



ART
Architecture for
REDD+ Transactions®

ARCHITECTURE FOR REDD+ TRANSACTION (ART)

2023 ANNUAL REPORT

YEAR IN REVIEW





To achieve global climate results, it is essential to operate at scale. By operating at a jurisdictional scale, the Architecture for REDD+ Transactions (ART) aligns with the Paris Agreement requirements for REDD+ while also helping to finally decouple economic development from forest loss.

When ART issued the world's first TREES credits to Guyana in late 2022, it represented a milestone as the first time a country was issued jurisdictional REDD+ credits verified for conformance with a standard that was specifically designed for compliance and voluntary carbon markets and to align with the Paris Agreement. In 2023, ART built on this accomplishment and developed substantial momentum to protect and restore tropical forests. By the end of the year, 20 jurisdictions across four continents had submitted documentation to the ART Secretariat to develop REDD+ programs, including over 350 million hectares of tropical forests, an area the size of India.

ART's mission is to serve as a global quality benchmark for jurisdictional REDD+, providing the confidence needed in the environmental and social integrity of emission reductions and removals to unlock finance at scale for forest protection and restoration. 2023 represented the year that ART achieved global scale, setting it up for substantial impact in the years ahead.

Mary Grady

Executive Director
Architecture for REDD+ Transactions

Snapshot of ART Impact

THROUGH THE END OF 2023



20

Number of jurisdictions listed on the ART registry



5

Number of jurisdictions listed in 2023



350
MILLION

Area in hectares of tropical forest in listed jurisdictions



33.47
MILLION

TREES
Credits issued



14
MILLION

Volume of emission reductions and removals in verification



Jurisdictions listed in the ART registry by the end of 2023 included:

Amapá (Brazil), Maranhão (Brazil), Mato Grosso (Brazil), Tocantins (Brazil), Burkina Faso, Amazon Region (Colombia), Costa Rica, Province of Tshuapa (Democratic Republic of the Congo), Ecuador, Ethiopia, Gabon, Ghana, Guyana, Jalisco (Mexico), Quintana Roo (Mexico), Nepal, Papua New Guinea, Peru, Uganda, Vietnam.



ART Accomplishments in 2023

PROGRAM DEVELOPMENTS

Buyers expressed strong interest in ART TREES credits

Multiple buyers committed billions of dollars for the purchase of TREES Credits in 2023 and funds began to flow. At COP28 both Costa Rica and Ghana signed Emission Reduction Purchase Agreements (ERPAs) with the LEAF Coalition. Mercuria signed an Emission Reduction Purchase Agreement (ERPA) with Tocantins, Brazil for up to \$2 billion, including 40 million TREES Credits 2016-2020 currently in the ART registration process and a commitment for purchase of credits through 2030. And in 2023, Guyana received its first payment of \$150 million from its \$750 million (floor price) ERPA with Hess Corporation for TREES Credits 2016-2030, 15% of which (\$22.5 million) is agreed to flow directly to communities. While ART is not directly involved in transactions at any stage, successful contracting for the sale of TREES Credits is an important indicator of market acceptance.

ART launched initiative to capture the value of jurisdictional REDD+ beyond carbon

In January 2023 ART announced the launch of an initiative to develop an optional certification for the co-benefits of jurisdictional REDD+ beyond carbon. When complete, the new certification is intended to bring additional value to carbon credits that are certified and issued by ART in conformance with The REDD+ Environmental Excellence Standard (TREES). The certification will enable ART Participants to objectively demonstrate the positive impacts of their REDD+ programs that go beyond greenhouse gas emission reductions and removals. The certification's three distinct modules will be for biodiversity benefits, non-CO2 climate benefits, and socio-cultural benefits of forests to Indigenous Peoples and Local Communities.

ART engaged Indigenous People and Local Communities (IP and LC) in design of a new certification module and implementation of TREES

The Indigenous and local communities' organizations ANECAP, COICA, Red MOCAF, and REPALEAC announced in February 2023 that they agreed to partner with ART to form a technical committee to develop the module on socio-cultural benefits of forests and REDD+ programs with a rights approach to Indigenous Peoples and Local Communities that will be part of a new optional certification under ART. The direct inclusion of these organizations in the technical committee reflects a process of innovation and constant improvement that considers the contributions of Indigenous Peoples and Local Communities. The Coordination of the Indigenous Organizations of the Brazilian Amazon (COIAB) joined the technical committee that is working with the Architecture for REDD+ Transactions (ART) in June 2023.

Separately, ART developed a workshop for IP and LC that was delivered in person in Colombia, Republic of Congo and Peru. An adapted version of the workshop was also presented remotely to two organizations and in person to COIAB during Climate Week NYC. ART also had the opportunity to begin developing relationships with several new organizations, including OPIAC, AIDSESP, CONAP, ACOFOP, APIB, and the Mbororo Women Development Association. Overall, the goal of this work was to ensure appropriate inclusion of their perspectives in ART's work and in global carbon markets broadly.

