

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

Application Form for Emissions Unit Programmes

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SECTION I: ABOUT THIS ASSESSMENT

Background

ICAO Member States and the aviation industry are implementing the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA). Together with other mitigation measures, CORSA will help achieve international aviation's aspirational goal of carbon neutral growth from the year 2020.

Aeroplane operators will meet their offsetting requirements under CORSA by purchasing and cancelling CORSA eligible emissions units. The ICAO Council determines CORSA eligible emissions units upon recommendations by its Technical Advisory Body (TAB) and consistent with the CORSA Emissions Unit Eligibility Criteria (EUC).

In March 2019, the ICAO Council unanimously approved the CORSA Emissions Unit Eligibility Criteria for use by TAB in undertaking its tasks¹. TAB conducted its first cycle of assessment in 2019, and its recommendations were considered by the Council in March 2020.

Now, ICAO invites emissions unit programmes² to apply for the second cycle of assessment by the TAB, which will involve collecting information from each programme through this programme application form and supplementary materials and requested evidence.

Through this assessment, the TAB will develop recommendations on the list of eligible emissions unit programmes (and potentially project types) for use under the CORSA, which will then be considered by the ICAO Council.

This form is accompanied by, and refers to, Appendix A “*Supplementary Information for Assessment of Emissions Unit Programmes*”³, containing the EUC and *Guidelines for Criteria Interpretation*. These EUC and Guidelines are provided to inform programmes' completion of this application form, in which they are cross-referenced **by paragraph number**.

This form is also accompanied by Appendix B “*Programme Assessment Scope*”, and Appendix C “*Programme Exclusions Scope*”, which request all applicants to identify the programme elements⁴ they wish to submit for, or exclude from, TAB's assessment.

This form also requests *evidence of programme procedures or programme elements*. These evidentiary documents enable TAB to a) confirm that a given procedure or program element is *in place*, b) more fully comprehend the programme's summary responses, and c) archive the information as a reference for potential future assessments.

Programme responses to this application form will serve as the primary basis for the assessment. Such assessment may involve e.g. clarification questions, live interview(s) with TAB, and a completeness check of the application, as further requested.

Translation: The working language of the assessment process is English. Translation services are not available for this process. 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

¹ Available on the ICAO CORSA website: <https://www.icao.int/environmental-protection/CORSA/Pages/CORSA-Emissions-Units.aspx>

² “Emissions Unit Programme”, for the purposes of TAB's assessment, refers to an organization that administers standards and procedures for developing activities that generate offsets, and for verifying and “issuing” offsets created by those activities. For more information, please review the TAB FAQs on the ICAO CORSA website: <https://www.icao.int/environmental-protection/CORSA/Pages/TAB.aspx>

³ Available on the ICAO CORSA website: <https://www.icao.int/environmental-protection/CORSA/Pages/TAB.aspx>

⁴ At the “activity type” level (e.g., sector(s), sub-sector(s), and/or project “type(s)”)

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 application, and any supporting evidence or clarification provided by the applicant including information designated as “business confidential” by the applicant, 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 assessment and outcome of this process.

SECTION II: INSTRUCTIONS

Submission and contacts

A programme is invited to complete and submit the form, and accompanying evidence, through the ICAO CORSIA website no later than close of business on **20 April 2020**. 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 via email: officeenv@icao.int. Programmes will be informed, in a timely manner, of clarifications provided by ICAO to any other programme.

Form basis and cross-references

Questions in this form are derived from the CORSIA emissions unit eligibility criteria (EUC) and any *Guidelines for Criteria Interpretation* introduced in Section I (above). To help inform the programme's completion of this form, 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”](#).

Form completion

The programme should respond to all questions in this application form. A “complete” response involves three components: a) a written summary response, b) selection of the “YES” check box if a procedure is fully *in place*, and c) supporting evidence.

- a) **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.
- b) **“YES” check box:** Each question is accompanied by a check box for the programme to indicate the status of a given procedure or programme element. Here, programmes should accurately represent the status of its procedures and programme elements. Please note that an unselected check box does not, in itself, disqualify an application from further assessment; it will be taken into account when TAB reviews the programme's accompanying information.

