Future of REDD+ Projects and Programs

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Submitting Questions

- Slides & information from webinar will be made available.
Agenda

- Verra Post-2020 Vision for REDD+
- CORSIA
  - Overview of VCS Program Submission
  - Proposed AFOLU Project Eligibility
    - REDD and IFM
    - ARR
    - Other AFOLU project types
  - CORSIA leakage EUC
  - Standalone VCS AFOLU Projects: Robust Leakage Requirements
- Forthcoming VCS REDD+ Nesting Requirements and Guidance
- Q&A
Natural Climate Solutions (NCS) could provide ~30% of potential climate mitigation*

Verra intends to continue supporting both jurisdictions and projects to help drive critical finance to REDD+/AFOLU mitigation in voluntary and compliance markets

*According to recent reports from TNC
Post-2020 Context for REDD+

- We’re seeing:
  - Increased focus on need for Nature-Based Solutions (NBS)
  - Increasing confidence in REDD+ for compliance:
    - CORSIA
    - ITMOs
    - Domestic markets
  - Increasing demand for purely voluntary units
REDD+ Growth

VCS REDD+ Issuances

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>7,000,000</td>
</tr>
<tr>
<td>2016</td>
<td>5,500,000</td>
</tr>
<tr>
<td>2017</td>
<td>21,000,000</td>
</tr>
<tr>
<td>2018</td>
<td>42,000,000</td>
</tr>
<tr>
<td>2019</td>
<td>60,000,000</td>
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</table>

(YTD)
# VCS REDD+ Projects

<table>
<thead>
<tr>
<th>Project Category</th>
<th>VCS Meths Approved</th>
<th>VCS Projects Registered</th>
<th>Countries</th>
<th>Average Annual Emission Reductions &amp; Removals</th>
<th>Total Emission Reductions &amp; Removals Verified</th>
</tr>
</thead>
<tbody>
<tr>
<td>REDD</td>
<td>15</td>
<td>142</td>
<td>29</td>
<td>194,161,618</td>
<td>237,859,040</td>
</tr>
<tr>
<td>REDD+ (incl. IFM and A/R)</td>
<td>35</td>
<td>338</td>
<td>32</td>
<td>269,569,707</td>
<td>318,992,847</td>
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</tbody>
</table>
CORSIA
VCS Program Submission to CORSIA

- Verra submitted application on 12 July
- Key documents
  - Program application form
  - “Program scope information request” form
  - Supporting materials (IRS filings, etc.)
- Areas of focus
  - Fundamental components of VCS Program
  - Pending revisions to program rules (i.e., Version 4)
  - Jurisdictional and Nested REDD+
- Next steps
  - Applications posted for public comment, due 5 Sept
  - Questions from ICAO, in-person interview
## Proposed AFOLU Project Eligibility

<table>
<thead>
<tr>
<th>Level of Implementation</th>
<th>REDD</th>
<th>IFM</th>
<th>ARR</th>
<th>WRC</th>
<th>ALM</th>
<th>ACoGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jurisdictional</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Nested REDD+ projects and programs of activities</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Stand-alone projects and programs of activities</td>
<td>No</td>
<td>No</td>
<td>Yes*</td>
<td>Yes*</td>
<td>Yes*</td>
<td>Yes*</td>
</tr>
</tbody>
</table>

*These project activities are only included as stand-alone projects where they are able to demonstrate no material leakage risk.
CORSIA Leakage Requirement:

“A system must have measures...to assess and mitigate incidences of material leakage. Offset credits should be generated from projects that do not cause emissions to materially increase elsewhere...[and Programs] should have a... process for assessing and mitigating leakage of emissions...”
CORSIA Application:

“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 sub-national level, in order to mitigate the risk of leakage? (Paragraph 3.6.2)”
VCS AFOLU Projects: Robust Leakage Requirements

- Clear VCS project and program rules for mitigating, monitoring and deducting leakage:
  - Activity-shifting, market and ecological leakage must all be quantified, unless *de minimis*.
  - Leakage emissions may be determined either directly from monitoring, or indirectly where credible estimates.
  - Any leakage is subtracted from the number of GHG ERRs eligible to be issued as VCU.

- These requirements fully address (and account for) potential leakage risks
VCS AFOLU Projects: Robust Leakage Requirements

- VCS Program stands behind credibility of VCS stand-alone AFOLU projects:
  - We will continue to allow such projects to access voluntary markets, and any domestic or international compliance markets that choose to include them.
  - In context of CORSIA, necessary to submit application to meet ICAO requirements.
CORSIA will likely set both a start date restriction and a vintage restriction

- Aims to prevent flooding the market with old units (including CDM)
- Years for both not clear (2016? 2019? 2020?)
JNR updates
Forthcoming VCS REDD+ Nesting Requirements and Guidance

Developing additional requirements and guidance on REDD+ nesting for governments and projects:

- Set of options/methodology(ies) for government to align jurisdictional reference levels with project baselines.
- Project rules for using jurisdictional data/allocation:
  - From government
  - How to develop when government-led approach is lacking
Forthcoming VCS REDD+ Nesting Requirements and Guidance

• Relevant aspects of nesting beyond baselines, such as with regard to:
  ■ Monitoring
  ■ Leakage
  ■ Performance
  ■ Uncertainty
  ■ Safeguards
  ■ Government approvals

• Proposed nesting rules/guidance:
  ■ Public consultation later this year
  ■ Release new requirements and guidance in early 2020
Future-proofing REDD+
Thank You!

Questions?

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