STAKEHOLDER ENGAGEMENT

ART conducted outreach and engagement with key stakeholder

The ART Secretariat conducted outreach to numerous stakeholder groups throughout 2023 through a variety of channels, including COP28 in Dubai, New York Climate Week, the Governors' Climate and Forests Task Force, meetings with the ICVCM Secretariat, RedLac Congress, Corporate Investments in Forests and Biodiversity (CIFB) conference, Guyana's 2-day information exchange workshop, UN REDD Learning Labs in Asia and Central America, WRI's Land & Carbon Lab Conference, IETA Conferences, Forest Carbon Partnership Facility (FCPF) Enable event, World Business Council on Sustainable Development's Natural Climate Solutions webinar, the Natural Climate Solutions Alliance Learning Webinars, and UK REDD+ Learning Exchange.



POLICY DEVELOPMENTS

ART approved by ICAO Council for 2024-2026 compliance period

The International Civil Aviation Organization (ICAO) Council, the United Nation's main aviation body, approved ART to supply carbon credits for the first phase of CORSIA, which commences in 2024. ART was notified by the ICAO Council in March 2023 that it had been approved to supply CORSIA-eligible emissions units for the 2024-2026 compliance period. ART is one of only two crediting programs to receive approval to supply credits for the new phase of CORSIA, the other being ACR, its sister program at Winrock International.

ART announced memorandum of understanding with National Environment Agency of Singapore

ART announced that it has signed a Memorandum of Understanding (MoU) with the National Environment Agency (NEA) of the Government of Singapore as part of Singapore's efforts to operationalize Article 6 of the Paris Agreement in February 2023. As announced at Singapore's Budget 2022, companies regulated under the Carbon Pricing Act will be allowed to use high-quality international carbon credits to offset up to 5% of their taxable emissions from 2024. The MoU details terms of cooperation between ART and NEA to facilitate Singapore-based companies in exercising this option through the purchase and retirement of ART-issued TREES credits. Starting next year, Singapore-based companies can acquire eligible high-quality carbon credits issued by ART and other approved international offset programs and surrender them to the Singapore Government.

ART submitted Program-Level application to ICVCM

In late-2023, ART submitted an extensive application to the Integrity Council for the Voluntary Carbon Market (ICVCM) for Program-Level assessment to the Core Carbon Principles (CCP). ART provided evidence of being a CORSIA Eligible Emissions Unit Program, in addition to meeting the CCP's additional criteria around effective governance, credit tracking, transparency, and robust, independent third-party validation and verification.

SCALING IMPACT

ART published five TREES Concepts for jurisdictional REDD+ programs

ART announced the approval in 2023 of TREES Concepts for jurisdictional REDD+ programs in Mato Grosso (Brazil), Burkina Faso, Ethiopia, Jalisco (Mexico), and Uganda. Documents for each program were publicly posted on the ART Registry. By the end of the year, 20 jurisdictions were listed with ART. The approval of the TREES Concept is the first step to register a jurisdictional REDD+ program under ART. Once TREES Registration documents have been submitted and the results independently verified by an accredited verification body, the ART Board may approve the issuance of serialized TREES credits to the participating jurisdiction.

ART published TREES Registration documents for Guyana and Costa Rica

ART announced the approval of TREES Documents for Guyana in January 2023. These documents were posted publicly on the ART Registry and included a TREES Registration Document for the 2021-2025 Crediting Period and a TREES Monitoring Report for 2021. In addition, ART announced the posting of TREES Documents for Costa Rica in March 2023. These documents are full Spanish translations of the English documents previously submitted to ensure greater accessibility for all stakeholders to review. They included a TREES Registration Document for the 2017-2021 Crediting Period and a TREES Monitoring Report for 2017-2019. The approval of these documents indicated their completeness and the program's eligibility to move forward with independent validation and verification by an accredited verification body. Following successful validation and verification, the ART Board may approve the issuance of serialized TREES credits.

2023 ART Financial Statement

Assets	\$ 11,342,935
Liabilities	\$ 8,954,989
Net Assets	\$ 2,387,946
Revenues	\$ 2,000,072
Expenses	\$ 2,000,072
Change in net assets	\$ -

ART Governance

ART is governed by the Board of Managers of Environmental Resources Trust (ERT) LLC, a wholly owned nonprofit subsidiary of Winrock International. The ERT Board assumes fiduciary responsibility for the organization and operates according to robust bylaws.

ART's operations are overseen by an independent Advisory Board of Directors whose members represent a diverse group of objective, globally recognized experts. The Advisory Board is responsible for strategic guidance and for ensuring ART's environmental and social integrity are in line with its Immutable Principles.

Daily operations of ART are managed by the ART Secretariat, hosted by Winrock International.

Advisory Board of Directors

Frances Seymour
John Verdick
Roselyn Fosuah Adjei

William Bumpers
Carlos Nobre
Lucia Ruiz

Pasang Dolma Sherpa
Peter Umunay
Christina Voigt



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