (0.05% of carbon stock of trees in standing forests).

Are procedures in place to ensure that <i>methods of developing baselines</i> , including modelling, benchmarking or the use of historical data, use assumptions, methodologies, and values do not over-estimate mitigation from an activity? (Paragraph 3.2.2)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

As described in the response to Question 4.1 above, the TREES Crediting Level (i.e., the baseline) is based on a 5-year historical average of emissions from deforestation and degradation. The decision to set the reference period on a five-year historical average of emissions was based on extensive stakeholder feedback as well as an analysis conducted by key experts. The study looked at data from Hansen (2013) for 60 countries using data from 8 years, including 2011 – 2018. The study used 8 different average lengths to predict emissions for 8 different years, with 480 observations in total. Results showed that the difference between predicted and observed is the lowest between 2-5 years, indicating that a reference period in this range is the best predictor of the future. Therefore, the TREES reference (crediting) level offers a reasonable and accurate prediction of future emissions.

Emissions data used to calculate the crediting level are subject to several requirements to ensure that they are conservative and accurate. These measures are described in detail under Question 4.3(a) below.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

As described in ART’s September 2021 Material Update Notification, ART has added approaches to credit for removals and for HFLD jurisdictions. All three crediting approaches are based on transparent, verifiable historical data and provide conservative approaches. The requirements for data used to calculate the crediting levels have not changed.

Are procedures in place for activities to respond, as appropriate, to changing baseline conditions that were not expected at the time of registration? (Paragraph 3.2.3)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

The TREES Crediting Level is fixed for a period of 5 years, and then must be renewed. A renewed crediting level may not be higher than the previous crediting level. If a new crediting level value is greater than the previous crediting level value, the previous crediting level must be used for the new crediting period. This ensures conservatism and also promotes ambition over time.

When a new pool or activity is added the new crediting level must be calculated with the new pool or activity included in the 5-year reference data. This represents the only circumstance in which a crediting level could rise from one crediting period to the next.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

**Question 4.3 Are quantified, monitored, reported, and verified**

Are procedures in place to ensure that...	
a) emissions units are based on accurate measurements and valid quantification methods/protocols? ( <i>Paragraph 3.3</i> )	<input checked="" type="checkbox"/> YES
b) validation occurs prior to or in tandem with verification? ( <i>Paragraph 3.3.2</i> )	<input checked="" type="checkbox"/> YES
c) the results of validation and verification are made publicly available? ( <i>Paragraph 3.3.2</i> )	<input checked="" type="checkbox"/> YES
d) monitoring, measuring, and reporting of both activities and the resulting mitigation is conducted at <i>specified intervals</i> throughout the duration of the crediting period? ( <i>Paragraph 3.3</i> )	<input checked="" type="checkbox"/> YES
e) mitigation is measured and verified by an accredited and independent third-party verification entity? ( <i>Paragraph 3.3</i> )	<input checked="" type="checkbox"/> YES
f) <i>ex-post</i> verification of mitigation is required in advance of issuance of emissions units? ( <i>Paragraph 3.3</i> )	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through f):

**A.** Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

- a) Several requirements are in place to ensure that measurements and data used to develop the TREES Crediting Level are accurate, conservative and based on valid methods. Section 4 of the TREES Standard provides significant details of these requirements and are summarized below.

TREES uses a historical average of emissions as a baseline, whereby, emissions from the recent past are assumed to predict the emissions of the near future. TREES follows IPCC guidelines, such that GHG emissions for a given period shall be the product of activity data multiplied by emission factors:

$$\text{Greenhouse Gas Emissions (t CO}_2\text{e)} = \text{Activity Data (units of activity)} \times \text{Emission Factor} \left( \frac{\text{t CO}_2\text{e}}{\text{unit of activity}} \right)$$

**Activity data** may be derived from remote sensing or from verifiable ground derived data. Section 4.1.1 outlines detailed requirements for how this data is obtained, and detailed stipulations for using remote sensing data, and also for ground-based data. All data and methods must enable replication by a third-party verifier, including; SOPs for all measurements, calculations, and sample designs, verifiable training procedures and quality assurance/quality control (QA/QC) procedures for all measured data.

**Emission factors** are the GHG emissions per unit of activity data and are described in Section 4.1.2 of TREES. Emission factors and components of emission factors can be derived from several data sources including on-the-ground plot measurements and inventories, remote sensing-based approaches, use of models and, where allowable, use of IPCC Tier 1 and other default factor-based approaches. Under TREES, IPCC Tier 1 methods and defaults may only be used for secondary pools and gases (in Section 4.5 of TREES), or to estimate post emission carbon stocks and to estimate emissions resulting from minor activities (considered to be any activity contributing an equivalent of less than 3% of reported emissions; see Section 4.4 of TREES). Models and equations may be used where justified, but shall be peer-reviewed, and demonstrated to be applicable (and where necessary, parameterized) to the specified use/geographical region, and must adhere to Tier 2 and Tier 3 methods. All data and methods must enable replication by a third-party verifier, including;

SOPs for all measurements, calculations, and sample designs, verifiable training procedures and quality assurance/quality control (QA/QC) procedures for all measured data. Emission factors shall be reevaluated and where necessary updated every five years in line with Crediting Level updates. Inclusions of errors associated with measurement, sampling and data entry must be reported.

- b) Under TREES validation and verification will occur in tandem after year 1 of each TREES Crediting Period, which is 5 years in length.
- c) TREES Validation Reports, TREES Verification Reports and TREES Verification Statements will be made publicly available on the ART Registry upon final approval by the ART Secretariat and ART Board. Section 15.2 of TREES specifies this requirement, and Section 3.7 of the TREES Validation and Verification Standard specifies this requirement.
- d) The TREES Monitoring Report is submitted to the ART Registry prior to each verification. Each report must cover a minimum of 12 months representing one calendar year and is required to be submitted within twelve months following the end of calendar years 1, 3, and 5 of each 5-year crediting period. A TREES Monitoring Report may be optionally submitted following the end of calendar years 2 and 4. The TREES Monitoring Report outlines the ongoing performance of the TREES Participant including a summary of activities conducted and the data collected and quantified for the ERs over the reporting period. These include:
  - 1. Crediting period start and end date
  - 2. Reporting period start and end date
  - 3. Summary of REDD+ activities (the implementation of activities is to inform progress on the REDD+ implementation plan. Only the inclusion of the summary will be verified.)
  - 4. Description of on-going conformance with the Cancun Safeguards (Section 12)
  - 5. Emissions from deforestation and degradation (if applicable) for the reporting period, including any changes in methodology, stratification, and including a description of the quantification and data collection since the most recently submitted report, and descriptions of how data were interpolated and prorated by calendar year.
  - 6. Data storage and sharing plans
  - 7. Reversal and leakage risk assessment results
  - 8. Report of reversal (if any)
  - 9. Uncertainty calculations (Section 8)
  - 10. Emission reduction calculation description and supporting workbook
- e) Section 14 of the TREES Standard and the TREES Validation and Verification Standard detail the requirements for validation and verification under ART. ART requires validation and verification following calendar year 1 of each crediting period. Verification is required after calendar years 3 and 5 of each crediting period. TREES Participants may elect to have verifications following calendar years 2 and 4 of the crediting period. If these optional verifications are conducted and a positive verification conclusion is reached, a TREES Participant may be able to issue credits annually. If the optional verifications are not conducted, a TREES Participant will only be able to issue credits following calendar years 1, 3, and 5, as no credits will be issued without verification.

Validation and Verification bodies (VVBs) must apply to be approved under ART. To be eligible for approval, a VVB must be accredited for ISO 14065, with ART included in its scope by an International Accreditation Forum (IAF) member. ART must have a Memorandum of Understanding in place with the IAF member as is detailed in Section 2.1.1 of the TREES Validation and Verification Standard. VVBs must also demonstrate that members of the validation and/or verification team have specified qualifications, they must successfully

complete ART training, and must complete a Conflict of Interest form prior to initiating work. The Validation and Verification Body application process and a list of approved TREES Validation and Verification Bodies shall be maintained by the ART Secretariat on the ART website.

- f) TREES Section 3.6 specifies that ART will not issue credits for emission reductions that have not yet occurred, or that have not yet been verified by an ART-approved Validation and Verification Body. As discussed in answer (d) above, ART requires validation and verification following calendar year 1 of each crediting period. Verification is required after calendar years 3 and 5 of each crediting period. TREES Participants may elect to have verifications following calendar years 2 and 4 of the crediting period. If these optional verifications are conducted and a positive verification conclusion is reached, a TREES Participant may be able to issue credits annually. If the optional verifications are not conducted, a TREES Participant will only be able to issue credits following calendar years 1, 3, and 5, as no credits will be issued without verification.

**May 2020 Clarification Request Responses:**

ART indicates in its application that each monitoring reports covers 12 months, and reports are mandatory for years 1, 3, and 5 of each crediting period. The application further indicates that monitoring reports are optional for years 2 and 4. How are emissions levels for the optional years estimated, if monitoring is not required for those years? Is the TAB correct to understand that the data for these years is “interpolated and prorated” from adjacent years, as per page 47? What standards or protocols does the ART have in place to ensure that the interpolation is conservative?

***For reference (from Appendix A: Supplementary Information): Criterion: Carbon offset credits must be quantified, monitored, reported, and verified***

Monitoring is required for each year of each crediting period under ART, however *reporting* of monitored annual emissions is only required following years 1, 3 and 5 of each crediting period. The monitored emissions from years 2 and 4 must be reported in the subsequent TREES Monitoring reports submitted. For example, the monitoring report submitted after year 3 of a crediting period would include year 3 emissions only if the Participant chooses to submit a monitoring report annually or would include separate reporting of both year 2 and year 3 emissions if the Participant chooses to report following years 1, 3, and 5. Since emissions occurring during a calendar year are reported, descriptions of how data were interpolated or prorated by calendar year must be included in the TREES Monitoring Reports. TREES requires that data selection must not be biased, and the methods of interpolation and proration are subject to third party verifier review.

Does ART allow for any adjustments to its core quantification methods based on a given jurisdiction’s unique context, or is the “The REDD+ Environmental Excellence Standard” a core rule-set that is applied uniformly to all geographies (i.e. such that this standard is the exclusive “quantification and qualification methodology / protocol”)? Please explain.

***For reference (from Appendix A: Supplementary Information): Criterion: Carbon offset credits must be quantified, monitored, reported, and verified***

In order to create emission reduction units that are comparable across jurisdictions and fungible in markets, ART requires that all Participants adhere to the same core quantification methods and requirements that are described in TREES. This includes rigorous requirements for establishing the crediting level (based on a five-year historical average of the immediately preceding five years) and quantifying annual emissions, and requirements for the data used to quantify these values (e.g., activity data and emissions factors). Further, all Participants must adhere to the same reference period and crediting period requirements, reporting and verification requirements, double counting requirements, and all eligibility requirements described in TREES. Adjustments to core quantification methods are not permissible, and approaches to deductions for leakage and reversal risk are standardized.

By prescribing a conservative, uniform approach to baseline and emissions quantification for all Participants rather than allowing for options and exclusions, ART aims to eliminate the potential for gaming / cherry picking of data

that can result in baseline inflation while also reducing the potential for over-crediting by requiring the inclusion of significant emission sources, such as degradation.

Would the 20-year TREES crediting period proposed for CORSIA-eligible participants also apply for sub-national participants (i.e. would a sub-national participant be permitted to seek a 20-year crediting period for CORSIA purposes)?

**For reference (from Appendix A: Supplementary Information): Criterion:** Carbon offset credits must be quantified, monitored, reported, and verified

Yes, the requirement for a 20-year MRV period (four 5-year crediting periods) for CORSIA purposes, with express national government approval, would also be applicable to subnational jurisdictions.

July 2020 Clarification Question Responses:

On what basis is accounting done under ART - activity-based or area-based accounting? Please explain and provide references to relevant documentation.

TREES does not prescribe either activity-based or area/land-based emissions accounting, thus allowing participants to select the accounting approach that best represents their technical capacity, existing practices and data availability. TREES only requires that participants demonstrate the application of carbon accounting best practices, such as the most recent IPCC guidance, [The Global Forest Observation Initiative Methods and Guidance](#), [GOFC-GOLD REDD Sourcebook](#), and [The Sourcebook for Land Use, Land Use Change, and Forestry Projects](#). This information is presented in Section 4 of TREES.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

The above information has not changed and remains applicable to data used in all three crediting approaches.

Requirements regarding removals factors have been added to TREES 2.0.

Are provisions in place... (Paragraph 3.3.3)	
a) to manage and/or prevent conflicts of interest between accredited third-party(ies) performing the validation and/or verification procedures, and the programme and the activities it supports?	<input checked="" type="checkbox"/> YES
b) requiring accredited third-party(ies) to disclose whether they or any of their family members are dealing in, promoting, or otherwise have a fiduciary relationship with anyone promoting or dealing in, the offset credits being evaluated?	<input checked="" type="checkbox"/> YES
c) to address and isolate such conflicts, should they arise?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through c):

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

- (a) All ART validation and verification documents and forms are available for download on the ART website: <https://www.artredd.org/verification/>. ART requires Validation and Verification bodies (VVBs) to submit the *ART Attestation of Validation and Verification Body Form* as part of their application for approval under ART. This form includes a comprehensive Conflict of Interest provision.

In addition, prior to each validation and verification the approved VVB must submit a *TREES Validation and Verification Conflict of Interest Document* which identifies any potential conflict of interest and appropriate mitigation actions, if required, to ensure an independent validation or verification is conducted. It must be submitted to the ART Registry for review and approval prior to commencing validation or verification services for a given reporting period. The form requires the following:

1. List of validation and verification team members
  2. List of all validation and verification work conducted for Participant under any program in the past five years
  3. List of any additional professional, familial or personal relationships between anyone on the validation and verification team and the Participant or its partners in preparing the documentation as listed in the TREES Concept Note
- (b) The forms listed above will include disclosures of whether the VVB or any of their family members are dealing in, promoting, or otherwise have a fiduciary relationship with anyone promoting or dealing in, the offset credits.
- (c) VVBs must disclose in the TREES Validation and Verification Conflict of Interest Document any potential conflict of interest and appropriate mitigation actions, if required, to ensure an independent validation or verification is conducted.

