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Sent: Monday, 10 October, 2022 22:27
To: Supervisory-Body <Supervisory-Body@unfccc.int>
Cc: John Dennis Verdieck <john.verdieck@tnc.org>; Kelley Anne Hamrick <kelley.hamrick@tnc.org>
Subject: TNC Submission on Removals

Dear all,

I hope this e-mail finds you well. Please find attached TNC's submission on removals.

I'd be grateful if you could confirm this submission will be shared with the A6.4 Supervisory Body.

Best,
Bia

Should you choose to print this email, please consider using paper from responsibly managed forests.

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RECOMMENDATIONS TO THE ARTICLE 6.4 SUPERVISORY BODY ON ACTIVITIES INVOLVING REMOVALS

LAND-BASED REMOVAL ACTIVITIES[1]

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), by its decision 3/CMA.3 "Rules, modalities and procedures for the mechanism established by Article 6.4", requested the Supervisory Body to elaborate and further develop recommendations on "activities involving removals, including appropriate monitoring, reporting, accounting for removals and crediting periods, addressing reversals, avoidance of leakage, and avoidance of other negative environmental and social impacts, to be considered at COP27."

This note presents recommendations for the consideration by the Article 6.4 Supervisory Body on Annex 5 to the SB002 annotated agenda: "Requirements for the development and assessment of mechanism methodologies pertaining to activities involving removals"

Key recommendations

Land-based removals activities

1. **Consideration the decade-plus experience on land-based removals from REDD+ (not only from the CDM):** The current guidance on removals is based on the experiences from the CDM on afforestation and reforestation; equally important, but currently overlooked, are the key rules and lessons learned from 10 years of REDD+ implementation, including safeguards, monitoring removals, setting baselines for removals, etc.

2. **Clarify rules on "Participation Requirements" of land-based removals:** The current language seems to exclude jurisdictional crediting in favor of project scale crediting, while allowing cases where projects use a jurisdictional baseline. This language is difficult to understand; our interpretation is that this would allow projects using jurisdictional baselines but exclude "nested" project-level activities in jurisdictional methodologies such as ART/TREES. **We believe all scales of removals should be allowed, including project-level, nested, and jurisdictional-scale activities.**

3. **Recognize the key role of land-based removals in the near term:** Land-based removals include restoring tree cover, and improved forest management, as well as soil carbon sequestration in croplands and grasslands, and peatland and coastal wetland restoration, among others. They are particularly important in the near term for being more mature, cost-effective and providing key co-benefits to address sustainable development and equity.

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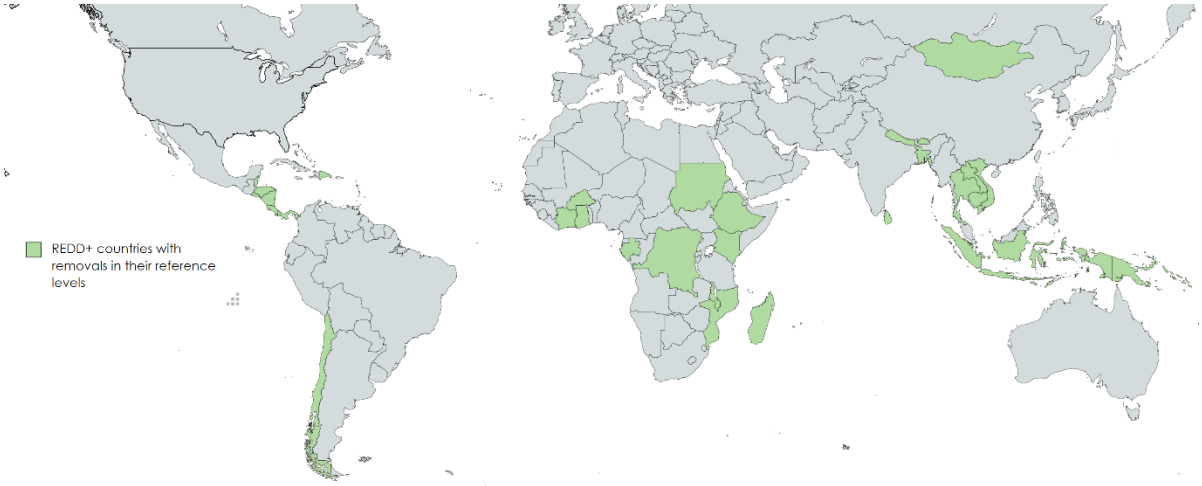
The A6.4 SB should take into consideration more than a decade of experience on land-based removals from REDD+ (not only from the CDM):

