



## **The Architecture for REDD+ Transactions (ART): Attracting New Investment to Protect and Restore Forests**

### **i. Title/Heading.**

The Architecture for REDD+ Transactions (ART): Attracting New Investment to Protect and Restore Forests

### **ii. Context and rationale.**

The recent IPCC [Special Report](#) on limiting global warming to 1.5°C starkly emphasizes the urgency of addressing all sources of greenhouse gas emissions including by aggressively pursuing nature based solutions. Forest conservation and restoration can provide over one-third of the emissions reductions needed in the next two decades, representing a gigaton-scale mitigation opportunity.

Significant new sources of government and private-sector forest finance can be mobilized with more rigorous jurisdictional approaches to REDD+ that meet the highest technical, environmental and social standards and are aligned with Paris Agreement commitments. The Architecture for REDD+ Transactions, ART, aims to provide needed confidence in the environmental and social integrity of forest emissions reductions to catalyze new, large-scale finance for REDD+. The ART's sister entity, the REDD+ Acceleration Facility (RAF), will provide a guaranteed source of demand for the purchase of ART emissions reductions, streamlining access to a wide range of REDD+ buyers. The initiatives together will transform the landscape for REDD+ to deliver on its massive climate impact potential.

### **iii. An overview of the contribution.**

The Architecture for REDD+ Transactions (ART), is a global voluntary initiative to promote the environmental and social integrity, and ambition, of carbon emission reductions from the forest and land use sector, in particular to recognize forest countries that deliver high quality REDD+. ART will serve as a global quality benchmark for forest emission reductions, providing confidence to market participants and stakeholders in the integrity of results.

ART will provide a credible, independent program overseen by a global Board, and run by a Secretariat. It 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's standard, *The REDD+ Environmental Excellency Standard (TREES)*, will be consistent with UNFCCC decisions, including the Warsaw Framework and Cancún Safeguards, with more 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 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 voluntary or compliance markets, can be transferred under the Paris Agreement towards meeting NDCs and increasing ambition, or can be used as a donor pay-for-performance mechanism.

**iv. How the contribution leverages living natural systems as a solution to avert climate change?**

The ART aims to attract new, large-scale finance from the private sector and donor countries for the protection and restoration of tropical forests through the assurance of the environmental and social integrity of REDD+ emissions reductions. The world's forests are a critical solution to reduce and stabilize emissions and limit global warming to 1.5 degrees as needed to avoid catastrophic effects of climate change. Forest conservation and restoration can provide over one-third of the mitigation needed in the next two decades, representing a gigaton-scale opportunity.

**v. How might the contribution support both climate, mitigation and adaptation as well as other important co-benefits and social, economic and environmental outcomes in coming years including:**

- a. Reduction in carbon emission and carbon capture (GTonnes)
- b. Increasing climate resilience
- c. Social impact (job increase; poverty reduction, etc.)
- d. Net economic impact (total in US\$; how was it achieved?)
- e. Impact on realization of the 2030 Agenda for Sustainable Development (in particular SDGs 1,2,6,12,13,14,15,16)
- f. Just transition
- g. Food security
- h. Minimising species extinction and ecological losses and fostering an increase of biodiversity.

The potential GHG emissions reductions from forest protection, restoration and management is seven (7) billion metric tonnes a year. Keeping rainforests intact contributes directly to enhanced ecosystems that provide benefits such as climate resilience and access to clean water. Forests also provide crucial biodiversity benefits and sources of livelihood for millions of indigenous peoples and other forest-dependent communities. According to the overwhelming evidence of the recent Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services Global Assessment, transformative changes are needed to restore and protect the ecosystems on which we depend worldwide for our economies, livelihoods, food security, health and quality of life. ART and RAF aim to catalyze those transformative changes. By attracting finance for large-scale forest conservation and restoration, ART will contribute to impacts for SDGs 1 (no poverty), 2 (zero hunger), 6 (clean water), 12 (responsible consumption and production), 13 (climate), 15 (life on land) and 16 (peace and justice).

**vi. Which countries and organisations are involved in the contribution?**

Current contributors to ART include the Climate and Land Use Alliance (CLUA), Environmental Defense Fund (EDF), Norway's International Climate and Forest Initiative (NICFI), the Rockefeller Foundation and Winrock International. A number of national and subnational forest jurisdictions have indicated support for and interest to participate in ART. In addition, major energy companies, airlines, and other potential buyers have indicated interest in purchasing ART credits via the RAF. ART Interim Steering Committee, Board and committee members participate in their personal capacities.

**vii. How have stakeholders (for example indigenous peoples, local communities, and youth) been consulted in developing the contribution?**

ART has directly consulted with jurisdictional and national governments of tropical forest countries, REDD+ donor countries and multilateral funders, carbon market regulators, civil society organizations, REDD+ technical experts, and private sector REDD+ buyers on the need for and development of ART. In May, ART was presented to the Governor's Climate and Forest task force in Colombia, including to representatives from

indigenous organizations. This summer, the ART Secretariat will oversee a global, public stakeholder consultation process for the TREES Standard, which requires implementation of the Cancún Safeguards to ensure the recognition, respect, protection and fulfilment of the rights of indigenous peoples and local communities. All stakeholders will have an opportunity, and are strongly encouraged, to provide comments on the draft TREES Standard during the public comment period. All stakeholder comments will be reviewed by the Secretariat and the Board and incorporated as appropriate into the final version of the TREES Standard prior to approval by the ART Board and final publication.

