

117TH CONGRESS
2D SESSION

S. 5019

To establish an international terrestrial carbon sequestration program and provide international technical assistance for carbon market development, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 29, 2022

Mr. MENENDEZ (for himself and Mr. BRAUN) introduced the following bill;
which was read twice and referred to the Committee on Foreign Relations

A BILL

To establish an international terrestrial carbon sequestration program and provide international technical assistance for carbon market development, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “America Mitigating
5 and Achieving Zero-emissions Originating from Nature for
6 the 21st Century Act” or the “AMAZON21 Act”.

1 **SEC. 2. INTERNATIONAL TERRESTRIAL CARBON SEQUES-**
2 **TRATION PROGRAM.**

3 (a) IN GENERAL.—The Secretary shall establish a
4 program, to be known as the “International Terrestrial
5 Carbon Sequestration Program”, to provide results-based
6 payments for eligible projects in developing countries that
7 reduce emissions and enhance carbon sequestration from
8 forests and other terrestrial ecosystems.

9 (b) GOALS.—In carrying out the program established
10 pursuant to subsection (a), the Secretary shall work with
11 the governments of developing countries and appropriate
12 local partners in developing countries to identify, develop,
13 and implement eligible projects that—

14 (1) will help developing countries meet their
15 international greenhouse gas mitigation commit-
16 ments; and

17 (2) have the potential to contribute to coopera-
18 tive efforts—

19 (A) to conserve and restore forests and
20 other terrestrial ecosystems;

21 (B) to provide a counterbalance to invest-
22 ments from countries of concern in cooperating
23 developing countries;

24 (C) to reduce illegal deforestation; and

25 (D) to mitigate and sequester carbon diox-
26 ide.

1 (c) RESULTS-BASED PAYMENTS.—

2 (1) IN GENERAL.—An eligible project shall
3 qualify for results-based payments under the pro-
4 gram established pursuant to subsection (a) if—

5 (A) in the determination of the Secretary,
6 the host developing country or appropriate local
7 partner will be able to fulfill its obligations
8 under any agreement with respect to the fund-
9 ing of the eligible project through the program
10 established pursuant to subsection (a), includ-
11 ing (as applicable) with respect to—

12 (i) host country standards of govern-
13 ance and respect for rule of law;

14 (ii) environmental and social safe-
15 guards; and

16 (iii) potential for corruption or misuse
17 of payments made by the Secretary;

18 (B) the eligible project is appropriately de-
19 signed to use results-based payments;

20 (C) the host developing country or appro-
21 priate local partner, as applicable, agrees—

22 (i) to abide by transparency require-
23 ments with respect to the use of funds re-
24 ceived under the program established pur-
25 suant to subsection (a);

1 (ii) to fulfill measuring, reporting, and
2 verification requirements, including inde-
3 pendent third-party verification, necessary
4 to provide results-based payments;

5 (iii) to report publicly any data with
6 respect to emissions reductions achieved
7 under such program, linking such data to
8 reporting requirements of or commitments
9 made by a host country under relevant
10 international agreements;

11 (iv) to count the verified emission re-
12 ductions associated with the eligible project
13 solely towards any of the relevant inter-
14 national commitments of the host devel-
15 oping country;

16 (v) to ensure that women, indigenous
17 communities, and other local stakeholders,
18 as applicable, are empowered and enabled
19 to meaningfully participate in the develop-
20 ment, implementation, and potential bene-
21 fits of the eligible project; and

22 (vi) to disclose any debt the applicant
23 may owe to any entity known to be owned
24 or controlled by a country of concern, in-

cluding loan amounts, duration, rates, and contractual provisions; and

(D) with respect to subparagraph (C)(vi), the host developing country or appropriate local partner agrees that payments may not be used to amortize any loan principal owed to any entity known to be owned or controlled by the country of concern.

(2) ADDITIONAL FORMS OF QUALIFICATION FOR RESULTS BASED PAYMENTS.—Notwithstanding paragraph (1), an eligible project may qualify for results-based payments under this subsection if—

(A) the eligible project includes a combination or aggregation of existing terrestrial carbon mitigation projects such that the total of such projects contributes to the full national or, on an interim basis, subnational territory in the host developing country; or

(B) the eligible project is nested into the accounting and reporting of an existing national or sub-national terrestrial carbon mitigation program in the host developing country, including with regard to safeguard requirements and any transfer of credits, without regard to

1 whether the eligible project is below the sub-na-
2 tional level or scale.