The current guidance on removals is based on the experiences from the CDM on afforestation and reforestation (which is important) but ignores key rules and lessons learned from 10 years of REDD+ implementation, including safeguards, monitoring removals, setting baselines for removals, etc.

Figure 1: REDD+ Countries with Removals in their Reference Levels (UNFCCC and FCPF)



- **Lessons from a decade of REDD+:** The UNFCCC spent 8 years negotiating the international architecture to provide incentives for developing countries to reduce GHG emissions from deforestation, forest degradation, enhancement of forest carbon stocks, etc. Since the rules were agreed in 2013, countries have been implementing REDD+ programs for the past decade and have generated key lessons on safeguards, monitoring, requirements for consistency with National GHG Inventories and IPCC methods, setting baselines for removals, etc.[2] We already have concrete, verifiable examples to draw lessons from the more than 30 countries that included removals in their REDD+ reference levels[3], and from the respective submitted results including removals[4]**.**

- **Additional REDD+ experience from multilateral programs:** The World Bank and the Green Climate Fund (GCF) have developed REDD+ methodologies which have already generated results and payments for activities, including removals. More recent methodologies such as ART-TREES, VCS Jurisdictional Nested REDD+, and others include provisions that have been widely consulted and may help the A6.4SB improve guidance for A6.4 removals. This report contains a summary of the main experiences on REDD+ standards and sources of finance.

[2] Relevant decisions: Warsaw Framework for REDD+ (Decisions 9-15 / CP.19) These decisions present definitions of aspects such as reference levels, national forest monitoring systems, safeguards results-based financing, among others.

[3] Ethiopia, Viet Nam, Cambodia, Côte d' Ivoire, Nicaragua, Ghana, Nepal, Papua New Guinea, Sri Lanka, Lao PDR, Mongolia, Panama, Solomon Islands, Belize, Bhutan, Burkina Faso, Dominican Republic, Honduras, Kenya, Malawi, Sudan, El Salvador, Gabon, Thailand, Madagascar, Democratic Republic of Congo, Mozambique.

[4] Chile, Cambodia, Costa Rica, Lao PDR, Papua New Guinea, Mozambique.

- **First ever market-based jurisdictional REDD+ credits are coming online:** The World Bank's Forest Carbon Partnership Facility (FCPF) has now generated the first ever market-based jurisdictional REDD+ credits for Mozambique and Costa Rica – with 13 more national programs in the pipeline. The Carbon Fund represents a total of $720M for results-based payments (for both market and non market). These programs' validation & verification reports are particularly informative for the SB, as the reports have generated concrete data on how REDD+ programs have managed to address permanence, leakage, environmental integrity, monitoring, safeguards, etc. Additionally, many of these 15 programs plan to use this jurisdictional approach as a basis to access new sources of finance such as the LEAF Coalition and the Voluntary Carbon Markets.