The programme *should* select the “YES” check box if a procedure or element is *in place*.

The programme *should not* select the check box in the following instances:

1. The procedure in question is *not relevant to the programme's application* (if, e.g., the question applies to activity(ies) that the programme is not submitting for assessment, or an alternative approach is taken to the procedure or element in question). In such cases, please provide justification in the written summary response.
 2. The procedure in question is *not yet in place, but the programme is planning to introduce such a procedure*. In such cases, please describe any such plans in the written summary response, according to form instructions.
 3. The procedure in question is *not in place*. In such cases, please provide justification in the written summary response.
- c) **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 can substantiate their responses in any of these ways (**in order of preference**):

1. web links to supporting documentation included along with the written summary response; with instructions for finding the relevant information within the linked source, if necessary;
2. copying/pasting information directly into this form (no character limits) along with the written summary response;
3. attaching supporting documentation to this form at the time of submission, with instructions for finding the relevant information within the attached document(s);

Form scope

The programme may elect to submit for TAB assessment all, *or only a subset*, of the activities supported by the programme. The programme is requested to identify, in the following Appendices, the activities that it wishes to submit for, or exclude from, TAB's assessment:

In **Appendix B** "*Programme 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 the programme **is submitting for TAB's assessment** of CORSIA eligibility; 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 the programme **is not submitting for TAB's assessment** of CORSIA eligibility, which *are not* described in this form; as well as the specific methodologies, protocols, and/or framework(s) associated with these programme elements.

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).

"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

Applications, including information submitted in Appendices B and C, and 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 assessment.

SECTION III: APPLICATION FORM

PART 1: General information

A. Programme Information

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

Administering Organization⁵: [Winrock International \(ART Secretariat\)](#)

Official mailing address: [2121 Crystal Drive, Suite 500, Arlington VA 22202](#)

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

Official web address: www.artredd.org

B. Programme Administrator Information

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

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

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

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

Full name and title:

Employer / Company (*if not Programme*):

E-mail address: Telephone #:

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](#)

Architecture for REDD+ Transactions (ART) Secretariat Management:

[John Kadyszewski, Senior Director, Winrock International](#)

[Mary Grady, Director, Architecture for REDD+ Transactions, Winrock International](#)

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

[Jessica Orrego, ART Operating Manager](#)

[Tim Pearson, TREES Manager](#)

[Christina Magerkurth, ART Verification and Safeguards Lead](#)

[Lauren Nichols, ART Registry Lead](#)

⁵ 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 Board of Directors (Bios <https://www.artredd.org/about/>)