May 2020 Clarification Question Responses:

If a VVB identifies a potential conflict of interest, per ART's point c), does the VVB or ART determine what "appropriate mitigation actions" are, if they are necessary, and if they were implemented? Are they still permitted to undertake the audit? Please provide more information about this procedure.

**For reference (from Appendix A: Supplementary Information): Criterion: Auditor conflicts of interest:**

Programmes should have provisions in place to manage and/or prevent conflicts of interest between accredited third-party(ies) performing the validation and/or verification procedures, and the programme and the activities it supports. The provisions should require such accredited third parties to disclose whether they or any of their family members are dealing in, promoting, or otherwise have a fiduciary relationship with anyone promoting or dealing in, the offset credits being evaluated. The programme should have provisions in place to address and isolate such a conflict should it be identified.

If while undertaking a Conflict of Interest (COI) assessment a VVB were to identify a potential area of conflict, the VVB would first take steps to mitigate this potential conflict in accordance with the VVB's internal conflict of interest procedure. This procedure and its appropriate application by the VVB will have been audited by the IAF member during the VVB's ART accreditation audit and will continue to be monitored by the IAF member. The VVB may choose to replace a member of the audit team or take other actions to mitigate the risk of a conflict of interest.

When the VVB submits the TREES Validation and Verification Conflict of Interest Form for ART Secretariat review and approval prior to beginning any validation or verification, the ART Secretariat will review the VVB's internal procedure, identified relationships both professional and familial, stated potential conflicts of interest and any proposed mitigation actions. The ART Secretariat may request additional information or require additional or different mitigation measures if the ART Secretariat does not feel the risk is appropriately mitigated. Measures may include replacement of team members or the Participant being required to select a different VVB if the ART Secretariat does not feel the conflict of interest can be addressed.

If the VVB has not appropriately identified and addressed potential conflicts of interest, the ART Secretariat will also notify the VVB's IAF accreditation body for their immediate review of the VVB. This at a minimum will result in additional scrutiny and auditing of the VVB by the IAF accreditation body. Depending on the findings of the IAF accreditation body, this could also potentially result in the VVB losing accreditation under ART and other GHG

programs for which the VVB is accredited, so the VVBs will be highly motivated to ensure a thorough and high-quality process is used.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

Are procedures in place requiring that... ( <i>Paragraph 3.3.4</i> )	
a) the renewal of any activity at the end of its crediting period includes a reevaluation of its baselines, and procedures and assumptions for quantifying, monitoring, and verifying mitigation, including the baseline scenario?	<input checked="" type="checkbox"/> YES
b) the same procedures apply to activities that wish to undergo verification but have not done so within the programme’s allowable number of years between verification events?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b), including identifying the allowable number of years between verification events:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

- a) Yes, each crediting period under ART is 5 years in length. If a Participant elects to begin a new crediting period, a new TREES Crediting Level must be calculated, and a combined Validation and Verification must occur following year 1. The scope of the Validation includes a detailed assessment of the TREES Crediting Level, as is specified in Section 3.3 of the TREES Validation and Verification Standard.
- b) ART requires that verifications are conducted after year 1, 3, and 5 of each 5-year crediting period. This requirement is clearly stated in the TREES Standard, section 14 of TREES as well as in the TREES Validation and Verification Standard, section 3.2. If a Participant does not validate or verify according to this schedule there are clauses in the Terms of Use (TOU) agreement, which must be signed by all ART Registry account holders, that can be invoked as described below. The ART Secretariat will consider violations of this type on a case by case basis, as there may be situations where exceptions could be granted, provided all other requirements are met.

Clause 16 of the TOU, covering Representations and Warranties, lists the obligations of an ART Registry Account Holder. This includes, in part (e), that “*Account Holder has acted in compliance with the Operative Documents and these Terms of Use and all applicable laws and will continue to do*”. In addition, clause 23, covering suspension, indicates that ART accounts can be suspended for several reasons, including, “*(i) the Account Holder is not in compliance with these Terms of Use or the procedures set out by the Administrator, including the Operative Documents.*”

July 2020 Clarification Question Responses:

In regards to question b) under 3.3.4, can ART describe the range of remedial actions if a program violates its ToU agreement and give examples of which amongst these actions can be applied in the event where verification does not happen on schedule?

ART has many checks in place to ensure a Participant’s complete verification in a timely manner and well before we would consider pursuing a remedial action under the Terms of Use agreement.

The first check is ensuring that Monitoring Reports are submitted in accordance with the required timelines. The ART Secretariat can monitor this real-time as documents must be submitted through the ART Registry and the Secretariat will receive notifications when the documents are uploaded. The Secretariat will easily be able to provide reminders to Participants to ensure documents are submitted in a timely manner. In the rare instance where a Participant has a legitimate reason for requesting an extension, The ART Secretariat will be able to evaluate such requests on a case by case basis and agree to revised timelines as appropriate.

Similarly, the ART Secretariat will be able to monitor the verification process as each Participant must indicate its choice of VVB through the ART Registry and the VVB must submit a verification specific Conflict of Interest form. If the selection is not made or the Conflict of Interest form is not filed in a timely manner following submission of the Monitoring Report, the ART Secretariat will be able to contact the Participant to discuss the status.

Missing a verification deadline will delay issuance of emission reduction credits, and therefore the ability to transact credits. This will be a strong incentive for Participants to complete the process on time. If a Participant fails to complete a verification and does not respond to inquiries from the ART Secretariat regarding the status, the Participant could be removed from ART. The Participant would then forfeit all remaining buffer pool credits and would not be eligible to sell additional ART credits.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

Are procedures in place to transparently identify units that are issued <i>ex ante</i> and thus ineligible for use in the CORSIA? (Paragraph 3.3.5)	<input checked="" type="checkbox"/> YES
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Provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Per TREES Section 3.6 No Ex-Ante Crediting, ART does not issue emission reduction units on an ex-ante basis. Ex-post verification of emission reductions/removals is required and units are only issued for quantified and verified GHG emission reductions/removals.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

**Question 4.4 Have a clear and transparent chain of custody**

*SECTION III, Part 3.4—Identification and tracking* includes questions related to this criterion. No additional information is requested here.

#### Question 4.5 Represent permanent emissions reductions

List all emissions sectors (if possible, activity types) supported by the Programme that present a potential risk of reversal of emissions reductions, avoidance, or carbon sequestration:

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Under ART/TREES the only permissible activity eligible for emission reductions is by reducing emissions from deforestation and degradation, relative to a crediting level. Under TREES, a reversal is when an ART Participant's annual reported emissions are higher than the Crediting Level at any time after ART ERs are issued to the Participant.

B. Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none*, "N/A"):

The definition of reversal has not changed although the scope of eligible activities has expanded in TREES 2.0.

What is the minimum scale of reversal for which the Programme provisions or measures require a response? (Quantify if possible)

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

ART does not have a minimum scale to define a reversal. If reported emissions are higher than the TREES Crediting Level by any amount it is considered a reversal. All reversals require a response under TREES.

B. Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none*, "N/A"):

The definition of reversal has not changed although the scope of eligible activities has expanded in TREES 2.0.

For sectors/activity types identified in the first question in this section, are procedures and measures in place to require and support these activities to...	
a) undertake a risk assessment that accounts for, <i>inter alia</i> , any potential causes, relative scale, and relative likelihood of reversals? (Paragraph 3.5.2)	<input type="checkbox"/> YES
b) monitor identified risks of reversals? (Paragraph 3.5.3)	<input checked="" type="checkbox"/> YES
c) mitigate identified risks of reversals? (Paragraph 3.5.3)	<input checked="" type="checkbox"/> YES
d) ensure full compensation for material reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA? (Paragraph 3.5.4)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through d):

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

- a) TREES sets the reversal risk deduction at a starting point of 25% for all Participants. This standard deduction can be reduced for any actions that the Participant can demonstrate which mitigate reversal risks, as further described below under c). The table below states the buffer contributions under TREES:

Risk assessment	Percent buffer contribution (%)
Fixed rate with no mitigating factors	25
Fixed rate with mitigating factor #1	20
Fixed rate with mitigating factor #2	15
Fixed rate with mitigating factor #3	20
Fixed rate with mitigating factors #1 and #2	10
Fixed rate with mitigating factors #1 and #3	15
Fixed rate with mitigating factors #2 and #3	10
Fixed rate with mitigating factors #1, #2 and #3	5

- b) Per Section 7 of TREES, Participants in ART are required to report emissions following calendar years 1, 3 and 5 of each 5-year crediting period. At any time if reported annual emissions exceed the TREES Crediting Level, the response to a reversal is initiated. To maintain conservativeness TREES requires that all reversals are reported and a volume of credits from the buffer pool equivalent to the reversed volume is retired to permanently remove the ERs from circulation and negate the reversal. While monitoring under ART is not required after a Participant exits the program, if a Participant exits ART, any unused buffer pool contributions are retired to account for any possible future reversals as outlined in Section 7.1.3 of TREES.
- c) Per Section 7.1.1 of TREES, if Participants can demonstrate that actions are being taken to mitigate the risk of reversals, their buffer contribution can be reduced. TREES considers three risk mitigating factors (listed below). Each factor is assessed and verified for each calendar year reported. They are applied to the buffer pool contribution of a given year only when demonstrated that the mitigating factor was in place, or applicable, for the entire year.
- MITIGATING FACTOR 1 (-5%): Legislation or executive decrees actively implemented and demonstrably supporting REDD+, issued by a relevant government agency, or with leadership from the Presidential or Prime Ministerial Office.
  - MITIGATING FACTOR 2 (-10%): Demonstrated interannual variability of less than 15% in annual forest emissions over the prior 10 years used in TREES Reporting.
  - MITIGATING FACTOR 3 (-5%): Demonstrated national reversal mitigation actions, plan or strategy developed in alignment with Cancun Safeguard F.

- d) Section 7.1.3 of TREES outlines the process of compensation of a reversal. When a reversal is identified in a TREES Monitoring Report, ERs shall be retired from the pooled buffer account equal to the lower of I or II:
- I. The number of emissions above the Crediting Level
  - II. The total number of ERs previously issued to the Participant

After each reversal is reported, a Participant must increase its buffer contribution for a period of five calendar years by 5%, added to the buffer contribution assessment scoring for those years. Further, if the number of emission reduction credits retired for the reversal exceeds the number of emission reduction credits contributed to the buffer to date by the Participant, this deficit must be replenished by the Participant. If the Participant does not have sufficient emission reduction credits already issued into its account, future emission reduction credits issued to the Participant will be placed into the buffer until the excess amount is replenished.

The TREES buffer will be managed by the ART Secretariat, with ERs retired where reversals are recorded. If a Participant leaves ART at any time, all remaining buffer pool contributions are retired to compensate for any future reversals that may occur. All reversals will be publicly reported on the ART Registry, and all buffer credits can be tracked in the public ART Registry reports.

#### May 2020 Clarification Question Responses:

ART's application notes on page 50 that the default risk reversal deduction is 25% for Participants that have no reversal mitigation measures in place. How did the ART come up with 25% as a default risk level? If a particular jurisdictional program had a higher real risk of reversals, how would the ART detect this higher risk level?

*For reference (from Appendix A: Supplementary Information): Criterion: Risk assessment: The programme should have provisions in place to require and support activities operating within any sectors/activity types that present a potential risk of reversal to undertake a risk assessment that accounts for, inter alia, any potential causes, relative scale, and relative likelihood of reversals.*

Jurisdictional and National scale reversals are inherently different than reversals at a project scale. Project reversals result from the release of already-stored carbon in trees and soil, resulting from natural disturbances such as fire or over-harvesting within a project area. A single fire or harvest event can cause a reversal in a project.

At the jurisdictional scale, a reversal occurs when reported annual emissions are above the crediting level. This type of reversal results from a combination of natural and anthropogenic causes (related to, but not limited to timber harvesting, agricultural expansion, community dependence on forest products, supply chains, overall economic health, strength of land and forest management policy, governance, etc.). A single fire or harvest event does not necessarily cause a reversal in a jurisdictional REDD+ program.

The risk ratings in the TREES risk tool were based on a review of risk contributions in existing programs and standards. Since buffer pools have sufficiently compensated for reversals across all programs to date, establishing risk ratings in line with what has demonstrably worked to date was deemed appropriate. The table below provides examples of buffer contributions taken in other forestry crediting programs.

Standard or Program	Risk
California ARB US Forest Protocol (projects)	Max 17.5% (most projects have a risk rating at or slightly below this)
ACR Risk Tool (projects)	Max 28% (all projects have a 18-20% risk rating to date)

World Bank FCPF Methodological Framework (jurisdictions)	Example country contributions: <ul style="list-style-type: none"> <li>• Chile 11%</li> <li>• Costa Rica 20%</li> <li>• DRC 15%</li> <li>• Mozambique 26%</li> <li>• Vietnam 13%</li> </ul>
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The TREES default reversal risk deduction of 25% was also informed by a review of actual annual deforestation rates in several large forest countries. The table below shows annual tree cover loss rates in three countries that have had historically high deforestation. While cumulative loss of forest in these countries is high, the table shows that this occurs slowly over time and interannual differences are relatively low.

Annual Tree Cover Loss (%), source Global Forest Watch

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Indonesia	0.74	0.89	0.86	0.87	1.2	0.8	0.96	1.4	0.71	1.2	1.1
DRC	0.24	0.23	0.23	0.20	0.32	0.41	0.22	0.32	0.46	0.67	0.47
Brazil	0.67	0.55	0.50	0.47	0.35	0.52	0.37	0.56	0.37	0.52	0.43

Based on this analysis, it seems unlikely that a Participant would have a reversal – *defined as annual reported emissions higher than the conservative historical crediting level* – for an amount that exceeds its buffer contribution. If the reversal volume does exceed the Participant’s total contributions to the buffer pool to date, the Participant must replenish the difference.

Would it be correct to understand that Section 7.1.1 of the TREES incentivizes participants to mitigate their risk of reversals, but does not require them to do so?

For reference (from Appendix A: Supplementary Information): Criterion: Reversal risk monitoring and mitigation: The programme should have provisions in place to require and support activities operating within any sectors/activity types that present a potential risk of reversal to (A) monitor identified risks of reversals; and (B) mitigate identified risks of reversals.