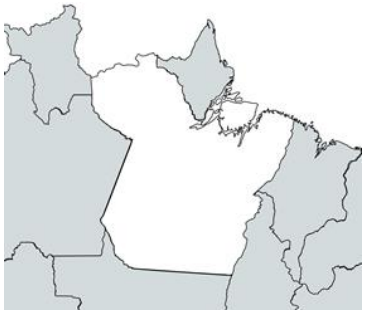
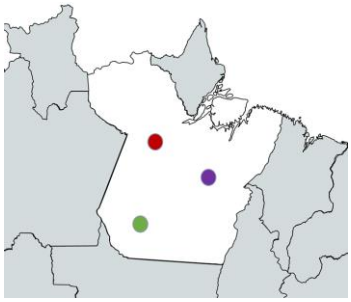
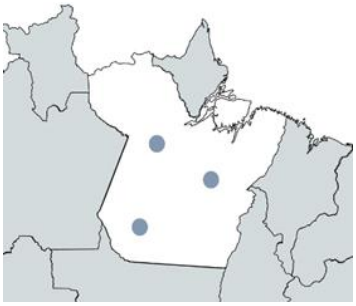
Clarify rules on "Participation Requirements"[5] of land-based removals:

- Although the current language is confusingly-written, the text seems to exclude **jurisdictional** and **nested** approaches to crediting in favor of **project**-scale crediting only. This is problematic, because it goes against the idea that land-based removals should happen within a national, jurisdictional REDD+ scale, which was long advocated for and agreed to in the UNFCCC REDD+ negotiations. Following the outcomes of the UNFCCC negotiations on REDD+, many standards (including Verra, ART/TREES and others) have also developed guidance for projects to nest into jurisdictional REDD+ programs.

The current 6.4 guidance on land-based removals does not take into consideration and, in some cases, contradicts the agreements developed through the UNFCCC around the scale of land-based removals. **We recommend that all scales - project, nested, and jurisdictional - be allowed for land-based removals in order to accommodate the approaches developed both under historical CDM and REDD+ negotiations.**

[5] **Appendix 1 (5) Participation Requirements:**
a)Where the host country conducts monitoring across the jurisdiction, the purpose is to ensure that project leakage and any reversals within the jurisdiction are accounted for and that environmental integrity is maintained at the jurisdictional level, but no credit is issued at the jurisdictional level, although a baseline may be set at the jurisdictional level;
b)The activity area credited under the activity under the jurisdictional approaches to enhance forest carbon stocks is non-activity area for the Article 6.4 land-based removal activities. There is no overlap between the activity area credited under the activity under the jurisdictional approaches to enhance forest carbon stocks and the activity area credited as Article 6.4 land-based removal activities and therefore, no double counting or double claim is taking place.

Figure 2: multiple scales of REDD+

Jurisdictional REDD+	**Project-based REDD+**	**Nested REDD+ Projects**[6]
		
What: Government-led REDD+ program in an entire country or subnational entity (i.e.: state) to reduce deforestation and enhance land-based removals. Both market and non-market	**What:** Site-specific REDD+ activities, often carried out by a non-profit, for-profit project developer or IPLCs. Generally market	**What:** Alignment across different scales of REDD+ (e.g: integration of project-based activities into jurisdictional approaches). It involves integrated baselines, accounting of GHG emissions and removals across, related legal and institutional arrangements across multiple scales, etc.[7]
Pros: Reduces leakage risks, addresses the drivers of forest loss, tent to have longer-lasting results and achieve greater impact than activities that happen in the absence of broader political and policy support.	**Pros:** Smaller scale is more manageable, potentially faster results and have generated far more carbon credits to date. Projects operate on VCM and have grown from >1% of market share in 2008 to almost 30% of market share in 2021, illustrating how immensely popular REDD+ projects are with voluntary buyers.	**Pros:** Having multiple accounting and reporting frameworks (projects and jurisdictional) can be difficult to access to various sources of financing. Nesting can harmonize systems and facilitate implementation of multiple scales of REDD+
Cons: Takes time, capacity to implement may be lacking, more political uncertainty	**Cons:** Higher risk of leakage unless nested, possible misalignment with national, state policies unless nested	**Cons:** Only a few countries have tested nesting frameworks but this might change in the coming years.
Methodologies: FCPF Methodological Framework, ART/TREES	**Methodologies:** Verra VCS	**Methodologies:** Verra JNR