3 (d) MULTI-YEAR AGREEMENTS.—

4 (1) IN GENERAL.—Upon determining that an
5 eligible project qualifies for results-based payments,
6 the Secretary is authorized to enter into multi-year
7 agreements to provide results-based payments to a
8 host developing country or appropriate local partners
9 in the host developing country, including in the form
10 of grants from the International Forestry Carbon
11 Mitigation Fund established in subsection (g), to
12 carry out such eligible project.

13 (2) PRIORITIZATION.—The Secretary is encour-
14 aged to consider any project for which the execution
15 of such project would directly or indirectly combat il-
16 legal deforestation or counter malicious influence
17 from countries of concern in a particular developing
18 country.

19 (3) THIRD-PARTY LEVERAGE OF FUNDS.—The
20 Secretary is encouraged to prioritize projects that
21 include terms that leverage funding from non-prof-
22 its, businesses, other developed countries, and multi-
23 lateral financing and development agencies.

24 (4) PARTNERSHIPS WITH MULTILATERAL PRO-
25 GRAMS.—The Secretary may partner with multilat-

1 eral or multi-donor programs to fund grants for any
2 eligible project that qualifies for results based pay-
3 ments under subsection (c).

4 (5) RECIPROCAL COMMITMENT.—The Secretary
5 shall take steps to ensure that the host developing
6 country or appropriate local partners in the host de-
7 veloping country, as applicable, reciprocates the
8 commitments to achieving the goals described in
9 subsection (b).

10 (6) PERIODIC REVIEWS.—The Secretary shall
11 periodically review and evaluate the progress of eligi-
12 ble projects—

13 (A) to ensure that eligible projects are pro-
14 ceeding successfully and appropriately main-
15 tained;

16 (B) to account for and adapt to
17 externalities that could prevent an eligible
18 project from meeting its objectives; and

19 (C) to assist proponents of an eligible
20 projects in planning and executing the eligible
21 project in accordance with this Act.

22 (7) TERMINATION.—An agreement under this
23 subsection may be unilaterally terminated by the
24 Secretary if the Secretary determines that—

1 (A) the host developing country or a ap-
2 propriate local partner is failing or has failed to
3 uphold the terms and conditions established for
4 the eligible project; or

5 (B) the eligible project is not in the na-
6 tional interest of the United States.

7 (8) DOUBLE COUNTING OF PAYMENTS.—The
8 Secretary shall take such steps as may be nec-
9 essary—

10 (A) to prevent the double counting of, or
11 double payment for, emissions reduction or car-
12 bon sequestration results from eligible projects
13 that also may receive funds from other sources,
14 including in accordance with international
15 guidelines and rules on carbon markets; and

16 (B) to ensure that the payments and eligi-
17 ble projects are interoperable and do not sup-
18 plant or compete with international transferred
19 mitigation outcomes.

20 (e) TRANSPARENCY.—The Secretary shall make pub-
21 licly available a list of funds made available under the pro-
22 gram established by subsection (a) and shall update on
23 an annual basis the progress or any lack of progress in
24 the implementation of the corresponding eligible projects

1 and the achievement of the goals described in subsection
2 (b).

3 (f) AGENCY COORDINATION.—In carrying out the
4 program under this section, the Secretary shall consult as
5 appropriate with the heads of other relevant Federal de-
6 partments and agencies, including—

7 (1) with respect to terrestrial carbon sequestra-
8 tion, the Secretary of Agriculture, the Secretary of
9 the Interior, the Administrator of the National Oce-
10 anic and Atmospheric Administration, the Chief
11 Forester of the Forest Service, the Administrator of
12 the United States Agency for International Develop-
13 ment, and the Administrator of the Environmental
14 Protection Agency;

15 (2) with respect to project monitoring, report-
16 ing, and verification, the Administrator of the Na-
17 tional Oceanic and Atmospheric Administration, the
18 Administrator of the National Aeronautics and
19 Space Administration, the Administrator of the
20 United States Agency for International Develop-
21 ment, the Director of the United States Geological
22 Survey, the Administrator of the Environmental
23 Protection Agency, the Secretary of Agriculture, and
24 the Chief Forester of the Forest Service; and

1 (3) with respect to avoiding duplicative foreign
2 aid efforts, particularly for conservation funds, the
3 Administrator of the United States Agency for
4 International Development.