Section 12 of TREES (12.5.6, Cancun Safeguard F) requires Participants to identify and mitigate the risk of reversals. Participants must demonstrate that they “have identified and integrated measures to address the risk of displacement of emissions in the design, prioritization, implementation, and periodic assessments of REDD+ actions.” Conformance with this requirement will be ensured through the validation and verification process. TREES does not require specific reversal mitigation measures as the type and level of risk for reversals will be highly dependent on the specific circumstances of the program of each Participant and thus the most effective mitigation measures will differ greatly.

Section 7.1.1 addresses the quantity of buffer pool credits that must be set aside by each Participant. In this Section, TREES identifies elements tied to the overall level of risk the program has for having a reversal occur. These are not necessarily mitigation measures but rather typical indicators of the consistency and overall success of the program. If a Participant can demonstrate that it meets any of these elements, the risk of reversal (annual emissions greater than the crediting level) is deemed lower and the Participant is eligible to reduce the number of buffer pool credits it must contribute.

With respect to the ART reversal buffer(s):

- a. Could the program further elaborate on which aspects of the buffer reflect a “pooled” risk approach, and which aspects of the buffer are specific to each country?

The reversal risk buffer is a pool to which each Participant contributes. The only aspect specific to each Participant is the volume contributed.

- b. If units used to compensate for reversals are exclusively drawn from an individual participant’s buffer contribution (existing or future), can ART explain why the buffer mechanism is referred to as a “pooled” approach?

Reversals are not compensated from the Participant’s *specific* contribution of buffer units, rather a from the pool. What is tracked is the *volume* of units contributed and needed for compensation, not the specific units.

It is important to note that ART does not refund buffer contributions, as is allowable under other crediting programs, to ensure adequate protection across a range of Participants and scenarios.

- c. In reference to page 53 of ART’s application, Section 7.1.3 of the TREES acknowledges the possibility that a Participant’s individual contribution to the buffer pool may be insufficient to compensate for a large reversal event. In this scenario, as we understand it, a sufficient number of units would be retired from the pooled buffer and the participant would be required to replenish the buffer with future ERs. Could ART identify and explain the specific procedures for replenishing the buffer using future ERs?

A “reversal” at the project-level is a very different concept than a reversal at the jurisdictional level. For a project, a reversal is any release of sequestered CO<sub>2</sub>e back into the atmosphere based on a willful act such as harvesting timber stocks, converting a forest to agriculture or draining a peatland, or due to a natural disturbance such as a fire, flood or pest infestation.

For jurisdictional crediting, a reversal is when annual reported emissions are higher than a conservative historic reference level. The risk of reversals is usually significantly greater for projects than for jurisdictional programs because the risk of exceeding a conservative crediting level from isolated disturbances such as fire or disease is greatly reduced at the larger jurisdictional and national scale.

In the event of a reversal, the Participant reports the total volume (of annual reported emissions higher than the conservative historic crediting level). The ART Secretariat retires the corresponding volume of units from the buffer pool. If the reversal volume exceeds the Participant’s total contributions to the buffer pool to date, the Participant must replenish the difference. If the Participant does not have units available to compensate for any amount that the reversal exceeds buffer pool volume contributed to date (from any credits issued that have not been transferred or retired), that amount would be compensated by other credits from the pool. The Participant would then be required to replenish that volume from a future issuance.

In addition, after a reversal, a Participants must increase its buffer contribution for a period of five calendar years by 5% to reflect increased reversal risk. This requirement is enforced through the Terms of Use Agreement.

- d. What if the Participant were to leave the program at that time? How would ART detect and compensate for further reversals that exceed the participant’s buffer contribution?

Per TREES, Participants are required to monitor and report emissions throughout the crediting period. Any identified reversal must be reported and compensated. This is formalized in the legally-binding ART Terms of Use (ToU) agreement, which sets out requirements and obligations for the Participant. Clause 16 of the ToU, covering Representations and Warranties, lists the obligations of an ART Registry account holder. This includes, in part (e), that *“Account Holder has acted in compliance with the Operative Documents and these Terms of Use and all*

*applicable law and will continue to do so.*" TREES is considered an Operative Document and must be followed.

Clause 16 of the ToU, which covers 'Suspension', indicates that a Participant's account can be suspended in cases where obligations, such as responding to a reversal as required in TREES, are not met. Finally, ToU Section 24 details remedies to any default or breach of agreement by Account Holder, including the failure to compensate for reversals, in which case the ART Secretariat has the ability to seek injunctive relief, in addition to any other remedies available.

- e. Is the ART buffer pool be subject to any stress tests? What is the frequency and assumptions of such tests? Yes, the ART Secretariat will periodically review the ART buffer pool requirements based on ART's experience with jurisdictional crediting as well as assessment of performance of jurisdictions under other crediting programs. This review will occur at least every three years, per TREES 1.2.2. ART will make adjustments as needed to reflect real world experience in the operation of buffer pools to compensate for jurisdictional reversals (increased emissions from a conservative historical average in excess of buffer contributions).

*For reference (from Appendix A: Supplementary Information): Criterion: Reversal risk monitoring and mitigation:* The programme should have provisions in place to require and support activities operating within any sectors/activity types that present a potential risk of reversal to (A) monitor identified risks of reversals; and (B) mitigate identified risks of reversals.

*For reference (from Appendix A: Supplementary Information): Criterion: Extent of compensation provisions:* The programme should have provisions in place to ensure full compensation for material reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA.

ART's application notes on page 51 (business confidential) that ART Terms of Use Agreement would be the vehicle for establishing a 20-year monitoring period. What would be the precise wording of this requirement?

1. Does the programme currently have (and can it make available to TAB, on a business confidential basis if needed) a draft version of the planned updates to all relevant procedures that require and facilitate a minimum 20-year crediting period for jurisdictional programmes that wish to be CORSIA-eligible?

ART has developed a Guidance document ("ICAO Eligibility Guidance"), to be approved by the ART Board via Board Resolution at the June 25<sup>th</sup> Board meeting, which establishes a requirement for any ART jurisdictional REDD+ programs that wish to be CORSIA eligible to agree to monitoring, reporting and verification for four (five-year) crediting periods – totalling 20 years.

Specifically, TREES Section 6.2 Monitoring and Reporting Frequency, will be updated to add the following language:

*"For Participants that wish to have credits deemed eligible for ICAO's Carbon Offsetting Scheme for International Aviation (CORSIA), TREES requires that the Participant agree to monitor, report and verify under TREES for a minimum of four five-year crediting periods (20 years).*

*Subnational Participants who shift to be included in national level reporting at the end of 2030, do not need to report separately as long as the national government continues to report under TREES. If the national government chooses not to join ART by the end of 2030 or leaves ART at any time prior to the end of the Subnational Participant's 20-years, the Subnational Participant will be required to continue monitoring, reporting and verifying under TREES for the remainder of its 20-year period."*

Note that this is not the same as requiring a *minimum 20-year crediting period*, as stated in your question 4.4.a above because the ART requirement would entail agreement to re-assess the crediting baseline every five years based on a five-year historical average rather than maintaining (and presumably crediting against) the same baseline for 20 years. Shorter crediting periods ensure a more frequent and conservative timeframe to re-evaluate baselines for crediting.

The ICAO Eligibility Guidance will be published on the ART website. The terms of the ICAO Eligibility Guidance will be formally incorporated into TREES upon ICAO approval of ART to supply emissions units under the CORSIA, specifically into sections 6.2 Monitoring and Reporting Frequency.

In addition, the legally-binding ART Terms of Use Agreement will be updated to indicate that ART Board -approved Guidance constitutes part of the Operative Documents, with which Participants are required to comply.

Section 1 of the ToU will be updated to include the following language (in red):

*"MAINTENANCE OF YOUR ACCOUNT AS WELL AS CONTINUED USE AND ACCESS OF THE REGISTRY BY YOU AND/OR YOUR USERS AFTER MODIFICATION OF THE TERMS OF USE SIGNIFIES YOUR AGREEMENT TO BE BOUND BY THE MODIFIED TERMS OF USE AND YOUR AGREEMENT TO TAKE AFFIRMATIVE RESPONSIBILITY FOR THE COMPLIANCE OF YOUR USERS WITH THESE MODIFIED TERMS OF USE. In addition, when using the Registry, you shall be subject to any rules, guidelines and/or operating procedures applicable to such use which may be posted at the Registry Site from time-to-time, including but not limited to the Registry's Operating Procedures, Privacy Policy, TREES, Board-approved published Guidance and the Fee Schedule, each as modified or restated from time-to-time (collectively, the "Operative Documents"). All Operative Documents are incorporated by reference into these Terms of Use. If you do not agree to these Terms of Use, you and your Users may not access or otherwise use the Registry."*

Section 16 Representations and Warranties of the ToU will be updated to include the following language (in red):

*"(u) Account Holder has acted in compliance with any regulatory system or other requirements underlying the GHG reductions and removals for which Account Holder is seeking credit, including requirements to monitor, report and verify and compensate for reversals for a minimum of four crediting periods (20 years) in order for ART Credits to be eligible for use under the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA);"*

2. Can the programme please indicate the expected process and timeline for finalizing such an update such that it is publicly available for use?

*For reference (from Appendix A: Supplementary Information): Criterion: Reversal risk monitoring and mitigation:* The programme should have provisions in place to require and support activities operating within any sectors/activity types that present a potential risk of reversal to (A) monitor identified risks of reversals; and (B) mitigate identified risks of reversals.

The primary challenge we face is the chicken and egg situation of publishing ART requirements for ICAO prior to ART being approved by ICAO to supply CORSIA units. In the case of this specific requirement for CORSIA-eligibility – the need for Participants to commit to monitoring under TREES for 20 years (four crediting periods) and compensating for reversals during that period, the ART Secretariat has developed and will publish specific Guidance for this requirement ("ICAO Eligibility Guidance") and, as described above, will obtain a Board Resolution that this requirement will be included in future ICAO-specific updates to TREES (once ART is approved). In addition, the ART Terms of Use Agreement will be updated to reflect that Board-approved Guidance is considered part of the ART Operative Documents, which are legally binding. All of these updates can be complete this summer.

### July 2020 Clarification Question Responses:

Regarding ART's proposed introduction of four 5-year crediting period minimum requirement for participants that wish to be CORSIA-eligible, TAB assumes that this proposal is based on feedback from TAB's prior assessments pertaining to this encouraged timeframe. Acknowledging that this extended timeframe could be challenging for some participants, has ART considered identifying related incentives or other means within ART's (or its supporters') capacity to encourage participants to take on such an extended commitment?

Yes, ART's introduction of a commitment to a four 5-year crediting period for Participants that wish to make issued credits CORSIA-eligible is based on feedback from the TAB on this timeframe.

In general, incentives to continue emission reduction and removal activities are based on market signals and not within the control or purview of a standards body. One such incentive for ART Participants is exclusive access to the Emergent Forest Finance Accelerator ("Emergent" [www.emergentclimate.com](http://www.emergentclimate.com)), a nonprofit established to connect high integrity REDD+ programs - ART Participants - with streamlined access to a range of buyers. Emergent is a guaranteed buyer of ART credits at a floor price, providing purchase certainty and benefit sharing of market upside (if Emergent on-sells the credits for above the floor price). Emergent also offers a REDD+ credit buyers, such as airlines, an efficient mechanism to purchase ART credits without having to negotiate and contract directly with governments. We hope that airlines will decide to support jurisdictional REDD+ programs to meet their CORSIA commitments, as facilitated through Emergent, and that such support will incentivize countries to participate in the CORSIA.

Acknowledging that some programmes will not accept this 20-year-minimum requirement, and also may not (in the future) provide host country attestations to address other requirements in this form, do you consider that each participant-specific buffer contribution is sufficient to cover the likely scale of a given participant's worst-case reversal event, in the case that the quantity of CORSIA-eligible units in the buffer pool makes up a relatively small proportion of the overall buffer pool contributions?

Yes, the participant-specific buffer contribution is anticipated to be sufficient to cover a worst-case reversal event, even if CORSIA-eligible units in the buffer pool make up a relatively small portion of the buffer pool contributions. This is supported by the table below, which shows relatively low annual rates of forest loss even in countries with historically high deforestation,

While cumulative loss of forest in these countries is high, the table shows that this occurs slowly over time and interannual differences are relatively low.

Annual Tree Cover Loss (%), source Global Forest Watch

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Indonesia	0.74	0.89	0.86	0.87	1.2	0.8	0.96	1.4	0.71	1.2	1.1
DRC	0.24	0.23	0.23	0.20	0.32	0.41	0.22	0.32	0.46	0.67	0.47
Brazil	0.67	0.55	0.50	0.47	0.35	0.52	0.37	0.56	0.37	0.52	0.43

Based on this analysis, it seems unlikely that a Participant would have a reversal – *defined as annual reported emissions higher than the conservative historical crediting level* – for an amount that exceeds its cumulative buffer contribution. If the reversal volume does exceed the Participant's total contributions to the buffer pool to date, the Participant must replenish the difference.

ART notes that reversals are identified in the course of regular reporting after years 1, 3 and 5 in each 5-year crediting period. If this reported data is collected annually, however, what informed ART's choice to only request

these reports every two years? Did ART consider requesting this information sooner in cases where reversals (as defined by ART) are identified in this data?

ART's reporting requirements are based on the understanding that most countries collect data every two years rather than annually and that countries would prefer not to pay annually for verifications. So while annualized data must be reported, it may be reported every two years. Therefore, it is unlikely that a Participant will know if their annual emissions exceeded their baseline (a reversal) until they collect and analyze their data.

With respect to the periodic review of the ART buffer pool requirements (i.e. "stress test"), would ART be willing to make the results of those reviews available to the CORSIA upon request?

Yes, ART would be willing to make results of future buffer pool stress tests available to the CORSIA upon request.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none, "N/A"*):

Material Change Notification September 2021:

Change 5: TREES 2.0 includes a requirement for Participants wishing to have credits deemed eligible for CORSIA to monitor, report and verify under TREES for a minimum of four, five-year crediting periods (20 years). This requirement was formally incorporated into TREES 2.0 based on official Board approved, published Guidance).

This update was made to align with long-term MRV requirements under the CORSIA.