Frances Seymour, ART Board Chair

Carlos Nobre, ART Board Vice-Chair

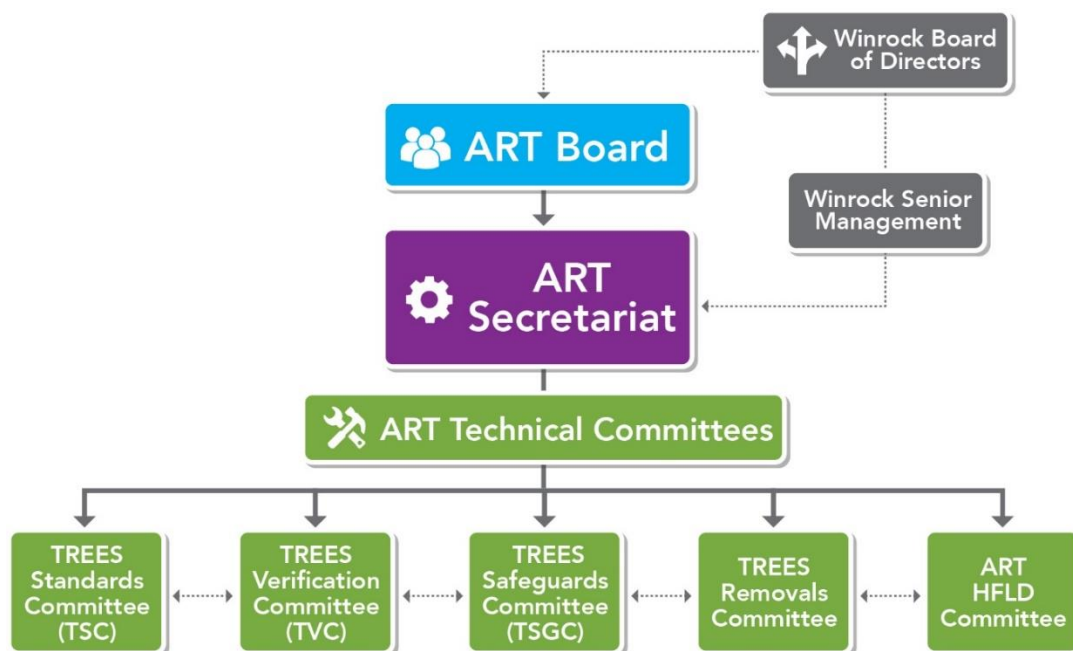
Abdon Nababan

Agnes Kalibata

Dan Zarin

William Bumpers (Chair, Winrock Board of Directors)

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, supported as needed by other Winrock technical staff. The ART Secretariat oversees the development and implementation of TREES, including the convening and management of expert committees to support specific technical areas. The Secretariat also operates the ART registry and oversees the verification and issuance of ART Board approved emission reduction units. 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 2: Programme summary

Provide a summary description of your programme

Winrock International, named for philanthropist Winthrop Rockefeller, is a nonprofit organization that works with people in the United States and around the world to empower the disadvantaged, increase economic opportunity and sustain natural resources. Winrock believes that climate change will have a profound impact on the poorest populations around the world and that markets are the most effective path to mobilize actions to reduce and stabilize emissions and limit global warming to 1.5 degrees as needed to avoid catastrophic effects of climate change.

Architecture for REDD+ Transactions (ART)

Winrock serves as the Secretariat for the Architecture for REDD+ Transactions (ART). ART is a global voluntary initiative to promote the environmental and social integrity and ambition of carbon emission reductions from the forest sector to catalyze new, large-scale finance for REDD+.

ART includes a rigorous Standard to quantify emissions reductions from REDD+ activities at a jurisdictional and national scale, and a comprehensive process to transparently register, verify and issue high quality, serialized credits that are fungible with those from other sectors. ART aims to serve as a global quality benchmark for forest emission reductions, providing confidence to market participants and stakeholders in the integrity of results.

ART's standard, *The REDD+ Environmental Excellence Standard* (TREES) is consistent with UNFCCC decisions including the Paris Agreement, the Warsaw Framework and the Cancún Safeguards, with precise and comprehensive requirements for accounting and crediting; monitoring, reporting and independent verification; mitigation of leakage and reversal risks; avoidance of double counting; robust environmental and social safeguards; and transparent issuance of serialized emission reduction units on a public registry.

Under ART, countries will generate verified emissions reduction credits by reducing their deforestation and degradation emissions below a crediting level and meeting other requirements specified in TREES. Once issued, these serialized credits can be sold into carbon markets or can be used as a donor pay-for-performance mechanism.

ART was formally established in June 2018 under the governance of a Steering Committee that included individuals, serving in their personal capacity, from the Climate and Land Use Alliance (CLUA), Environmental Defense Fund (EDF), Norway's International Climate and Forest Initiative (NICFI) and the Rockefeller Foundation. ART is now governed and managed by globally recognized, independent, objective experts including a Board of Directors and a Secretariat, who are supported by expert technical committees for the development of TREES.

TREES underwent an extensive development process beginning in 2018 followed by a lengthy stakeholder consultation process that began in early 2019 with prospective participating jurisdictions, environmental NGOs and civil society organizations, and culminated in a comprehensive public comment, review and feedback period in the second half of 2019. The ART Secretariat received 46 formal stakeholder submissions, as well as additional comments via webinar and email, totaling 778 individual comments, which were evaluated by the ART Board. Changes were made based on stakeholder comments, and TREES was published in February 2020. ART is engaged in active discussions with several interested jurisdictions for registration of REDD+ programs under TREES.