5 (g) TRUST FUND.—There is established in the Treas-
6 ury of the United States a fund to be known as the “Inter-
7 national Terrestrial Carbon Sequestration Fund”, which
8 shall consist of—

9 (1) amounts appropriated pursuant to the au-
10 thorization in subsection (h)(1) to carry out this sec-
11 tion; and

12 (2) such gifts, bequests, or devises of property
13 for the benefit of, or in connection with carrying out
14 this section as the Secretary may accept in the form
15 of donations by individuals or entities, including pri-
16 vate entities, non-profit entities, other developed
17 countries, and multinational entities.

18 (h) AUTHORIZATION OF APPROPRIATIONS.—

19 (1) AUTHORIZATION.—There is authorized to
20 be appropriated to carry out this section—

21 (A) \$1,125,000,000 for fiscal year 2022;

22 (B) \$1,125,000,000 for fiscal year 2023;

23 (C) \$1,125,000,000 for fiscal year 2024;

24 and

25 (D) \$1,125,000,000 for fiscal year 2025.

1 (2) AVAILABILITY.—Amounts appropriated to
2 carry out this section are authorized to remain avail-
3 able until expended and shall be used solely for the
4 purposes of this section.

5 (3) SALARIES AND EXPENSES.—Of the amounts
6 made available for any fiscal year pursuant to the
7 authorization under paragraph (1), not more than
8 \$10,000,000 is authorized to be made available for
9 the salaries and expenses of employees to carry out
10 this section.

11 (i) EMISSIONS BASELINE FOR ELIGIBLE
12 PROJECTS.—

13 (1) PROPOSALS FOR EMISSIONS BASELINE.—

14 (A) IN GENERAL.—To receive results-
15 based payments under this section for an eligi-
16 ble project qualified to receive results-based
17 payments pursuant to subsection (c), a devel-
18 oping country or appropriate local partner shall
19 submit to the Secretary a proposal for an emis-
20 sions baseline that—

21 (i) is credible, transparent, accurate,
22 and conservatively evaluates the reduction
23 of carbon emission of an eligible project;
24 and

1 (ii) meets the criteria established by
2 the Secretary under paragraph (2).

3 (B) DETERMINATION BY SECRETARY.—

4 (i) IN GENERAL.—After receipt of a
5 proposal under subparagraph (A), the Sec-
6 retary shall determine whether the emis-
7 sion baseline meets the criteria under para-
8 graph (2).

9 (ii) PROVISION OF RESULTS-BASED
10 PAYMENTS APPROVED EMISSIONS BASE-
11 LINE.—If the Secretary determines under
12 clause (i) that the emissions baseline meets
13 the criteria under paragraph (2), the Sec-
14 retary may provide results-based payments
15 for such eligible project to the developing
16 country or appropriate local partner in ac-
17 cordance with this section.

18 (iii) FAILURE TO MEET CRITERIA.—

19 (I) IN GENERAL.—If the Sec-
20 retary determines under clause (i)
21 that the emissions baseline does not
22 meet the criteria under paragraph (2),
23 the Secretary may negotiate with the
24 developing country or appropriate
25 local partner to reach an agreement

1 on an emissions baseline for the eligi-
2 ble project.

3 (II) PROVISION OF RESULTS-
4 BASED PAYMENTS FOR AGREED EMIS-
5 SIONS BASELINE.—Once an agree-
6 ment has been reached under sub-
7 clause (I), the Secretary may provide
8 results-based payments for the eligible
9 project to the developing country or
10 appropriate local partner in accord-
11 ance with this section.