The changes in TREES 2.0 are reflected in the published version of the TREES 2.0 Standard in addition to in the Summary of Changes document and Statement of Reasons.

In ART's May 2020 written clarifications to the ICAO TAB, in response to question 4.4 "*Does the programme currently have a draft version of the planned updates to all relevant procedures that require and facilitate a minimum 20-year crediting period for jurisdictional programmes that wish to be CORSIA-eligible?*" we responded that ART has developed a Guidance document ("ICAO Eligibility Guidance"), to be approved by the ART Board via Board Resolution at the June 25<sup>th</sup> Board meeting, which establishes a requirement for any ART jurisdictional REDD+ programs that wish to be CORSIA eligible to agree to monitoring, reporting and verification for four (five-year) crediting periods – totalling 20 years. Specifically, TREES Section 6.2 Monitoring and Reporting Frequency, will be updated to add the following language:

*"For Participants that wish to have credits deemed eligible for ICAO's Carbon Offsetting Scheme for International Aviation (CORSIA), TREES requires that the Participant agree to monitor, report and verify under TREES for a minimum of four five-year crediting periods (20 years).*

*Subnational Participants who shift to be included in national level reporting at the end of 2030 do not need to report separately as long as the national government continues to report under TREES. If the national government chooses not to join ART by the end of 2030 or leaves ART at any time prior to the end of the Subnational Participant's 20-years, the Subnational Participant will be required to continue monitoring, reporting and verifying under TREES for the remainder of its 20-year period."*

The ICAO Eligibility Guidance was approved by the ART Board at the June 25, 2020 Board meeting and posted on the ART website. The requirement, as detailed above, is included in TREES 2.0 section 6.2 Monitoring and Reporting Frequency.

Are provisions in place that... (Paragraph 3.5.5)	
a) confer liability on the activity proponent to monitor, mitigate, and respond to reversals in a manner mandated in the programme procedures?	<input checked="" type="checkbox"/> YES
b) require activity proponents, upon being made aware of a material reversal event, to notify the programme within a specified number of days?	<input checked="" type="checkbox"/> YES
c) confer responsibility to the programme to, upon such notification, ensure and confirm that such reversals are fully compensated in a manner mandated in the programme procedures?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through c), including indicating the *number of days within which activity proponents must notify the programme of a material reversal event*:

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

- a) If ART Participants fails to meet the requirements of TREES, including monitoring, mitigating and responding to reversals, the ART Board will not approve issuance of ART credits to that Participant. In addition, ART Participants are required to open and maintain an ART Registry Account and to execute the legally-binding ART Terms of Use agreement (ToU). The TOU sets out requirements and obligations for the Participant. It defines the role of the ART Registry, and the rights of both Participants and the Registry as it pertains to credit ownership, transfers, retirements and cancelations, and registry usage. Clause 16 of the ToU, covering Representations and Warranties, lists the obligations of an ART Registry account holder. This includes, in part (e), that "*Account Holder has acted in compliance with the Operative Documents and these Terms of Use and all applicable law and will continue to do so.*" In addition, in clause 16 of the ToU, which covers 'Suspension', it indicates that a Participant's account can be suspended in cases where obligations, such as responding to a reversal as required in TREES, are not met. Finally, ToU Section 24 details remedies to any default or breach of agreement by Account Holder, including the failure to compensate for reversals, in which case the ART Secretariat has the ability to seek injunctive relief, in addition to any other remedies available, including but not limited to monetary damages.
  
- b) Under TREES, a reversal is when an ART Participant's annual reported emissions are higher than the Crediting Level at any time after ART ERs are issued to the Participant. This means that a reversal may not be identified by a Participant until annual emissions from deforestation and degradation are calculated. Reversals at the national or large subnational scale will not always be easily identified or known until detailed emissions are quantified, and quantification of emissions at scale can take several months. For this reason, ART does not require reporting of reversals within days of becoming aware. Instead, ART requires Participants to report emission to ART following calendar years 1,3 and 5 of each crediting period as this is considered to be the most workable option at the national or large subnational scale.

- c) To maintain conservativeness under TREES, reversals are reported and a volume of credits from the buffer pool equivalent to the reversed volume is retired to permanently remove the ERs from circulation and negate the reversal. If a Participant exits ART, any unused buffer pool contributions are retired to account for any possible future reversals as outlined in Section 7.1.4.

**B. Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):**

N/A

Does the programme have the capability to ensure that any emissions units which compensate for the material reversal of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA are fully eligible for use under the CORSIA? (Paragraph 3.5.6)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

**A. Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:**

Original Application April 2020 Response:

As detailed in question 3.4, the ART Registry can identify which units are ICAO-eligible in all account types and public reports. The ART Secretariat has already developed this functionality in cooperation with APX and it can be enabled upon ART’s approval to supply emissions units for the CORSIA. This functionality includes serialization of emission units contributed to the buffer pool and used to compensate for reversals that will be identifiable as ICAO-eligible.

**B. Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):**

N/A

Would the programme be willing and able, upon request, to demonstrate that its permanence provisions can fully compensate for the reversal of mitigation issued as emissions units and used under the CORSIA? (Paragraph 3.5.7)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

**A. Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:**

Original Application April 2020 Response:

ART is confident that its permanence provisions in TREES can fully compensate for reversals that may occur. It is important to note that the ART buffer pool is likely to be adequate because reversal risk from isolated disturbances such as fire or disease is greatly reduced at the jurisdictional and national scale. Furthermore, per TREES Section 7.1.3, if the number of emission reduction credits retired for a reversal exceeds the number of emission reduction credits contributed to the buffer to date by the Participant, this deficit must be replenished by the Participant. If the Participant does not have sufficient emission reduction credits already issued into its account, future emission reduction credits issued to the Participant will be placed into the buffer until the excess amount is replenished.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

**Question 4.6 Assess and mitigate against potential increase in emissions elsewhere**

List all emissions sectors (if possible, activity types) supported by the programme that present a potential risk of material emissions leakage:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

At this time, TREES includes one activity type -- Reduced Emissions from Deforestation and Degradation (REDD+) at the national or large subnational scale. The potential for leakage exists if emissions from within a subnational accounting area are displaced to an alternative area within the country not monitored under TREES.

July 2020 Clarification Question Responses:

How does ART define the term ‘displacement’ of emissions? Is this intended to refer to carbon leakage, reversals, or both?

Displacement of emissions as discussed in Section 12.5.7, Cancun Safeguard G refers to leakage. TREES uses the language of the Cancun Safeguard in its text to ensure clear consistency with the UNFCCC. TREES includes a definition of leakage in the Definitions section (page 61): “Leakage refers to the displacement of anthropogenic emissions from within a Participant’s registered subnational accounting area to an alternative area within the country not monitored under ART.”

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

While ART has expanded the eligible activities per the September 2021 Material Change Notification, the approach to leakage has not changed.

Are measures in place to assess and mitigate incidences of material leakage of emissions that may result from the implementation of an offset project or programme? (Paragraph 3.6)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Yes, there are measures in place to mitigate incidences of material leakage. TREES Section 7.2 describes requirements for addressing Leakage under ART. In cases where the TREES Participants submits a subnational accounting area, leakage of emissions to areas outside the accounting area can occur. To mitigate this risk, Participants must apply specified TREES leakage deductions. TREES establishes three classes of leakage risk for Participants: high, medium, low. Participants must use the TREES Leakage Deduction table to determine the proportion of ERs that must be deducted from emission reduction calculations prior to each issuance.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

Are provisions in place requiring activities that pose a risk of leakage when implemented at the project level to be implemented at a national level, or on an interim basis on a subnational level, in order to mitigate the risk of leakage? (Paragraph 3.6.2)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Yes, per TREES Section 3.1, ART only credits for reduced emissions from national or large subnational scale accounting areas. Subnational accounting is permissible under ART until 2030, after which time, only national scale accounting will be eligible. Subnational scale Participants must mitigate for leakage by taking a deduction from their quantified emission reductions.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

N/A

Are procedures in place requiring and supporting activities to monitor identified leakage? (Paragraph 3.6.3)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Leakage is an important consideration for REDD+ programs. As described in detail below, TREES addresses leakage by crediting REDD+ activities at the jurisdictional scale and by applying a conservative, standardized leakage deduction that is well supported in scientific literature.

The standard leakage deduction in TREES is 20% and decreases as the accounting area approaches national scale. This approach encourages large scale enrollment advocated by the UNFCCC to promote broad policy reform, achieve larger-scale emissions reductions and minimize domestic leakage (Angelsen et al. 2008). It also falls in line with research concluding that implementing comprehensive, national level emissions reductions programs is a priority action for minimizing leakage (US EPA 2005; Murray et al. 2004; Wunder 2008; Kuik 2013). By leveraging the rigor of scientific literature with the practicality of standardized deductions, participants with relatively little technical knowledge of leakage can efficiently move through the certification and issuance process (Atmadja and Verchot 2011).

ART chose to employ a standardized leakage deduction because requiring direct leakage monitoring is complex at a jurisdictional scale. Accurate leakage accounting must consider quantitative and qualitative factors driving REDD+ activities across varying geographies and socioeconomic conditions. There is no evidence that such an

assessment would result in greater rigor or leakage values that are different than those supported in scientific literature. On the contrary, requiring such measures would increase the complexity of program management as well as transaction costs associated with emission reduction activity implementation, monitoring and verification. This added complexity without added rigor is evidenced in the experience of accounting standards that employ technical approaches to directly quantify leakage, which have typically generated relatively low or nonexistent estimates of leakage compared to the existing literature base.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

Are procedures in place requiring activities to deduct from their accounting emissions from any identified leakage that reduces the mitigation benefits of the activities? (Paragraph 3.6.4)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

The TREES conservative, standardized leakage deduction is well supported in scientific literature. Sohngen and Brown (2004) estimated leakage resulting from timber concession buyouts in the 661,000 ha Noel Kempff Mercado Climate Action Project in Bolivia at 18% over 30 years and to 21% over 50 years. Under the U.S. Conservation Reserve Program, Wu (2000) concluded that for each 100 acres of land retired under the CRP, an additional 20 acres of non-cropland were converted to cropland (20% leakage). Hooda (2007) examined leakage in response to community and farm forestry expansion in Indonesia and estimated leakage ranging from 10% to 20%. Warman and Nelson (2015) did not observe significant leakage from implementing nation-wide national forest conservation efforts in Australia, which they attributed to a coinciding focus towards plantation establishment and market substitution for deriving wood products. Kuik (2013) estimated leakage from national scale REDD+ efforts ranging from 0.5 to 11.3% and postulated that subnational leakage would fall within the same range. While the quantitative studies cited above are helpful in estimating specific leakage rates, qualitative studies more focused on leakage processes and sources have also generally noted subnational leakage to be negligible (Morse 2007; Pagiola et al. 2007; Wunder and Alban 2008).

ART requires Subnational Participants to take deductions from their quantified emission reductions using the leakage deduction assessment table in Section 7.2.1, shown below. Deduction rates under the TREES Standard are considered conservative, but could be adjusted as the program matures and further literature becomes available.

LEAKAGE CATEGORY	CRITERIA	DEDUCTION (LEAKAGE %)
High	< 25% of national forest area included in TREES	20
Medium	25–60% of national forest area included in TREES	10
Low	60–90% of national forest area included in TREES	5
No Leakage	>90% of national forest area included in TREES	0

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

**Question 4.7** Are only counted once towards a mitigation obligation

Does the Programme have measures in place for the following...	
a) to ensure the transparent transfer of units between registries; and that only one unit is issued for one tonne of mitigation ( <i>Paragraphs 3.7.1 and 3.7.5</i> )	<input checked="" type="checkbox"/> YES
b) to ensure that one unit is issued or transferred to, or owned or cancelled by, only one entity at any given time? ( <i>Paragraphs 3.7.2 and 3.7.6</i> )	<input checked="" type="checkbox"/> YES
c) to discourage and prohibit the double-selling of units, which occurs when one or more entities sell the same unit more than once? ( <i>Paragraph 3.7.7</i> )	<input checked="" type="checkbox"/> YES
d) to require and demonstrate that host countries of emissions reduction activities agree to account for any offset units issued as a result of those activities such that double claiming does not occur between the airline and the host country of the emissions reduction activity? ( <i>Paragraph 3.7.3</i> )	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through d):

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

ART has measures in place to avoid double counting in all of its forms including double issuance, double use and double claiming, as detailed in TREES Section 13 Avoiding Double Counting. TREES prescribes accounting approaches to avoid double issuance (13.1), double use (13.2) and double claiming (13.3) and the ART Registry legal Terms of Use also includes prohibitions against double counting in all of these forms as described below.

TREES Section 13.1 states that *“Double issuance occurs when more than one unique unit is issued for a single ER or removal, within the same program/registry or when more than one program/registry issues unique units for a single ER or removal. To mitigate the risk of double issuance, TREES requires the disclosure of any issued emission reductions in the same accounting area, including credits from projects, which will be deducted from TREES issuance volume, checks of duplicate registration under other programs (including offset programs) and requirements for disclosure of other registrations, as well as for cancellation of the units on one registry prior to re-issuance on another.”*

TREES Section 13.2 states that *“Double use occurs when a unique issued unit is used twice, for example if it is 1) sold to more than one entity at a given time (also referred to as double selling) due to double issuance or fraudulent sales practices, or 2) used by the same owner toward more than one obligation / target. Double use can also occur if the use of a unique issued unit is reported, but the unit is not retired or cancelled.*

*To prevent double use, TREES requires clear proof of ownership upon registration, tracking of ownership of credits within the registry by serial number and account. In addition, double selling will be prohibited through rules in the legal Terms of Use agreement to be executed by all ART Registry Account Holders, which expressly prohibits double use of credits and prohibit the transfer of ownership of credits off-registry.”*

TREES Section 13.3 states that “*Double claiming occurs when the same ER is counted by two or more Parties or entities (e.g. buyers and sellers) towards climate change mitigation obligations, targets, pledges, commitments or efforts. TREES ERs credits have a number of potential uses, including:*

- I. *Credits issued under TREES can be sold and transferred outside of the host country to another Party for use toward achievement of its NDC.*
- II. *Credits issued under TREES can be sold and transferred to a non-Party (e.g., an airline toward meeting its CORSIA mitigation obligation or for other ER actions, such as for use in an emissions trading scheme [ETS]).*

TREES 13.3 requires a Host Country letter of authorization from the national focal point for any transfers of issued emission reductions for use by another country or entity. The letter must explicitly authorize the use of the specific ERs by another Party and in that letter attest to report the transfer to the UNFCCC and make an accounting adjustment. The letter will be posted publicly on the ART Registry, and credits will not be designated as eligible for use towards the Party (NDC) or non-Party (airline) target or obligation and cannot be transferred to another ART registry account or retired on behalf of the buyer until such authorization letter is delivered.