PART 3: Emissions Unit Programme Design Elements

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 3.1. Clear methodologies and protocols, and their development process

Provide *evidence*⁶ 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*)

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 <https://www.artredd.org/wp-content/uploads/2020/04/TREES-v1-February-2020-FINAL.pdf>.

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.

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

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.

⁶ 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*”.

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 (<https://www.artredd.org/about/>) 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.

Provide *evidence of the public availability* of the programme's process for developing further methodologies and protocols: (*Paragraph 2.1*)

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."

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*)

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."

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

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.”

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*)

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.

Question 3.3. Offset credit issuance and retirement procedures

Are procedures in place defining how offset credits are... (*Paragraph 2.3*)

- a) issued? YES
- b) retired / cancelled? YES
- c) subject to discounting (*if any*)? YES

Are procedures in place defining... (*Paragraph 2.3*)

- d) the length of crediting period(s)? YES
- e) whether crediting periods are renewable? 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:

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: https://www.artredd.org/art-registry/open-an-art-registry-account/](https://www.artredd.org/art-registry/open-an-art-registry-account/) and the [ART Operating Procedures: https://www.artredd.org/art-registry/open-an-art-registry-account/](https://www.artredd.org/art-registry/open-an-art-registry-account/) 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.

Question 3.4 Identification and Tracking

Does the programme utilize an electronic registry or registries? (*Paragraph 2.4.2*)

YES

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*):

Yes, ART utilizes an electronic registry. The ART registry is an online, secure, logic-based platform developed and administered by APX (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: <https://www.artredd.org/art-registry/>.

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).

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 ? (*Paragraph 2.4.3*) YES
- b) identify, and facilitate tracking and transfer of, unit ownership/holding from issuance to cancellation/retirement? (*Paragraphs 2.4 (a) and (d) and 2.4.4*) YES
- c) identify unit status, including retirement / cancellation, and issuance status? (*Paragraph 2.4.4*) YES
- d) assign unique serial numbers to issued units? (*Paragraphs 2.4 (b) and 2.4.5*) 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? (*Paragraph 2.4.5*) YES
- f) are secure (i.e. that robust security provisions are in place)? (*Paragraph 2.4 (c)*) 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) 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 upon 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 cancellation.

- 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.

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

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.

c) ensuring the periodic audit or evaluation of registry compliance with security provisions? YES
(Paragraph 2.4.8)

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

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.

[BUSINESS CONFIDENTIAL]: [REDACTED]
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Question 3.5 Legal nature and transfer of units

Does the programme define and ensure the underlying attributes and property aspects of a unit? (*Paragraph 2.5*) YES

Summarize and provide evidence of *the process by which the programme defines and ensures the underlying attributes and property aspects of a unit*, including its availability to the public:

TREES Section 4 states that “*The ART unit of exchange is a greenhouse gas emission reduction or removal enhancement, denominated in metric tons of CO₂e, 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.

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:

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](https://www.artredd.org/wp-content/uploads/2020/04/TREES-v1-February-2020-FINAL.pdf): <https://www.artredd.org/wp-content/uploads/2020/04/TREES-v1-February-2020-FINAL.pdf>
- [TREES Validation and Verification Standard](https://www.artredd.org/wp-content/uploads/2020/04/TREES-Val-and-Ver-Standard-v1-April-2020.pdf): <https://www.artredd.org/wp-content/uploads/2020/04/TREES-Val-and-Ver-Standard-v1-April-2020.pdf>

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

Question 3.7 Programme governance

Does the programme publicly disclose who is responsible for the administration of the programme? (*Paragraph 2.7*) YES

Does the programme publicly disclose how decisions are made? (*Paragraph 2.7*) YES

Provide evidence that this information is available to the public:

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](mailto:red@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](mailto:red@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.

Can the programme demonstrate that it has... (Paragraph 2.7.2)

- a) been continuously governed and operational for at least the last two years? YES
- b) been continuously operational for at least the last two years? YES
- c) a plan for the long-term administration of multi-decadal programme elements? YES
- d) a plan for possible responses to the dissolution of the programme in its current form? YES

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

- 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 (<https://www.artredd.org/about/>): 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.