[6] Nesting can take a few forms: **Decentralized approach**: Projects may continue to operate within a jurisdictional program as-is, with the jurisdictional program simply subtracting those credits from the overall number of credits generated within the jurisdiction. **Centralized approach**: Projects may need to align with the jurisdiction's accounting and crediting requirements, with all credits first going to the jurisdiction (and then some credits given to the project based on an agreed portion, or other benefits being given to the project instead of credits)

[7] file:///C:/Users/Beatriz%20Granziera/Downloads/Nesting-of-REDD-Initiatives-Manual-for-Policymakers%20(3).pdf

Recognize the key role of land-based removals in the near term

All options to remove carbon dioxide from the atmosphere and store it in terrestrial reservoirs (**land-based removals**), or geological formations (**engineering-based removals**) should be considered by the Article 6.4 Supervisory Body to mitigate climate change and to meet the goals of the Paris Agreement.

Land-based removals include restoring tree cover, and improved forest management, as well as soil carbon sequestration in croplands and grasslands, and peatland and coastal wetland restoration, among other methods.[8] Land-based removals **are particularly important** in the near term for the following reasons:

1. **Maturity and cost:** To date, the vast majority of removal activities are biological in nature (e.g., afforestation, reforestation, improved forest management). Because methods for land-based removals have been widely tested and monitored over the past decades, they are more mature and predictable than those for engineering-based removals.[9] In addition, enhancing carbon removals in soils, restoration of peatlands and coastal wetland can annually remove over 6 billion tons of CO2 per year across 79 tropical countries and territories between 2030 and 2050 at a cost of less than US$100 per tCO2e[10], compared to about $600 per tCO2e[11] for engineering-based removals.
2. **Sustainable Development:** Land-based solutions deliver co-benefits that go far beyond climate change mitigation, such as halting the loss of biodiversity, and increasing soil fertility and water security.[12] If implemented appropriately, restoring tree cover can lead to increased employment opportunities and socioeconomic benefits for forest-dependent communities.[13]
3. **Equity**: While most of the finance for engineering removals will flow to companies in the global north, the restoration of ecosystems can provide a key source of climate finance for developing countries. Generating investments in nature is critical to Indigenous Peoples and local communities who are the stewards of many globally critical ecosystems.[14]

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[8] IPCC WGIII Report, page TS-97.
https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_SPM.pdf
[9] IPCC WGIII Summary for Policymakers, page 40
https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_SPM.pdf
[10] Griscom BW et al. (2020) National mitigation potential from natural climate solutions in the tropics.Phil.Trans. R. Soc. B375: 20190126.http://dx.doi.org/10.1098/rstb.2019.0126
[11] Service R (2018) Science. Cost plunges for capturing carbon dioxide from the air
https://www.science.org/content/article/cost-plunges-capturing-carbon-dioxide-air
[12] Smith, P. et al. Land-management options for greenhouse gas removal and their impacts on ecosystem services and the sustainable development goals. Annu. Rev. Environ. Resour. 44, 255–286 (2019).
[13] Leavitt, S.M. et al. (2021). Natural Climate Solutions Handbook: A Technical Guide for Assessing NatureBased Mitigation Opportunities in Countries. The Nature Conservancy, Arlington, VA, USA.
https://www.nature.org/content/dam/tnc/nature/en/documents/TNC_Natural_Climate_Solutions_Handbook.pdf
[14] Streck, C et al. (2021) Ecosystem Market Place, The Risk of Diverting Carbon Finance from Nature to Technological Carbon Removals. https://www.ecosystemmarketplace.com/articles/shades-of-redd-risk-of-diverting-carbon-finance-from-nature-to-technological-carbon-removals/