In addition, ART’s legal Terms of Use Agreement includes clear rules against double use and selling as detailed in ToU Section 15, 16 and 18, excerpts included below, which detail rules against double registration of unique emissions reductions on any other registry or database and duplicate use of emissions reductions including a prohibition on the transfer or use of credits off-registry as well as requirements for retailers to retire credits on the registry if they are being claimed to satisfy voluntary or regulatory emissions reduction obligations.

The following are representations and warranties of all ART account holders in the legal Terms of Use Agreement Section 16 to prevent double issuance, double use and double selling:

- k) *Account Holder will only use the Registry for the registration, Issuance, transfer, retirement and/or surrender of ART Credits that are attributable to the GHG emission reduction and removal activities included in the ART Standards and specifically acknowledges that it shall not use any other database or registry for the same purpose at the same time as such GHG emission reduction and removal activities are registered in the Registry;*
- n) *Account Holder has not registered and will not register any GHG reduction or removal simultaneously both in the Registry and in any other system, platform or exchange that tracks, trades, exchanges, transfers or otherwise deals with the emissions, emission reductions, emission offsets, emission credits, or other environmental attributes related to emission reduction projects or activities nor will any transaction of the same emissions, emission reductions, emission offsets, or other environmental attributes related to emission reduction projects or activities be conducted outside of the Registry;*
- o) *Except as allowed under ART, Account Holder commits not to claim ART Credits which have already been or are expected to be registered with another compliance or voluntary emissions reduction program;*
- r) *Neither Account Holder nor any Indirect Owner, if any, has retired, sold, claimed, represented elsewhere or used, nor will it retire, sell, claim or represent elsewhere or use to satisfy obligations in any jurisdiction outside of the Registry, any of the GHG reductions by the activities associated with Account Holder’s ART Credits without reporting such disposition within the Registry.*

ART ToU Section 18 has specific provisions for **No Double-Counting**: “*Account Holder shall not engage in Double-Counting of ART Credits in any of its forms. In the event Account Holder becomes aware that any ART Credits may be or have been subject to Double-Counting, Account Holder shall immediately notify the Administrator in writing with the details of such Double-Counting. In the event the Administrator becomes aware or reasonably believes that any ART Credits may be or have been subject to Double-Counting, the*

*Administrator may immediately suspend the Accounts associated with such Double-Counting and take action in accordance with these Terms of Use, including Section 23, and the Operative Documents.”*

ART ToU Section 24 details instances that constitute a Default of the agreement by an Account Holder. This includes specific citation of double counting and breach of other obligations under the ToU and ART Operative Documents (including requirements outlined in TREES):

- (x) *Account held by Account Holder involves ART Credits that are the subject Double-Counting in any of its forms;*
- (xi) *Account Holder fails to maintain a valid Host Country Letter of Authorization and Approval as required by the ART Standards; and*
- (xii) *Account Holder fails to perform any other duty or obligation under these Terms of Use or the Operative Documents, which default is not cured to the satisfaction of Administrator in its sole discretion within five (5) days after notice is given to Account Holder specifying such default.*

Also detailed in Section 24 are ART remedies to Defaults or breach of agreement by Account Holder, including not adhering to ART requirements to avoid double counting in all of its forms. In these cases, the ART Secretariat has the ability to seek injunctive relief, in addition to any other remedies available, including but not limited to monetary damages.

#### May 2020 Clarification Question Responses:

In response to the questions in this section pertaining to comparing of units and units used toward CORSIA, and on a compensation mechanism, can ART describe what such requirements could entail, and the process and potential timeframe involved in introducing such procedural updates?

*For reference (from Appendix A: Supplementary Information): Criterion: Are only counted once towards a mitigation obligation*

Page 60 of the ART application states: “*If approved by ICAO to supply emission reductions for the CORSIA, ART will include comprehensive ICAO-specific requirements as an annex to TREES and in its legal Terms of Use Agreement. This will include a mechanism to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meetings its NDC.*”

The primary challenge we face is the chicken and egg situation of publishing ART ICAO-specific requirements for consultation prior to ART being approved by ICAO to supply CORSIA units. If the TAB is comfortable with the stakeholder consultation for such requirements with the caveat that ART is still being evaluated and such requirements will only go into effect if ART is approved by ICAO, then the process could be complete this year.

The ART Secretariat has developed preliminary ideas for ICAO-specific double claiming compensation requirements under TREES that can be matured for review by the ART Board either between Board meetings (over the summer) or at the October 1<sup>st</sup> Board meeting. Once reviewed by the Board, the requirements would be ready for a 60-day stakeholder consultation followed by ART Board approval. The most likely timeframe for the consultation is October and November for formal approval at the December 10<sup>th</sup> Board meeting. If the TAB prefers an earlier timeline for consultation and ART Board approval of the requirements, we could certainly accelerate the process. The requirements would be officially published as part of TREES upon ART being approved by ICAO to supply units to the CORSIA.

#### July 2020 Clarification Question Responses:

Regarding question on whether ART has procedures in place requiring that activities take one or more of three different approaches to prevent double-claiming, can you further elaborate on how the prevention of double-claiming will operate? Can ART develop further: provide a structured approach for the remedies envisaged and the details of those remedies (ex: the calculation of level of monetary damages, etc.)?

To clarify, ART doesn't have three different approaches to prevent double-claiming, rather has identified two scenarios in which a double claim could occur (transfer for use by another Party to the Paris Agreement towards NDC targets or transfer for use by a non-Party, such as an aeroplane operator for CORSIA, towards a target or obligation), and one scenario in which the double claim does not occur – if the emission reduction is not transferred, rather retained by the host country towards NDC achievement.

In the case of the two scenarios where a double claim can occur, ART's approach is the same. ART requires a host country letter of assurance that the units can be transferred for use by another Party or non-Party and an agreement to make a corresponding adjustment in its reporting to the UNFCCC. Units will not be able to be cancelled for CORSIA until they are designated as CORSIA-qualified, which includes obtaining the Host Country letter for emission reductions post 2020.

Regarding ART's explanation as to how double-issuance is avoided, are VVBs also required to check for "dual registration" (in this case, projects registered under other programmes in the accounting area) and to confirm the quantity of ERs that should be deducted from credited quantities, if needed, based on that information? The TREES Validation and Verification Standard requires VVBs to assess these topics both in validation and verification. The verification check of proper implementation of procedures to avoid double counting would include confirming the appropriate number of ERs had been deducted if needed.

#### Section 3.3 Validation Scope

- Participation in other Programs – The VVB evaluates the information provided and whether projects or other programs listed by the TREES Participant could or will generate emission reduction credits in some or all of the accounting area during the crediting period.
- Procedure to Avoid Double Counting – The VVB evaluates the procedure or plan provided by the TREES Participant against the TREES requirements for avoiding double issuance, double use and double claiming of ART credits.

#### Section 3.4 Verification Scope

- Participation in other Programs – The VVB verifies that the TREES Participant lists all REDD+ crediting or payment-for-performance programs and/or REDD+ Project(s) within the proposed area regardless of credit ownership and whether any changes since the last TREES document submission have been noted.
- Avoidance of Double Counting – The VVB verifies the TREES Participant has implemented the plan or procedure to avoid double counting.

ART explains that double-use will be prohibited in ART Terms of Use and an "annual attestation of ownership and use"—are these terms in draft form, or currently in use?

The ART Terms of Use (ToU) agreement is currently in use and publicly available on the website at [ART-TOU-June-2020.pdf \(art-redd.org\)](https://art-redd.org/ART-TOU-June-2020.pdf). Provisions in section 16 and section 18 of the ToU agreement, as below, prohibit double counting, including double issuance, double use and double claiming.

**16. Representations and Warranties.** Throughout the term of these Terms of Use, including without limitation upon each Issuance, transfer, retirement or cancellation of an ART Credit, Account Holder represents and warrants to Administrator as follows:

(n) Account Holder has not registered and will not register any GHG reduction or removal simultaneously both in the Registry and in any other system, platform or exchange that tracks, trades, exchanges, transfers or otherwise deals with the emissions, emission reductions, emission offsets, emission credits, or other environmental attributes related to emission reduction projects or activities nor will any transaction of the same emissions, emission reductions, emission offsets, or other environmental attributes related to emission reduction projects or activities be conducted outside of the Registry;

(o) Except as allowed under ART, Account Holder commits not to claim ART Credits which have already been or are expected to be registered with another compliance or voluntary emissions reduction program

(r ) Neither Account Holder nor any Indirect Owner, if any, has retired, sold, claimed, represented elsewhere or used, nor will it retire, sell, claim or represent elsewhere or use to satisfy obligations in any jurisdiction outside of the Registry, any of the GHG reductions by the activities associated with Account Holder's ART Credits without reporting such disposition within the Registry;

**18. No Double-Counting.** Account Holder shall not engage in Double-Counting of ART Credits in any of its forms. In the event Account Holder becomes aware that any ART Credits may be or have been subject to Double-Counting, Account Holder shall immediately notify the Administrator in writing with the details of such Double-Counting. In the event the Administrator becomes aware or reasonably believes that any ART Credits may be or have been subject to Double-Counting, the Administrator may immediately suspend the Accounts associated with such Double-Counting and take action in accordance with these Terms of Use, including Section 23, and the Operative Documents."

The ART Attestation is included as Attachment D and is business confidential. Please note that going forward ART may decide to incorporate this attestation into the TREES Monitoring Report to streamline the reporting process.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none*, "N/A"):

Material Change Notification September 2021:

Change 6: TREES 2.0 clarifies provisions to avoid double counting. This includes clarifying situations in which credits issued for use in domestic compliance markets may not be considered double issued with TREES credits, includes clarifying provisions to avoid double claiming with compliance markets, and requirements to avoid double counting under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), as new Appendix B.

The clarifications to situations in which credits issued for use in domestic compliance markets may not be considered double issued with TREES credits recognizes that credits issued only for use in domestic compliance markets are not considered double counted with credits that will be used for international purposes because they effectively nest into the domestic jurisdictional accounting and are not used towards Paris Agreement or ICAO targets or for voluntary claims.

The clarifications to provisions to avoid double claiming were made recognizing that international requirements for Corresponding Adjustments to avoid double counting under the Paris Agreement Article 6 are still being negotiated, that the infrastructure for countries to account for Corresponding Adjustments is not yet in place, that there will be a transition period for the Paris Agreement rules and infrastructure to be in place, and that

and that Corresponding Adjustments may not be required for all potential agreements that ART Participants may enter into.

However, the double claiming clarifications in section 13.3 and in the new **Annex B: ART's Requirements for Avoiding Double Counting with ICAO's CORSIA** recognize that that requirements for Corresponding Adjustments are clear for government-to-government transfers under Article 6.2 and for transfers for use in the ICAO CORSIA. The ART Registry already has infrastructure in place to facilitate the avoidance of double claiming for all transactions where accounting for international transfers may be required or preferred. This includes functionality to publish Host Country Letters of Authorization for transfer of TREES Credits, to label TREES Credits associated with a Letter of Authorization, as well as to label TREES Credits for which a corresponding adjustment has been applied. The detailed requirements in Annex B were added to TREES to ensure conformance with Paris Agreement and ICAO CORSIA requirements for avoiding double counting of post 2020 units and to specify a compensation mechanism(s) for the CORSIA.

The changes in TREES 2.0 are reflected in the published version of the [TREES 2.0 Standard](#) in addition to in the [Summary of Changes](#) document and [Statement of Reasons](#).

The response to 3.11 *Avoidance of Double Counting, Issuance and Claiming* in our original application can be replaced in its entirety by the new language in TREES 2.0 Section 13.

With the exception of the clarification on double issuance as detailed below, the new text does not substantively alter, but rather streamlines and clarifies the requirements to avoid double counting including double use and double claiming.

In our May 2020 written response to ICAO TAB question 3.4 we stated that “*ART does not allow double issuance or double counting of any kind. Therefore, if a Participant is participating in a different national or jurisdictional REDD+ crediting program, or if REDD projects exist within the Participant’s accounting area, it must be demonstrated that there are no emission reductions issued under other GHG programs during the same periods for which ART issues credits. If credits have been issued in the same geographic area during the same period, ART requires that a corresponding volume of all credits issued by other programs to be deducted from the ART issuance total.*

The new section on double issuance in TREES 2.0, including the exception for credits verified and/or issued for use towards an obligation in a domestic compliance scheme and for which no entity is allowed to make claims about the use of the credits towards corporate climate targets, is as follows:

Double issuance occurs when more than one unique unit is issued for a single ERR, within the same program/registry or when more than one program/registry issues unique units for a single ERR. To mitigate the risk of double issuance, TREES requires the disclosure of any verified or issued emission reductions in the same accounting area, including credits from projects, which will be deducted from TREES issuance volume, checks of duplicate registration under other programs (including offset programs) and requirements for disclosure of other registrations, as well as for cancellation of the units on one registry prior to re-issuance on another.

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 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 scheme or

program, and that no entity is permitted to make claims about the use of the specified project credits towards corporate climate or net-zero targets. In the 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.

With regard to ICAO application section 4.7 *Are Only Counted Once Towards a Mitigation Obligation*, ART has regularly provided updates to ICAO on how we described the operationalization of these requirements in its original April 2020 application. ART further detailed information on requirements to avoid double counting in response to ICAO's 29 July 2020 response to questions (specifically 5.9, 5.10, 5.11), in the June and August 2020 ART Board-approved Resolutions and the published Board-approved *TREES ICAO Eligibility Guidance* dated August 2020 and also in the published TREES 2.0 February 2021 stakeholder consultation document *Annex B: ART's Requirements for Avoiding Double Counting with ICAO's CORSIA*, which detail requirements for host country letters of authorization, reporting of corresponding adjustments to the UNFCCC and compensation for or replacement of units used under the CORSIA and also claimed by the Host Country towards meetings its NDC (the "compensation mechanism").

