The Architecture for REDD+ Transactions (ART)

What is ART?

The Architecture for REDD+ Transactions (ART), is a global voluntary initiative that seeks to incentivize governments to reduce emissions from deforestation and forest degradation (REDD), as well as restore forests and protect intact forests (+).

ART's mission is to serve as a global quality benchmark for jurisdictional REDD+, providing the confidence needed in the integrity of emission reductions and removals from forest protection and restoration to unlock finance at scale for ambitious climate action and to incentivize governments to achieve those results.
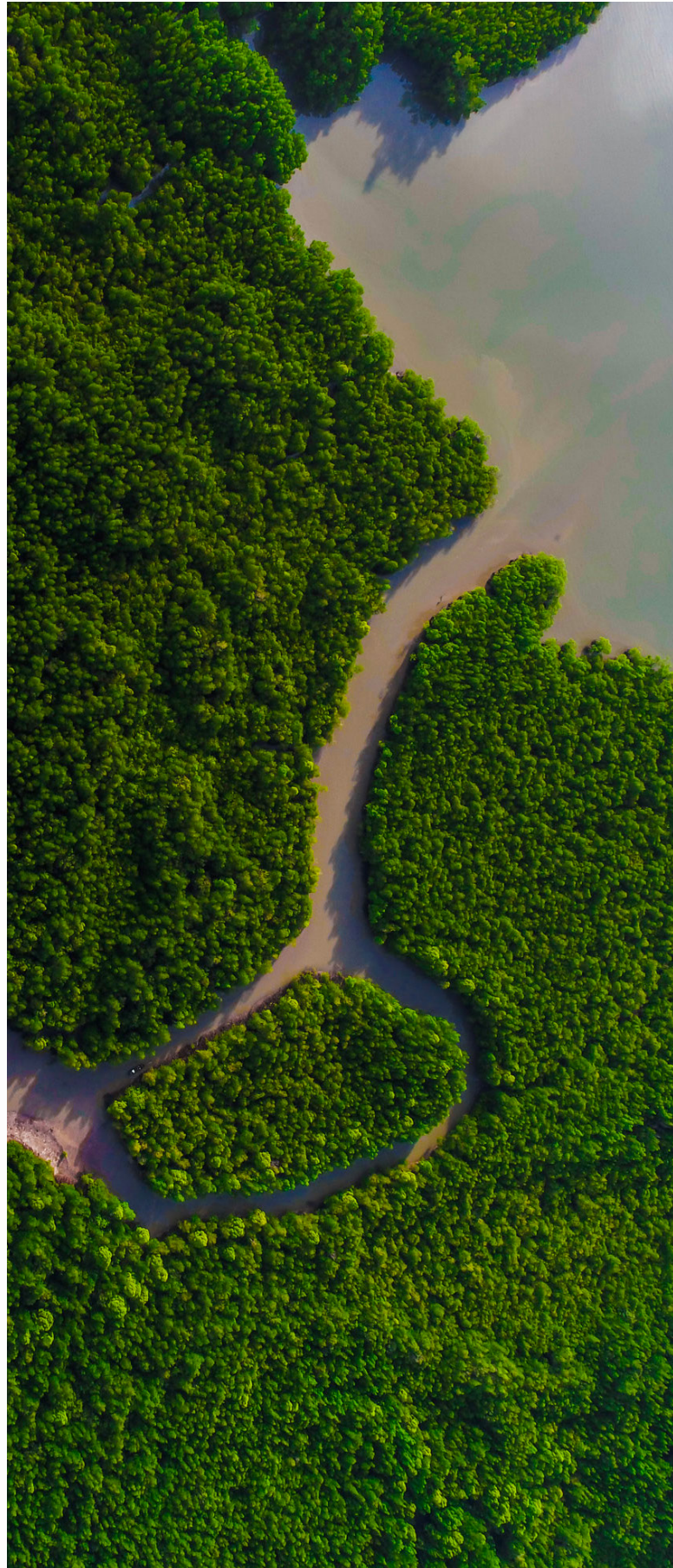
Why is ART Necessary?

For forests to deliver their massive climate impact potential, it will require mobilizing billions of dollars of additional annual investment from all sources, including from the private sector. In addition to climate benefits, this investment for forest protection and restoration must also reflect the true climate resilience, biodiversity, ecosystem, food security and livelihood values that forests provide.

Investments in REDD+ to date have largely been bilateral, or multilateral via the World Bank Carbon Fund and the Green Climate Fund. These structures have been invaluable to set the foundation and establish the norms and capacity on which the next chapter of REDD+ can be built. However, they were not designed to meet the market requirements required to secure large-scale private sector financing, such as the appropriate standardization so that REDD+ credits can be used in carbon markets, are comparable among jurisdictions and are fungible with emission reductions and removals from other sectors.