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*) YES

b) ensure that, where such conflicts arise, they are appropriately declared, and addressed and isolated? (*Paragraph 2.7.3*) YES

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

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 (<https://www.art-redd.org/wp-content/uploads/2020/02/ART-Ethical-Standard-.pdf>). 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.

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.

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) 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 27th. The Secretariat accepted late submissions of comments through November 12th. 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 12th 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](https://www.art-redd.org/wp-content/uploads/2019/07/TREES-Standard-July-29-2019.pdf) (<https://www.art-redd.org/wp-content/uploads/2019/07/TREES-Standard-July-29-2019.pdf>)
 - Stakeholder comments submitted (<https://www.artredd.org/trees/trees-comments/>)
 - Secretariat responses to 778 comments received in the [TREES Stakeholder Comment and Response Log](#)
 - [A Statement of Reasons](https://www.art-redd.org/wp-content/uploads/2020/02/TREES-v1-Statement-of-Reasons-February-2020.pdf) of changes to TREES (<https://www.art-redd.org/wp-content/uploads/2020/02/TREES-v1-Statement-of-Reasons-February-2020.pdf>)
 - Published [TREES v1.0](https://www.artredd.org/wp-content/uploads/2020/04/TREES-v1-February-2020-FINAL.pdf) (<https://www.artredd.org/wp-content/uploads/2020/04/TREES-v1-February-2020-FINAL.pdf>)
 - 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.

Question 3.9 Safeguards system

Are safeguards in place to address... (Paragraph 2.9)

a) environmental risks? YES

b) social risks? YES

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

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/CP.16

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,⁷ 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 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

⁷ 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).

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.

3.10 Sustainable development criteria

Does the programme use sustainable development criteria? (*Paragraph 2.10*) YES

Does the programme have provisions for monitoring, reporting and verification in accordance with these criteria? (*Paragraph 2.10*) YES

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

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.

3.11 Avoidance of double counting, issuance and claiming

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*) YES

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

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:*

- 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.

- III. 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 **Error! Reference source not found.**, and the Operative Documents.”

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... (*Paragraph 3.1*)

- 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? YES
- b) exceed any greenhouse gas reductions or removals that would otherwise occur in a conservative, business-as-usual scenario? YES

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

- 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 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. 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.

Is additionality and baseline-setting... (Paragraph 3.1)

- a) assessed by an accredited and independent third-party verification entity? YES
- b) reviewed by the programme? YES

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

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.*
6. *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.*

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:

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.

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*)

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

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? (*Paragraph 3.1*) YES

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:

ART does not employ positive lists for additionality.

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*)

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.

Question 4.2 Are based on a realistic and credible baseline

Are procedures in place to... (*Paragraph 3.2*)

- a) issue emissions units against realistic, defensible, and conservative baseline estimations of emissions? YES
- b) publicly disclose baselines and underlying assumptions? 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) 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.

Are procedures in place to ensure that *methods of developing baselines*, 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) YES

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

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.

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*) YES

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

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.

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? (*Paragraph 3.3*) YES

b) validation occurs prior to or in tandem with verification? (*Paragraph 3.3.2*) YES

c) the results of validation and verification are made publicly available? (*Paragraph 3.3.2*) YES

d) monitoring, measuring, and reporting of both activities and the resulting mitigation is conducted at *specified intervals* throughout the duration of the crediting period? (*Paragraph 3.3*) YES

e) mitigation is measured and verified by an accredited and independent third-party verification entity? (*Paragraph 3.3*) YES

f) *ex-post* verification of mitigation is required in advance of issuance of emissions units? (*Paragraph 3.3*) YES

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.

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? 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? YES
- c) to address and isolate such conflicts, should they arise? YES

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

- (a) All ART validation and verification documents and forms are available for download on the ART website: <https://www.artredd.org/trees/trees-validation-and-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.