The Annex B was also detailed in ART's April 2021 material change form to ICAO and in response to ICAO questions in July 2021 in which we also clarified that while the imminent publication of TREES 2.0 will formalise the adoption of the TREES ICAO Eligibility Guidance document dated August 2020, *the ICAO requirements and the August 2020 ART Board guidance are already legally and technically in place even prior to the publication of TREES 2.0*. This is based on Section 1 of the ART Terms of Use Agreement, which incorporates by reference the Operative Documents as legally binding, which includes Board-approved published Guidance.

ART's requirements for avoiding double counting with ICAO's CORSIA do not alter any information submitted to the TAB, rather reflect full implementation of requirements that ART indicated would be put in place.

Does the Programme have procedures in place for the following: (Paragraph 3.7.8)	
a) to obtain, or require activity proponents to obtain and provide to the programme, written attestation from the host country's national focal point or focal point's designee?	<input checked="" type="checkbox"/> YES
b) for the attestation(s) to specify, and describe any steps taken, to prevent mitigation associated with units used by operators under CORSIA from also being claimed toward a host country's national mitigation target(s) / pledge(s)?	<input checked="" type="checkbox"/> YES
c) for Host country attestations to be obtained and made publicly available prior to the use of units from the host country in the CORSIA?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through c):

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

In response to a) through c) and as described in the response above, ART requires a Host Country letter of authorization from the national focal point for any transfers of issued emission reductions for use by another country or entity. These requirements are detailed in TREES Section 13 Avoiding Double Counting, specifically Section 13.3 Double Claiming. The letter must explicitly authorize the use of the specific ERs by another Party and in that letter attest to report the transfer to the UNFCCC and make an accounting adjustment. The letter will be posted publicly on the ART Registry, and credits will not be designated as eligible for use towards the non-Party (airline) target or obligation and cannot be transferred to another ART registry account or retired on behalf of the

buyer until such authorization letter is delivered.

Section 13.3 Double Claiming states that “*Double claiming occurs when the same ER is counted by two or more Parties or entities (e.g. buyers and sellers) towards climate change mitigation obligations, targets, pledges, commitments or efforts. TREES ERs credits have a number of potential uses, including:*

**I. Credits issued under TREES can be sold and transferred outside of the host country to another Party for use toward achievement of its NDC.**

*To prevent double claiming of the ERs by the host country and another Party toward Paris Agreement NDC targets, TREES requires that the host country issue a letter to explicitly authorize the use of the specific ERs by another Party and in that letter attest to report the transfer to the UNFCCC in the structured summary of its biennial transparency reports and make an accounting adjustment as required by the UNFCCC. This authorization letter will be posted publicly on the ART Registry. Credits cannot be transferred to another Party’s registry account or retired on behalf of another Party until such authorization letter is delivered. When the transfer or retirement is affected, the specific reason for the transfer (between registry accounts) or retirement will be stated. In the case of a transfer between accounts, the Party reporting the use of the ER toward its NDC must retire the credits noting the reason for retirement for the public record.*

**II. Credits issued under TREES can be sold and transferred to a non-Party (e.g., an airline toward meeting its CORSIA mitigation obligation or for other ER actions, such as for use in an emissions trading scheme [ETS]).**

*To prevent double claiming of the ERs by the host country and a non-Party for use toward mitigation obligations (such as under CORSIA or in an ETS), TREES requires that the host country issue a letter to explicitly authorize the use of the specific ERs by the transferee (buyer) and in that letter agree to report the transfer to the UNFCCC in the structured summary of its biennial transparency reports and to make an accounting adjustment as required by the UNFCCC. The letter will be posted publicly on the ART registry. Credits will not be designated as eligible for use towards the non-Party target or obligation and cannot be transferred to another ART registry account or retired on behalf of the buyer until such authorization letter is delivered. When the transfer or retirement is affected, the reason for the transfer (between registry accounts) or retirement will be stated. In the case of a transfer between accounts, the entity reporting the use of the ER toward its mitigation obligation, such as under the CORSIA or an ETS, must retire the credits, noting the specific reason for retirement for the public record.”*

If approved by ICAO to supply emission reductions for the CORSIA, ART will include ICAO-specific requirements as an annex to TREES and in its legal Terms of Use Agreement. This will include a sample host country letter of assurance and authorization that will:

- Attest to the intention to properly report for and/or account (as applicable) for the export of the emissions reductions towards offsetting obligations under the CORSIA; and
- Describe steps that have been/will be taken to avoid double claiming the emissions reductions toward the host country’s national mitigation target(s) in conformance with relevant and applicable international provisions.

July 2020 Clarification Request Responses:

Regarding ART’s explanation under “III” (“Credits issued under TREES can be retained by the host country...”), under this scenario are host countries still required to provide an attestation? If not, can you explain how ART will keep track of units that are / are not accompanied by an attestation?

If credits are retained by the host country for use towards achieving its NDC, an attestation letter is not required. In this case, ART tracks the units by requiring that the host country retire the credits before reporting the use of

the ERs toward its NDC, noting the reason for retirement for the public record including that title of the ER was not transferred.

The ART Registry functionality does not allow units to be cancelled for use by airlines towards their CORSIA target until the units are “CORSIA qualified,” meaning that they meet all ICAO eligibility requirements (start date, methodology etc) and, for post-2020 units, have a letter of authorization from the host country, attesting that they will report the transfer to the UNFCCC and make a corresponding adjustment. This letter will be made public on the ART Registry for units to be CORSIA-qualified.

Regarding ART’s requirements in TREES Standard 13.3, ART explains that it requires the Host Country to provide such an attestation, but does not specify which entity should provide this attestation. How does ART ensure a “line of sight” and coordination between the agency that provides the attestation and the UNFCCC national focal point / agency responsible for submitting national reports?

**It is the intention that the UNFCCC National Focal Point or designee will be responsible to provide the attestation.** This will be clarified in the published “ICAO Eligibility Guidance v2.0,” which will be formally incorporated into TREES after approval by ICAO to supply units to the CORSIA.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

Does the Programme have procedures in place requiring... ( <i>Paragraph 3.7.9</i> )	
a) that activities take approach(es) described in (any or all of) these sub-paragraphs to prevent double-claiming?	<input checked="" type="checkbox"/> YES
<input checked="" type="checkbox"/> Emissions units are created where mitigation is not also counted toward national target(s) / pledge(s) / mitigation contributions / mitigation commitments. ( <i>Paragraph 3.7.9.1</i> )	
<input checked="" type="checkbox"/> Mitigation from emissions units used by operators under the CORSIA is appropriately accounted for by the host country when claiming achievement of its target(s) / pledges(s) / mitigation contributions / mitigation commitments, in line with the relevant and applicable international provisions. ( <i>Paragraph 3.7.9.2</i> )	
<input type="checkbox"/> Programme procedures provide for the use of method(s) to avoid double-claiming which are not listed above ( <i>Paragraph 3.7.9.3</i> )	
b) that Host Country attestations confirm the use of approach(es) referred to in the list above?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b):

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

In response to a) and b) and as described in the responses above, TREES Section 13.3 details that for any transfers of issued emission reductions for use by another country or entity – including an airline towards its CORSIA obligation, ART requires a Host Country letter of authorization from the national focal point. The letter must explicitly authorize the use of the specific ERs by another Party and in that letter attest to report the transfer to the UNFCCC and make an accounting adjustment. The letter will be posted publicly on the ART Registry, and credits will not be designated as eligible for use towards the non-Party (airline) target or obligation and cannot be transferred to another ART registry account or retired on behalf of the buyer until such authorization letter is

delivered.

Section 13.3 Double Claiming states that “*Double claiming occurs when the same ER is counted by two or more Parties or entities (e.g. buyers and sellers) towards climate change mitigation obligations, targets, pledges, commitments or efforts. TREES ERs credits have a number of potential uses, including:*

***“II. Credits issued under TREES can be sold and transferred to a non-Party (e.g., an airline toward meeting its CORSIA mitigation obligation or for other ER actions, such as for use in an emissions trading scheme [ETS]).***

*To prevent double claiming of the ERs by the host country and a non-Party for use toward mitigation obligations (such as under CORSIA or in an ETS), TREES requires that the host country issue a letter to explicitly authorize the use of the specific ERs by the transferee (buyer) and in that letter agree to report the transfer to the UNFCCC in the structured summary of its biennial transparency reports and to make an accounting adjustment as required by the UNFCCC. The letter will be posted publicly on the ART registry. Credits will not be designated as eligible for use towards the non-Party target or obligation and cannot be transferred to another ART registry account or retired on behalf of the buyer until such authorization letter is delivered. When the transfer or retirement is affected, the reason for the transfer (between registry accounts) or retirement will be stated. In the case of a transfer between accounts, the entity reporting the use of the ER toward its mitigation obligation, such as under the CORSIA or an ETS, must retire the credits, noting the specific reason for retirement for the public record.”*

If approved by ICAO to supply emission reductions for the CORSIA, ART will include ICAO-specific requirements as an annex to TREES and in its legal Terms of Use Agreement. This will include a sample host country letter of assurance and authorization that will:

- Attest to the intention to properly report for and/or account (as applicable) for the export of the emissions reductions towards offsetting obligations under the CORSIA; and
- Describe steps that have been/will be taken to avoid double claiming the emissions reductions toward the host country’s national mitigation target(s) in conformance with relevant and applicable international provisions.

**July 2020 Clarification Question Responses:**

Regarding ART’s response to the question regarding the specific approaches described in paragraph 3.7.9 of Appendix A: Supporting Information (“In response to a) and b) and as described in the responses above, TREES Section 13.3 details...”), does ART provide any more prescriptive requirements regarding the frequency or timing for such adjustments to occur, i.e. when reporting and accounting must occur?

As detailed in response to 5.10 below, ART’s procedures to ensure required Host Country reporting of emissions reductions units used for the CORSIA and application of required adjustments, including the applicable timeline will be formally approved by the ART Board (in a Board Resolution) and published as officially adopted “ICAO Eligibility Guidance v2.0.”

ART will take action to obtain evidence of the host country reporting the use of the emission reduction units for CORSIA and the application of required adjustments in its reporting to the UNFCCC. Such evidence could, for example, be in the country’s biennial transparency reports to the UNFCCC or provided in the form of a letter or certificate (e.g., physical or electronic) from the Host Country indicating that the required adjustments have been applied within the relevant accounting system. Any evidence should clearly reference the offset credits (e.g., using unique identifiers or serial numbers) for which the country has applied the adjustments. In the event that the

adjustment has not been made or credible evidence cannot be obtained within a year after the adjustment was due to be reported to the UNFCCC by the Host Country, compensation is required.

Does ART assume that all ERs that are subject to an attestation and transferred must be accounted (or does ART allow for non-accounting under some circumstances, e.g., the accounting area and emissions are excluded from the host country's NDC)?

To be eligible to participate in ART, TREES requires that forestry be included in the country's NDC. Therefore, there are no cases in which REDD+ activities are "outside" of the NDC and exempt from host country authorization and accounting (corresponding adjustments) if transferred for use by another country towards its NDC achievement or by a non-Party (e.g., an airline toward meeting its CORSIA mitigation obligation or for use in an emissions trading scheme [ETS]).

On what basis would ART determine that the approach described by a country in its attestation would or would not lead to double-counting? If there are no specific related provisions agreed under the UNFCCC at the time, is "no accounting" permissible?

Per TREES section 13.3, ART requires a letter of host country authorization for transfer of any emission reductions for use by an airline towards its CORSIA commitment. The letter must include an attestation to report the transfer to the UNFCCC and make a corresponding adjustment to its NDC accounting. "No accounting" is not permissible, and the TREES requirements are in place regardless of UNFCCC decisions. Note that in the chapeau to TREES 13, "*adherence to [UNFCCC Paris Agreement] decisions and guidance will be additional to the requirements laid out in this section, which shall continue to apply regardless of the outcome of those international processes.*"

Note that it is our understanding that, while the guidance for Article 6 implementation has not yet been finalized, there is not disagreement among the Parties regarding the treatment of cooperative approaches referred to in Article 6.2 of the Paris Agreement for use towards Other International Mitigation Purposes, such as for CORSIA, in which case the country "shall apply a corresponding adjustment."

Regarding ART's response to the questions regarding the specific approaches described in paragraphs 3.7.11 and 3.7.13 of Appendix A: Supporting Information ("ART will include comprehensive ICAO-specific requirements as an annex to TREES and in its legal Terms of Use Agreement...") are these procedures available in a draft format that could be shared with TAB, on a business-confidential basis if needed? If so, please share these draft procedures in response to this information request; if not, please summarize what ART foresees being included in these contents.

Sections 1 and 16 of the ART legal Terms of Use (ToU) agreement, as posted on the ART website, has been updated to include references to ICAO-specific requirements as follows:

1. Acceptance of the Terms. ....In addition, when using the Registry, you shall be subject to any rules, guidelines and/or operating procedures applicable to such use which may be posted at the Registry Site from time-to-time, including but not limited to the Registry's Operating Procedures, Privacy Policy, TREES, Board-approved published Guidance and the Fee Schedule, each as modified or restated from time-to-time (collectively, the "Operative Documents"). All Operative Documents are incorporated by reference into these Terms of Use. If you do not agree to these Terms of Use, you and your Users may not access or otherwise use the Registry.
16. **Representations and Warranties.** Throughout the term of these Terms of Use, including without limitation upon each Issuance, transfer, retirement or cancellation of an ART Credit, Account Holder represents and warrants to Administrator as follows:

(u) Account Holder has acted in compliance with any regulatory system or other requirements underlying the GHG reductions and removals for which Account Holder is seeking credit, including requirements to monitor, report and verify and compensate for reversals for a minimum of four crediting periods (20 years) in order for ART Credits to be eligible for use under the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

With regard to ICAO-specific requirements as an annex to TREES, the key elements that are not already included in TREES will be formally approved by the ART Board (in Board Resolutions) and published as officially adopted TREES Guidance.

Those key elements are:

- 1) The requirement for long-term monitoring, reporting and verification and a commitment to four five-year crediting periods (twenty years) to be eligible to supply units for the CORSIA.