ART consciously built on this base of experience to create a crediting program that is fully aligned with requirements in the Paris Agreement and incorporates market elements that **aim to unlock private sector capital at scale.**
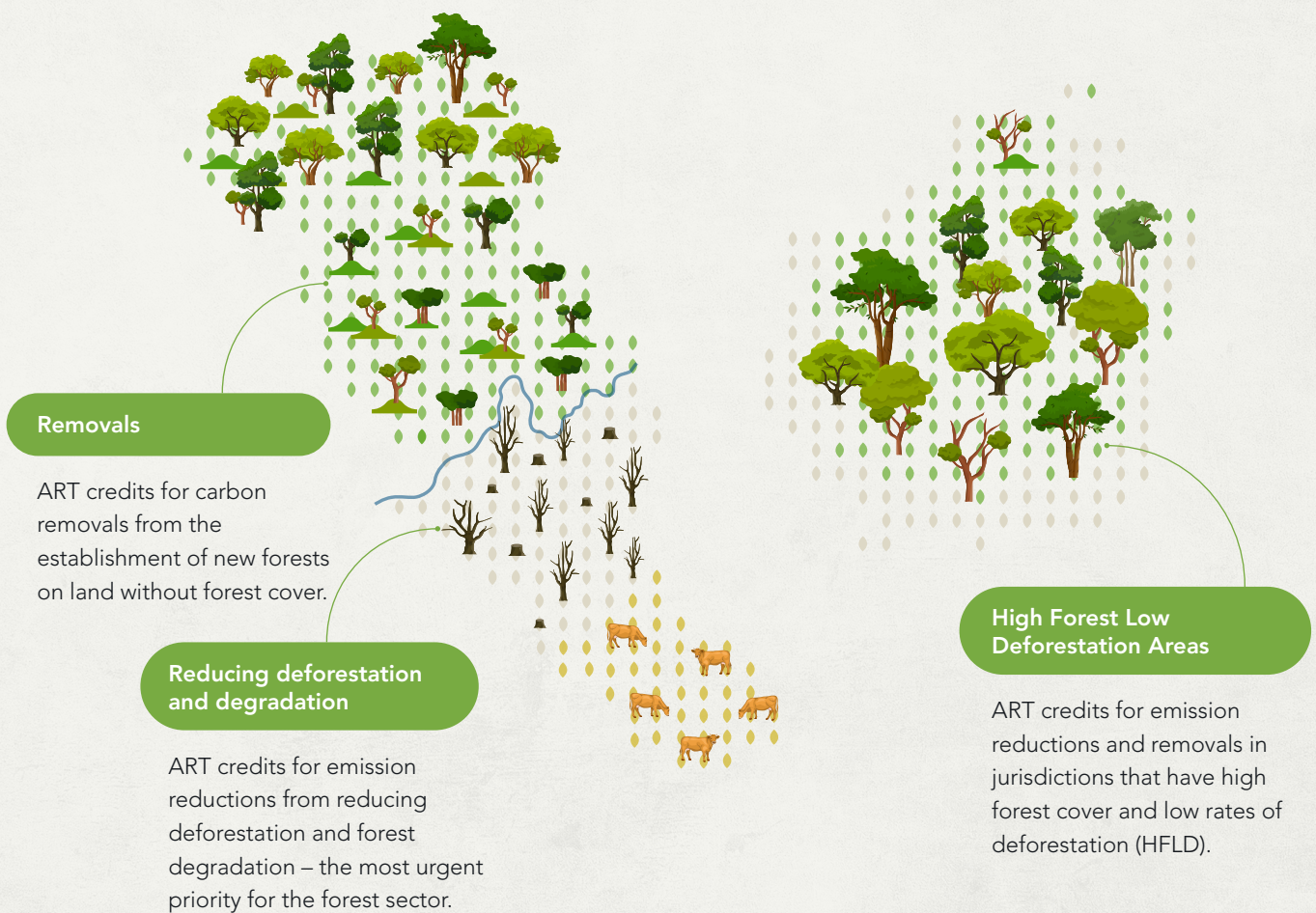
What is TREES?

TREES — The REDD+ Environmental Excellence Standard — is ART's standard to quantify emissions reductions and removals from REDD+ activities at a jurisdictional scale and provide a comprehensive process to transparently register, verify and issue serialized credits.

TREES is fully aligned with the Paris Agreement by requiring that forests be included in the country's Nationally Determined Contribution (NDC); addressing ambition through a regularly updated, conservative crediting level that cannot increase; including UNFCCC-aligned environmental and social safeguards; and putting measures in place to avoid double counting with Paris Agreement targets and the CORSIA.

Overview of TREES

Three categories of activities are eligible to generate TREES Credits

Removals

ART credits for carbon removals from the establishment of new forests on land without forest cover.

Reducing deforestation and degradation

ART credits for emission reductions from reducing deforestation and forest degradation – the most urgent priority for the forest sector.