Are procedures in place requiring that... (Paragraph 3.3.4)

- 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? 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? 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) 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.*"

Are procedures in place to transparently identify units that are issued ex-ante and thus ineligible for use in the CORSIA? (Paragraph 3.3.5) YES

Provide evidence of the policies and procedures referred to above:

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.

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:

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.

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

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.

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, *inter alia*, any potential causes, relative scale, and relative likelihood of reversals? (Paragraph 3.5.2) YES
- b) monitor identified risks of reversals? (Paragraph 3.5.3) YES
- c) mitigate identified risks of reversals? (Paragraph 3.5.3) 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) YES

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

- 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.

[BUSINESS CONFIDENTIAL]:

[REDACTED]

[REDACTED]

[REDACTED] [END BUSINESS CONFIDENTIAL].

- 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.

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? YES
- b) require activity proponents, upon being made aware of a material reversal event, to YES

notify the programme within a specified number of days?

- 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? 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) 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.

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*) YES

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

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.

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*) YES

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.

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:

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.

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*) YES

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

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 Participant 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.

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*) YES

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

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.

Are procedures in place requiring and supporting activities to monitor identified leakage? (*Paragraph 3.6.3*) YES

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

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.

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) YES

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

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

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 (*Paragraphs 3.7.1 and 3.7.5*) YES
- b) to ensure that one unit is issued or transferred to, or owned or cancelled by, only one entity at any given time? (*Paragraphs 3.7.2 and 3.7.6*) 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? (*Paragraph 3.7.7*) 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? (*Paragraph 3.7.3*) YES

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

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 **Error! Reference source not found.**, 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.

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? 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)? 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? YES

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

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.

Does the Programme have procedures in place requiring... (Paragraph 3.7.9)

- a) that activities take approach(es) described in (any or all of) these sub-paragraphs to prevent double-claiming? YES

- Emissions units are created where mitigation is not also counted toward national target(s) pledge(s) / mitigation contributions / mitigation commitments. (Paragraph 3.7.9.1)

- 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. (*Paragraph 3.7.9.2*)
- Programme procedures provide for the use of method(s) to avoid double-claiming which are not listed above (*Paragraph 3.7.9.3*)

b) that Host Country attestations confirm the use of approach(es) referred to in the list above? YES

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

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.

Does the Programme... (Paragraph 3.7.10)

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? YES

b) update information pertaining to host country attestation as often as necessary to avoid double-claiming. YES

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

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.

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) YES

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

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.

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) YES

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

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 meeting its NDC.

Would the Programme be willing and able, upon request, to report to ICAO's relevant bodies, as requested, performance information related to, *inter alia*, 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*) YES

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.

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*) YES

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

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.

Describe, and provide evidence that demonstrates, how the programme complies with social and environmental safeguards: (*Paragraph 3.8*)

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.

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*)

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.

PART 5: Programme comments

Are there any additional comments the programme wishes to make to support the information provided in this form?

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 assessment does not guarantee, equate to, or prejudice 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 assessment; and

as a condition of participating in the 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 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:

Mary Grady

April 17, 2020

Full name of Programme Representative (*Print*)

Date signed (*Print*)

DocuSigned by:

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Programme Representative (*Signature*)

(This signature page may be printed, signed, scanned and submitted as a separate file attachment)

**ATTACHMENT A: WINROCK INTERNATIONAL
PROFESSIONAL LIABILITY INSURANCE FOR \$5
MILLION [*BUSINESS CONFIDENTIAL*]**



ICAO

Programme Application Form, Appendix B

Programme Assessment Scope

CONTENTS: With this document, programmes may define which of their activities they are submitting for assessment by the TAB. The two sheets are described below:

- Sheet A) Activities the programme describes in this form, which will be assessed by ICAO's TAB
- Sheet B) List of all methodologies / protocols that support activities described under Sheet A



| ICAO

Programme Application Form, Appendix C

Programme Exclusions Scope

CONTENTS: With this document, programmes may define which of their activities they are **excluding** from TAB's assessment. The two sheets are described below:

- Sheet A) Activities the programme describes in this form will be **excluded** from assessment by ICAO's TAB
- Sheet B) List of all methodologies / protocols that support activities described under Sheet A