At the June 25, 2020 ART Board meeting, the Board voted by consensus on a Resolution to approve and publish *ICAO Eligibility Guidance* to require that ART REDD+ programs that wish to be CORSIA-eligible to monitor, report and verify under TREES for a minimum of four five-year crediting periods (20 years). The Guidance is published on the ART website: <https://www.artredd.org/wp-content/uploads/2020/06/TREES-ICAO-Eligibility-Guidance-June-2020.pdf>.

The Resolution, included as Attachment E, further confirms that the Guidance constitutes part of the Operative Documents, with which ART Participants are required to comply under the ART Terms of Use Agreement and that such Guidance will be formally incorporated into TREES upon ICAO approval of ART to supply emissions units under the CORSIA.

- 2) ART's procedures to ensure required Host Country reporting of emissions reductions units used for the CORSIA and application of required adjustments, including the applicable timeline.

These procedures, as detailed in response to 5.10 below, will be approved by the ART Board in a Board Resolution and published as officially adopted "ICAO Eligibility Guidance v2.0." Such approval and publication is anticipated before the end of the assessment.

- 3) ART requirements to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meetings its NDC ("compensation mechanism").

These requirements, as detailed in response to 5.11 below, will be approved by the ART Board in a Board Resolution and published as officially adopted "ICAO Eligibility Guidance v2.0." Such approval and publication is anticipated before the end of the assessment.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none*, "N/A"):

N/A

Does the Programme... ( <i>Paragraph 3.7.10</i> )	
a) make publicly available any national government decisions related to accounting for units used in ICAO, including the contents of host country attestations described in paragraph 3.7.8?	<input checked="" type="checkbox"/> YES
b) update information pertaining to host country attestation as often as necessary to avoid double-claiming?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b):

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

In response to a) and b) and as described above, TREES Section 13.3 details requirements to avoid double claiming of emission reductions by the Host Country and an airline for ICAO obligations including a Host Country letter of authorization from the national focal point. The letter must explicitly authorize the use of the specific ERs by another Party and in that letter attest to report the transfer to the UNFCCC and make an accounting adjustment. The letter will be posted publicly on the ART Registry, and credits will not be designated as ICAO-eligible and cannot be transferred to another ART registry account or cancelled by an airline until such authorization letter is delivered.

If approved by ICAO to supply emission units for CORSIA, ART will update its registry functionality to ensure units that are ICAO-eligible are tagged, that Host Country letters of Authorization are posted and that ICAO-eligible units are tagged once an adjustment has been made.

B. Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none, "N/A"*):

N/A

Does the Programme have procedures in place to compare countries' accounting for emissions units in national emissions reports against the volumes of eligible units issued by the programme and used under the CORSIA which the host country's national reporting focal point or designee otherwise attested to its intention to not double claim? (Paragraph 3.7.11)	<input checked="" type="checkbox"/> YES
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------

Summarize and provide evidence of the policies and procedures referred to above:

A. Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

If approved by ICAO to supply emission reductions for the CORSIA, ART will include comprehensive ICAO-specific requirements as an annex to TREES and in its legal Terms of Use Agreement. This will include an ART oversight function to monitor relevant country reports to the UNFCCC or other means (e.g. a physical or electronic certificate from the Host Country indicating that the required adjustments have been applied within the relevant accounting system) to determine if required adjustments, as committed in the Host Country Letter of Assurance and Authorization, are made. Once adjustments have been made, the associated ART emission reduction credits will be tagged as such on the registry. In instances where adjustments are not made, ART will report details to ICAO and the UNFCCC and will evaluate whether to cease qualifying offset credits from the respective country for CORSIA.

July 2020 Clarification Question Responses:

Regarding having procedures in place to compare countries' accounting for emissions units in national emissions reports against volumes of eligible units issued by ART and used under the CORSIA, can you indicate if updates to these procedures could be envisaged before the end of the assessment?

As indicated in response to 5.9 above, ART's procedures to ensure required Host Country reporting of emissions reductions units used for the CORSIA and application of required adjustments, including the applicable timeline will be formally approved by the ART Board (in a Board Resolution) and published as officially adopted "ICAO Eligibility Guidance v2.0." Such approval and publication is anticipated before the end of the assessment.

ART will take action to obtain evidence of the host country reporting the use of the emission reduction units for CORSIA and the application of required adjustments in its reporting to the UNFCCC. Such evidence could, for example, be in the country's biennial transparency reports to the UNFCCC or provided in the form of a letter or certificate (e.g., physical or electronic) from the Host Country indicating that the required adjustments have been applied within the relevant accounting system. Any evidence should clearly reference the offset credits (e.g., using unique identifiers or serial numbers) for which the country has applied the adjustments.

In the event that the adjustment has not been made or credible evidence cannot be obtained within a year after the adjustment was due to be reported to the UNFCCC by the Host Country, compensation is required. ACR will inform the UNFCCC and ICAO accordingly and will evaluate whether to cease qualifying offset credits from the respective country for CORSIA.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none, "N/A"*):

N/A

Does the Programme have procedures in place for the programme, or proponents of the activities it supports, to compensate for, replace, or otherwise reconcile double claimed mitigation associated with units used under the CORSIA which the host country's national accounting focal point or designee otherwise attested to its intention to not double claim? (Paragraph 3.7.13)	<input checked="" type="checkbox"/> YES
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------

Summarize and provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

If approved by ICAO to supply emission reductions for the CORSIA, ART will include comprehensive ICAO-specific requirements as an annex to TREES and in its legal Terms of Use Agreement. This will include a mechanism to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meetings its NDC.

July 2020 Clarification Question Responses:

Could ART develop further on the mechanism to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meetings its NDC? Can ART indicate if such update could be envisaged before the end of assessment?

As indicated in response to 5.9 above, ART's requirements to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meetings its NDC ("compensation mechanism") will be will be formally approved by the ART Board (in a Board Resolution) and published as officially adopted "ICAO Eligibility Guidance v2.0." Such approval and publication is anticipated before the end of the assessment.

Before qualifying units for CORSIA, ART also requires that the Participant present, in a form acceptable to ART, a mechanism to mitigate the risk of or compensate for double claims of emission reductions units between airlines for the CORSIA and host countries towards NDC achievement. Compensation is required in the event that the adjustment has not been made or credible evidence cannot be obtained by ART within a year after the adjustment was due to be reported to the UNFCCC by the Host Country.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none*, “N/A”):

ART Material Update April 2021:

The material ICAO-relevant change, approved by Board resolutions in June and August 2020 and as reflected in published TREES ICAO Eligibility Guidance dated August 2020, is published in the TREES 2.0 consultation document *Annex B: ART’s Requirements for Avoiding Double Counting with ICAO’s CORSIA*, which details requirements for host country letters of authorization, reporting of corresponding adjustments to the UNFCCC and compensation for or replacement of units used under the CORSIA and also claimed by the Host Country towards meetings its NDC (the “compensation mechanism”).

These detailed requirements were added to TREES to ensure conformance with Paris Agreement and ICAO CORSIA requirements for avoiding double counting of post 2020 units and to specify a compensation mechanism(s) for the CORSIA.

The ICAO CORSIA requirements are posted on the ART website. They include the following:

- 25 June 2020 ART Board Resolution: [ART Board Meeting Minutes](#)

Via the Resolution, the ART Board approved the “publication of official Guidance to require that ART REDD+ programs that wish to be CORSIA-eligible to monitor, report and verify under TREES for a minimum of four five-year crediting periods (20 years) (the “[ICAO Eligibility Guidance](#)”)

The Resolution further resolved that “such Guidance constitutes part of the Operative Documents, with which ART Participants are required to comply under the ART Terms of Use Agreement,” and that “such Guidance will be formally incorporated into TREES upon ICAO approval of ART to supply emissions units under the CORSIA.”

- 7 August 2020 ART Board Resolution: [ART Board Meeting Minutes](#)

Via the Resolution, the ART Board approved “the publication of updated official ICAO Eligibility Guidance v2.0 addressing ART’s procedures and requirements for UNFCCC reporting and adjustments and a double claiming compensation mechanism.”

The Resolution further resolved that “such Guidance constitutes part of the Operative Documents, with which ART Participants are required to comply under the ART Terms of Use Agreement,” and that “such Guidance will be formally incorporated into TREES upon ICAO approval of ART to supply emissions units under the CORSIA.”

- The published TREES ICAO Eligibility Guidance v2.0 August 2020: [ICAO Eligibility Guidance](#)
- [TREES 2.0 Consultation Version](#): Annex B of TREES 2.0 formally incorporates and details requirements as approved by the ART Board in the Resolution and in the published ICAO Eligibility Guidance. Annex B is included as an attachment for ease of reference.
- Section 1 of the ART [Terms of Use Agreement](#) incorporates by reference the Operative Documents as legally binding, which includes Board-approved published Guidance.

TREES *Annex B, ART’s Requirements for Avoiding Double Counting with ICAO’s CORSIA*, details requirements for host country letters of authorization, reporting of corresponding adjustments to the UNFCCC and a compensation mechanism for replacement of units used under the CORSIA and also claimed by the Host Country towards meetings its NDC.

These requirements reflect the full implementation of the Board Resolutions of June 2020 and August 2020, the Board-approved and published TREES ICAO Eligibility Guidance, and information provided to ICAO by ART in its April 2020 application and responses to subsequent questions from the TAB, as detailed below.

ART’s requirements for avoiding double counting with ICAO’s CORSIA do not alter any information submitted to the TAB, rather reflect full implementation of requirements that ART indicated would be put in place.

Specifically with regard to compensation, ART requirements include a mechanism to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meeting its NDC (“compensation mechanism”).

Before qualifying units for CORSIA, ART also requires that the Participant present, in a form acceptable to ART, a mechanism to mitigate the risk of or compensate for double claims of emission reductions units between airlines for the CORSIA and host countries towards NDC achievement. Compensation is required in the event that the adjustment has not been made or credible evidence cannot be obtained by ART within a year after the adjustment was due to be reported to the UNFCCC by the Host Country.

Options include:

- 1) Evidence of the application of the adjustment, as detailed in the Host Country Letter of Assurance and Authorization, in country reports to the UNFCCC or other means (e.g. a physical or electronic certificate from the Host Country indicating that the required adjustments have been applied within the relevant accounting system), before the unit could be cancelled for use by an aeroplane operator for CORSIA.

A guarantee, in a form acceptable to ART, that any double-claimed units (those for which an adjustment has not been made) will be replaced with a volume of ICAO-eligible credits corresponding

- 1) to the number of units that were double claimed by the Host Country (“Replacement Contribution”). These units must be ART units (or comparable units as approved by ART) that have not been sold or otherwise committed. ART will cancel the associated Replacement Contribution to mitigate the Host Country’s double claim of emission reductions. This guarantee could be from a reputable third-party, an entity such as the Multilateral Investment Guarantee Agency (MIGA) or an ART-approved insurance mechanism.
- 2) A guarantee, in a form acceptable to ART, that the guarantor will fully financially compensate ART for the procurement of a Replacement Contribution for the double-claimed units. The Replacement units must be ART units (or comparable ICAO-eligible units as approved by ART) that have not been sold or otherwise committed. ART will cancel the associated Replacement Contribution to mitigate the Host Country’s double claim of emission reductions. This guarantee could be from a reputable third-party, an entity such as the Multilateral Investment Guarantee Agency (MIGA) or an ART-approved insurance mechanism.”

#### ART Material Update September 2021:

TREES 2.0 includes provisions to avoid double claiming with compliance markets, and requirements to avoid double counting under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), as new Appendix B.

The Annex B was also detailed in ART’s April 2021 material change form to ICAO and in response to ICAO questions in July 2021 in which we also clarified that while the imminent publication of TREES 2.0 will formalize the adoption of the TREES ICAO Eligibility Guidance document dated August 2020, *the ICAO requirements and the August 2020 ART Board guidance are already legally and technically in place even prior to the publication of TREES 2.0.* This is based on Section 1 of the ART Terms of Use Agreement, which incorporates by reference the Operative Documents as legally binding, which includes Board-approved published Guidance.

ART’s requirements for avoiding double counting with ICAO’s CORSIA do not alter any information submitted to

the TAB, rather reflect full implementation of requirements that ART indicated would be put in place.

Would the Programme be willing and able, upon request, to report to ICAO's relevant bodies, as requested, performance information related to, <i>inter alia</i> , any material instances of and programme responses to country-level double claiming; the nature of, and any changes to, the the number, scale, and/or scope of host country attestations; any relevant changes to related programme measures? (Paragraph 3.7.12)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Yes, as stated above, ART is willing and able to report to ICAO's relevant bodies material instances of double claiming including details on the units and volumes, the steps taken by ART and the response from the Host Country, including any resolution. ART will not only report details to ICAO and the UNFCCC, but will also evaluate whether to cease qualifying offset credits from the respective country for CORSIA based on the specific circumstances and the country response to the situation.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in "A" that were initiated following the Council's initial approval of programme eligibility (*if none*, "N/A"):

N/A

**Question 4.8 Do no net harm**

Are procedures in place to ensure that offset projects do not violate local, state/provincial, national or international regulations or obligations? (Paragraph 3.8)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

**A.** Information contained in the programme's original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

TREES Section 3.7 requires Participants to attest that REDD+ activities conducted as part of the program are in compliance with applicable laws and regulations.

Section 3.7 of TREES states "*In each TREES Monitoring Report, TREES Participants must attest that REDD+ activities conducted as part of the Participant's REDD+ implementation plan to achieve ERs are in compliance with applicable laws and regulations. Any known instances of non-compliance or violations with laws, regulations, or other legally binding mandates directly related to REDD+ activities must be disclosed in the TREES Monitoring Report along with corrective or preventive plans or actions.*"

In addition, requirements in Section 12 of TREES require that Participants identify the relevant governance arrangements (e.g., policies, laws, and institutional arrangements) that are in place to ensure REDD+ actions are in conformance with each safeguard theme. Participants must also identify the relevant institutional mandates, processes, procedures, and/or mechanisms that are in place and enforced to ensure the relevant governance

arrangements are complied with. Finally, Participants must define successful outcomes and monitor the implementation of these governance arrangements and implementation mechanisms. This combination of requirements ensures that Participants identify, implement and monitor conformance with these local, state/provincial, national or international obligations.