**viii. Where the contribution can be put into action?**

The ART will be open to any tropical forest national or subnational jurisdictions that meet TREES requirements. Initial participants will likely be countries already implementing REDD+ programs either through bilateral partnerships with public donors or through multilateral programs such as the Forest Carbon Partnership Facility (FCPF) or UN REDD+.

**ix. How the contribution will be delivered? How will different stakeholders be engaged in its implementation? What are the potential transformational impacts?**

Supported by signals of interest by REDD+ buyers and funders, including the RAF, ART will provide a path for forest countries and jurisdictions to deliver REDD+ emission reductions that assure high environmental and social integrity. The process for the registration of REDD+ programs will be fully transparent and open to engagement from all stakeholders. Together with the RAF, ART aims to catalyze demand from companies, governments, and other sources to finance high-quality REDD+ outcomes at scale. Expanding an international compliance market for REDD+ could channel tens of billions of additional dollars to forest protection over the next decade.

**x. Is this initiative contributing to other Climate Action Summit workstream (industry transition; energy transition; climate finance and carbon pricing; infrastructure, cities and local action; resilience and adaptation; youth and citizen mobilization; social and political drivers; mitigation strategy)?**

The ART contributes directly to the climate finance and carbon pricing workstream by supporting REDD+ in international voluntary and compliance carbon markets, for results-based payments, and as a voluntary cooperation mechanism under the Paris Agreement Article 6. By protecting forests and their ability to continue to remove carbon from the atmosphere, ART will also contribute to workstreams for resilience and adaptation and for mitigation strategy.

**xi. Examples of experiences to date: how does this contribution build upon this experience? How does the contribution link with different ongoing initiatives?**

Many tropical and subtropical forest countries, states, and provinces, with significant support from public sector donors, have already taken steps toward establishing jurisdictional REDD+ programs to protect their forests. Norway, Germany, the UK, and other donor countries have supported REDD+ readiness efforts bilaterally as well as through multilateral efforts such as the Forest Carbon Partnership Facility (FCPF) Readiness Fund and the UN REDD+ Program. Forest and donor countries have also pioneered and piloted results-based payment approaches and helped develop a pipeline of jurisdictional REDD+ programs, including the Amazon Fund, the REDD+ Early Movers (REM) program, the FCPF Carbon Fund managed by the World Bank, and the Governors Climate and Forests Task Force.

These structures have been invaluable to set the stage for REDD+ and have established significant norms and capacity. However, they were not designed to meet market requirements for comparability of emissions reductions units and have not driven finance at scale.

The ART will build on lessons learned from early-action pilot programs and be consistent with UNFCCC decisions including the Paris Agreement, Warsaw Framework and the Cancun Safeguards, including social safeguards to recognize, respect, protect and fulfill the rights of indigenous peoples and local communities and to promote sustainable livelihoods. ART will promote greater ambition and include more precise technical, verification, safeguard and registration requirements to create emissions reductions units that are fungible with those from other sectors. The result will be emissions reductions that can be used in voluntary and compliance carbon markets, as well as for voluntary cooperation and results-based finance for NDCs under the Paris Agreement.

**xii. Mechanisms for funding (with specific emphasis on potential for partnerships).**

ART is interested to partner and/or collaborate with organizations that can provide capacity building and readiness funding to forest countries for participation in ART.

**xiii. Means of stewardship, metrics for monitoring.**

ART will measure its direct impact based on climate change mitigation from emissions reductions achieved by participating countries and jurisdictions. ART will also track its contribution to decreasing global deforestation and to the volume of REDD+ finance mobilized through the transaction of ART emissions reductions including via the RAF.

**xiv. Communication strategy.**

At the Summit, we intend a public launch of ART including representatives of the ART Board and Secretariat, Interim Steering Committee members, tropical forest countries, REDD+ buyers including RAF, and other stakeholders. A professional public relations team will support the associated communications. The target audience is government representatives from tropical forest countries in the process of developing jurisdictional REDD+ programs that are interested to join ART. The other primary audience is the universe of REDD+ buyers / funders seeking quality assurance. This includes companies with science-based targets and those in hard to abate sectors (such as energy and transport) seeking to reduce emissions, as well as donor countries interested to use ART for results-based payments.

**xv. Contact details of proponents (indicating the degree of commitment)**

ART Board members (to be announced) - High

ART Secretariat, Winrock International (John Kadyszewski, [jkadyszewski@winrock.org](mailto:jkadyszewski@winrock.org)) – High

ART Secretariat, Winrock International (Mary Grady, [mgrady@winrock.org](mailto:mgrady@winrock.org)) – High

Tropical forest countries and other countries – TBD

RAF / Climate and Forest Capital (Eron Bloomgarden, [eron@climateandforest.com](mailto:eron@climateandforest.com)) - High

Environmental Defense Fund (Ruben Lubowski, Chief Natural Resource Economist, [rlubowski@edf.org](mailto:rlubowski@edf.org)) - High