High Forest Low Deforestation Areas

ART credits for emission reductions and removals in jurisdictions that have high forest cover and low rates of deforestation (HFLD).
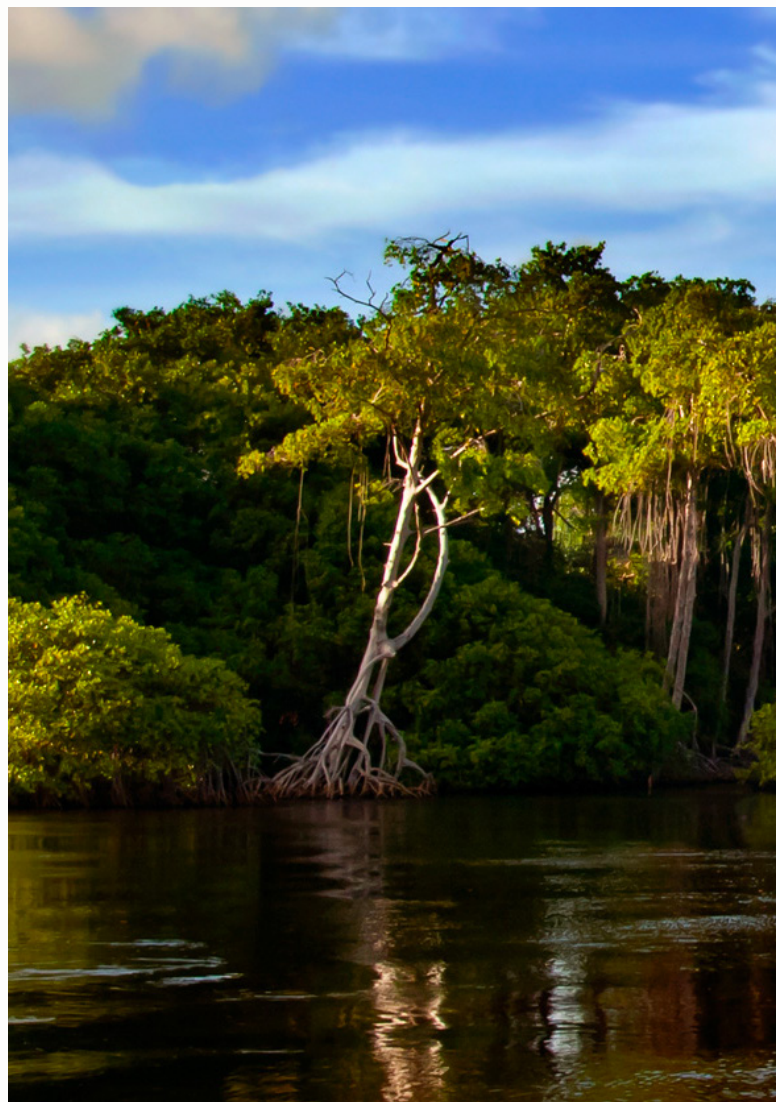
REQUIREMENTS

TREES specifies requirements for the quantification, monitoring, reporting and verification of Greenhouse Gas (GHG) emission reductions and removals from REDD+ activities at a national or large jurisdictional scale.

Does ART Require New Monitoring and Reporting Systems to be Developed?

No. TREES outlines the requirements that must be met in order for Participants to demonstrate robust carbon accounting and environmental and social safeguards, but does not prescribe the specific approaches that must be used. This allows countries to build on the monitoring and national safeguards work they have already done, while ensuring integrity and the comparability of the results. Current data collection systems, as well as reporting frameworks used to report to the UNFCCC, for example, may continue to be used as long as all of the required information is included.

Similarly, ART supports the nesting of smaller-scale activities within the jurisdictional approach, but ART does not prescribe the specific way that governments must work with Indigenous Peoples, local communities or the private sector. Rather, TREES intentionally offers flexibility to accommodate any number of approaches for nesting project level activities or allocating benefits that best suit specific jurisdictional circumstances.

Who Will Buy Credits Issued Under ART?

ART emission reductions and removals credits may be purchased by organizations as part of their voluntary climate plans and companies in hard-to-abate sectors beyond their net zero commitments. They could also be approved for use by companies in regulated carbon markets. For example, ART has been approved by the International Civil Aviation Organization (ICAO) to supply credits for airlines to meet their CORSIA obligations. ART credits may also be transferred between countries to meet Paris Agreement Nationally Determined Contributions (NDCs) and raise ambition.

ART participant jurisdictions have unique access to a guaranteed source of demand for the purchase of ART emission reduction and removals credits: the Emergent Forest Finance Accelerator. Emergent aims to catalyze new capital flows into tropical forest protection by streamlining access to a wide range of REDD+ buyers of TREES Credits. The recently launched LEAF Coalition, coordinated by Emergent, is a newly launched public-private initiative that has already mobilized $1 billion in results-based finance for tropical forest countries that successfully protect and restore forests.