These are validated and verified by independent third-party validation and verification bodies in accordance with the TREES Validation and Verification Standard.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

Describe, and provide evidence that demonstrates, how the programme complies with social and environmental safeguards: (*Paragraph 3.8*)

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

Evidence of how ART complies with social and environmental safeguards is publicly available in Section 12 of TREES and is also referenced in the Validation and Verification Scopes in the TREES Validation and Verification Standard. As detailed in the response to 3.9 of this application, TREES requires Participants to demonstrate they have implemented REDD+ actions defined in the REDD+ implementation plan in consistency with Cancun Safeguards ensuring activities do no harm.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

Describe, and provide evidence of the programme’s public disclosure of, the institutions, processes, and procedures that are used to implement, monitor, and enforce safeguards to identify, assess and manage environmental and social risks: (*Paragraph 3.8*)

**A.** Information contained in the programme’s original application, including information submitted in response to follow-up discussions and written questions pertaining to this topic:

Original Application April 2020 Response:

As outlined in the previous response and in the response to 3.9 of this application, all Participants must disclose the institutions, processes, and procedures that are used to implement, monitor, and enforce safeguards to identify, assess and manage environmental and social risks as part of the requirements of Section 12 of TREES. This information is included in the TREES Registration Document and every TREES Monitoring Report, all of which are validated and verified by independent, third-party validation and verification bodies in accordance with the TREES Validation and Verification Standard.

**B.** Summary and accompanying evidence of any updates or changes to the programme elements described in “A” that were initiated following the Council’s initial approval of programme eligibility (*if none, “N/A”*):

N/A

## **PART 5: Programme comments**

Are there any additional comments the programme wishes to make to support the information provided in this form?

### Original Application April 2020 Response:

Winrock International is pleased to submit this application for the Architecture for REDD+ Transactions (ART) to be evaluated for ICAO approval to supply emissions reductions for the CORSIA. Winrock oversees ART to provide confidence in the credibility of jurisdictional REDD+ crediting, ensuring environmental and scientific integrity of emission reduction claims, strong social safeguards, and transparency throughout the program cycle from methodology development and approval to program registration, third-party verification and the issuance and tracking of serialized offset credits on a public registry system.

Protection and restoration of the world's forests is critical to meeting climate targets, and inclusion of jurisdictional REDD+ crediting in a global compliance carbon market such as the CORSIA will send this message and will help attract needed finance in this sector. We are confident that ART's robust rules and procedures, independent governance, and competent team that oversees ART's operations will meet the ICAO Emissions Unit Criteria. Please don't hesitate to contact us with any questions.

#### **SECTION IV: SIGNATURE**

*I certify that I am the administrator or authorized representative (“Programme Representative”) of the emissions unit programme (“Programme”) represented in a) this form, b) evidence accompanying this form, and c) any subsequent oral and/or written correspondence (a-c: “Programme Submission”) between the Programme and ICAO; and that I am duly authorized to represent the Programme in all matters related to ICAO’s analysis of this application form; and that ICAO will be promptly informed of any changes to the contact person(s) or contact information listed in this form.*

*As the Programme Representative, I certify that all information in this form is true, accurate, and complete to the best of my knowledge.*

*As the Programme Representative, I acknowledge that:*

the Programme’s participation in the re-assessment does not guarantee, equate to, or prejudge future decisions by Council regarding CORSIA-eligible emissions units; and

the ICAO is not responsible for and shall not be liable for any losses, damages, liabilities, or expenses that the Programme may incur arising from or associated with its voluntary participation in the re-assessment; and

as a condition of participating in the re-assessment, the Programme will not at any point publicly disseminate, communicate, or otherwise disclose the nature, content, or status of communications between the Programme and ICAO, and of the re-assessment process generally, unless the Programme has received prior notice from the ICAO Secretariat that such information has been and/or can be publicly disclosed.

*Signed:*

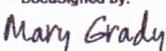
March 10, 2022

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Mary Grady  
Full name of Programme Representative (*Print*)

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Date signed (*Print*)

DocuSigned by:  
  
094067A209D24C4...

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Programme Representative (*Signature*)

(This signature page may be printed, signed, scanned and submitted as a separate file attachment)



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## Programme Re-Assessment Application Form, Appendix B

### Programme Re-Assessment Scope

**CONTENTS:** List all activities and methodologies/protocols that were assessed by TAB, and are currently within the Scope of Eligibility. Programmes may define additional activities and methodologies/protocols programmes for TAB's re-assessment.

- Sheet A) Activities the programme previously assessed by TAB and within the Scope of Eligibility under CORSIA
- Sheet B) List of all methodologies / protocols that support activities described under Sheet A
- Sheet C) Activities that are not previously-assessed or excluded for assessment by TAB that programmes wish to add for TAB's re-assessment
- Sheet D) List of all methodologies / protocols that support activities described under Sheet C

**SHEET A: APPROVED ACTIVITIES** (Here, list activities supported by the programme that are previously-assessed by TAB and within the Scope of Eligibility)

**SHEET B: APPROVED METHODOLOGIES / PROTOCOLS LIST** (Here, list all methodologies / protocols that support activities described in Sheet A)

**SHEET C: ADDITIONAL ACTIVITIES** (Here, list activities supported by the programme that were not previously-assessed by TAB that programmes wish to add for re-assessment)

**SHEET D: ADDITIONAL METHODOLOGIES / PROTOCOLS LIST** (Here, list all methodologies / protocols that support activities described in Sheet C)



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## Programme Re-Assessment Application Form, Appendix C

### Programme Exclusions Scope

**CONTENTS:** List all activities and methodologies/protocols that were excluded from TAB's assessment or outside of Scope of Eligibility. Programmes may define additional activities and methodologies/protocols programmes to be **excluded** from TAB's re-assessment. The four sheets are described below:

- Sheet A) Activities that were **excluded** from TAB's assessment, or is outside of programme's Scope of Eligibility
- Sheet B) List of all methodologies / protocols that support activities described under Sheet A
- Sheet C) Additional activities that the programme wish to**exclude** from TAB's re-assessment
- Sheet D) List of all methodologies / protocols that support activities described under Sheet C

**SHEET A: EXCLUDED ACTIVITIES** (Here, list activities that were *excluded* from TAB's assessment, or is outside of programme's Scope of Eligibility )

**SHEET B: EXCLUDED METHODOLOGIES** (*Here, list all methodologies / protocols that support activities described in Sheet A*)

**SHEET C: ADDITIONAL EXCLUDED ACTIVITIES** (Here, list additional activities that the programme wish to *exclude* from TAB's re-assessment (although they are currently within the Scope of Eligibility))

Sector	Project/programme type(s)	Implementation level(s)	Geography(ies)
None			

**SHEET D: ADDITIONAL EXCLUDED METHODOLOGIES** (*Here, list all methodologies / protocols that support activities described in Sheet D)*

**As instructed on Page 6 of the ICAO Re-assessment Application Form, ART is only including a response to Question 7.3 as we have previously completed and submitted a Registry Attestation form.**

**PART 3: EVIDENCE OF ADHERENCE TO SCOPE OF REGISTRY RESPONSIBILITIES**

7.3	Will the Programme Registry (in the case of applicants to be assessed to determine their eligibility)/Does the Programme Registry (when the Programme is determined to be eligible by a decision of the ICAO Council) identify / label its CORSIA eligible emissions units as defined in the ICAO Document “CORSIA Eligible Emissions Units”? <input checked="" type="checkbox"/> YES	
	Describe how the Registry does or will implements this provision:	
	ART has worked with its registry platform service provider APX to develop ICAO-related functionality for the ART Registry including designation / identification of units as ICAO qualified. The code has been written, but not yet linked to the ART Registry. (Note that the code is based on the already implemented and live “ICAO-qualified” labelling functionality on the ACR Registry, for which APX also provides registry services). The code will be incorporated into the ART Registry User Acceptance Testing (UAT) site, tested and launched in 2022.	
	In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry’s implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i> .	
	As submitted to the TAB in May 2020, wireframes that demonstrate features of this functionality for the ART Registry are included as an attachment.	

## Program Documents

**Program ID:** ART101

**Program Name:** Program Test 1

### Document Upload

Reporting Period:

Document Type:

Upload File:  No file chosen

**Note:** Documents that are required to be made public will be made public by the ART Administrator. Documents marked with an "\*" are required for the current phase. Any documents uploaded unintentionally can be deleted by the ART administrator by request. Please note that earlier versions of revised documents will generally be maintained.

Reporting Period	Documents	Document Type	Upload Date	Uploaded by	Private / Public	Status	Action
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Reporting Period	Documents	Document Type	Upload Date	Uploaded by	Private/Public	Status	Action
2020	Sample Letter	CORSIA Letter of Assurance and Authorization	June 20 2020	PDeveloper	Public	Approved	Edit



# ART

Architecture for  
REDD+ Transactions

## CORSIA

Are you intending to qualify these units for CORSIA?:

Yes  No

Are these emission reductions/removals covered by host country NDC target?:

Yes  No

Is a corresponding adjustment required?:

Yes  No

## ADMINISTRATION AREA

Has a required corresponding adjustment been applied?:

Yes  No

CORISA Qualified:

Yes  No

CORISA Qualified Date:

(format: MM/DD/YYYY)

Notes:

(You may enter up to 1000 characters. // characters left.)

Buffered      Active Accounts      Retirement Accounts      Canceled

Active Accounts: All      Go

Credits in Active Accounts

Action	Account	Program ID	Program Name	Program Type	Standard Version	Vintage	Credit Serial Numbers	Quantity of Credits	Designation(s)	Date Issued
Transfer	Default	ART101	Program Test 1	Forest Carbon	Version 1.0	2011	ART-US-101-2011-1-31 to 35	5		11/12/2019
Total								5		

1 - 1 : 1

first    prev    goto    next    last

A new column shall be added, displaying CORSIA Qualified Yes or No.

On Click of the "Yes" the CORSIA Letter of Assurance and Authorization will display.

**CORSIA Qualified**

**Yes**

Example of a letter of assurance and authorization with further optional elements

Government of country X

To program Y

Letter of assurance and authorization related to project Z

With regard to the project Z, as described in the project documentation attached to this letter, we hereby acknowledge that the project may reduce emissions in country X and that program Y has issued, or intends to issue, offset credits for these emission reductions.

We hereby authorize that the project's emission reductions, issued as offset credits by program Y, may be used by ~~airplane~~ operators to meet offsetting requirements under CORSIA or by other countries towards achieving their NDC, subject to the following restrictions:

- We authorize only the use of those project's emission reductions, for which program Y has issued or will issue offset credits, that occur in the period from 1 January 2021 to 31 December 2030; and
- We authorize only the use of a maximum of 50,000 tCO<sub>2</sub>e of the project's emission reductions, issued as offset credits by program Y, for each calendar year.

We hereby request program Y to submit annual reports to us, no later than by 31 March of each year, on the actual issuance of offset credits, as well as the use of the offset credit's associated emission reductions by other countries or entities, including volumes canceled for use by each country and entity.

We hereby declare that country X will not use the project's emission reductions to track progress towards, or for demonstrating achievement of, its NDC and that country X will account for the use of the project's GHG emission reductions by ~~airplane~~ operators under CORSIA or by other countries through adjustments in the structured summary of country X's biennial transparency reports, as referred to in paragraph 77, sub-paragraph (d), of the Annex to decision 18/CMA.1, and consistent with relevant future decisions by the CMA.

We hereby also declare that country X will report on the authorization and use of the project's emission reductions by other countries or entities in a transparent manner in the country's biennial transparency report submitted under Article 13 of the Paris Agreement.



## Transfer Credits

<b>Origination Program:</b>	ART
<b>Credit Serial Numbers:</b>	ART-US-101-2011-1-31 to 35
<b>Quantity:</b>	5
<b>Program Name:</b>	Program Test 1
<b>Vintage:</b>	2020

<b>Transfer</b>	<b>Credits to:</b>
<input type="radio"/> Another Account Holder	Select an Account Holder <input type="button" value="▼"/>
<input type="radio"/> Active Account	Select an Active Account <input type="button" value="▼"/>
<input type="radio"/> Retirement Account	Select a Retirement Account <input type="button" value="▼"/>
Retirement Reason:	Select a reason <input type="button" value="▼"/>
Retirement Reason Details:	<input type="text"/>
Email Notification (list address, separate with ";")	<input type="text"/>
<input checked="" type="radio"/> Cancel Credits	CORSIA Compliance <input type="button" value="▼"/>
Aeroplane Operator :	<input type="text"/> MB test
<input type="radio"/> Buffer Pool	
Reference Reason :	Select a Program <input type="button" value="▼"/>
Email Notification (list address, separate with ";")	<input type="text"/>
	<input type="button" value="Submit"/> <input type="button" value="Cancel"/>

# Credit Details



## Credit Information

Vintage

Origination Program

Credit Serial Number

Quantity of Credits

CORSIA Qualified Date

Are these emission reductions/removals covered by host country NDC target?

Is a corresponding adjustment required?

Has a required corresponding adjustment been applied?

Aeroplane Operator

Designation(s)

Status of Credits

Status of Effective Date

## Originating Program Details

ProgramType

Standard Version

Methodology

Program Name

Program State

Program Country

Designation(s)

Program Validation/Verification Body (VVB)

Program Documentation

### Program Credits Issued



Date Issued	Program ID	Program Name	Sovereign Program Developer	Program Type	Standard Version	Designation(s)	Vintage	Total Credits Issued	Credits Issued to Program	Program Jurisdiction(s)	Program Country	Verification Body	Program Website	Documents
No Records! 1 - 0 : 0														

### Canceled Credits



Vintage	Credit Serial Numbers	Quantity of Credits	Status Effective	Program ID	Program Name	Program Type	Standard Version	Designation(s)	Program Jurisdiction(s)	Program Country	Date Issued	Account Holder	Cancellation Reason
No Records! 1 - 0 : 0													

CORSIA Qualified

Yes

A new column shall be added, displaying CORSIA Qualified Yes or No.

On Click of the "Yes" the CORSIA Letter of Assurance and Authorization will display.

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We hereby also declare that country X will report on the authorization and use of the project's emission reductions by other countries or entities in a transparent manner in the country's biennial transparency report submitted under Article 13 of the Paris Agreement.