12 (2) BASELINE CRITERIA.—The Secretary shall
13 establish criteria for each emissions baseline pro-
14 posed, which shall include requirements that the
15 emissions baseline—

16 (A) is used to account for net emissions re-
17 ductions achieved from the eligible project;

18 (B) is national, or subnational on an in-
19 terim basis, in scope;

20 (C) is consistent with mitigation commit-
21 ments, targets, or actions that are appropriate
22 for the developing country with respect to de-
23 forestation or loss of terrestrial ecosystems, tak-
24 ing into consideration—

(i) the average annual historical emissions and removals from forests, and other terrestrial ecosystems, as applicable, during a period of at least 5 years; and

(ii) the use of the relevant 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change to determine applicable drivers of deforestation and land use conversion;

(D) establishes a trajectory that would result in zero net deforestation by not later than 10 years after the date on which the baseline is established;

(E) is updated not less frequently than once every 5 years to account for changing circumstances in the developing country;

(F) includes emissions and removals from—

(i) remaining forest land;

(ii) conversions of other lands to or from forest land;

(iii) conversions between land-use categories other than forest land that, cumulatively with the conversions described in

1 clause (i) amount to 90 percent of the ab-
2 solute level of the total greenhouse gas
3 emissions and removals associated with all
4 land-use conversions; and

5 (iv) any other land-use category esti-
6 mated to contribute at least 10 percent of
7 agriculture, forestry, and other land use
8 (AFOLU) emissions in the project area;
9 and

10 (G) takes into consideration existing or
11 planned terrestrial carbon mitigation projects as
12 identified in subsection (c)(2) in a developing
13 country and the effect those projects might
14 have in establishing an emissions baseline for
15 eligible projects funded under this Act.

16 **SEC. 3. TECHNICAL ASSISTANCE FOR SCALING NATURE-**
17 **BASED SOLUTIONS IN DEVELOPING COUN-**
18 **TRIES.**

19 (a) IN GENERAL.—The Administrator of the United
20 States Agency for International Development, in consulta-
21 tion with the Secretary, shall conduct a program to pro-
22 vide resources and technical assistance to developing coun-
23 tries and appropriate local partners to conserve, manage,
24 and restore forests and other terrestrial ecosystems, to
25 support nature-based carbon sequestration as a means of

1 addressing a changing climate, including by providing
2 such resources and assistance with respect to projects for
3 the goals described in section 2(b). Projects under such
4 program shall be directed in developing countries meeting
5 each of the following criteria:

6 (1) The country contains globally significant
7 forests or other terrestrial ecosystems—

8 (A) that are threatened with destruction,
9 degradation, or fragmentation; or

10 (B) where the degradation of forests or
11 terrestrial ecosystems impairs development and
12 significantly drives greenhouse gas emissions.

13 (2) Legitimate land owners or customary use
14 rights holders in the developing country are per-
15 mitted—

16 (A) to sell carbon credits to voluntary and
17 carbon compliance markets;

18 (B) to receive benefits from the sale of
19 such carbon credits by the government; and

20 (C) to participate in results-based pay-
21 ments transactions.

22 (3) The country has developed, or is in the
23 process of developing, comprehensive policies to
24 monitor, report, and verify the environmental, social,
25 and financial quality and integrity of any such

1 projects, including, if applicable, policies to ensure
2 that the host country avoids double-counting the re-
3 sulting reductions greenhouse gas emissions.

4 (4) The country presently contains large re-
5 serves of forests and terrestrial ecosystems that can-
6 not be recuperated once lost.

7 (b) TECHNICAL SUPPORT PRIORITIZATION.—In con-
8 ducting the program described in subsection (a), the Ad-
9 ministrator of the United States Agency for International
10 Development shall prioritize technical support for and in-
11 vestment in the following activities:

12 (1) Reducing greenhouse gas emissions from
13 deforestation, fragmentation, and forest degradation.

14 (2) Enhancing greenhouse gas sequestration
15 through carbon sinks by restoring natural forests
16 and other terrestrial and ecosystems as well as
17 building resilience.

18 (3) Monitoring, reporting, and verification of
19 the environmental, social, and financial quality and
20 integrity of the project as an important component
21 of the work.

22 (4) Assisting governments, willing, legitimate
23 land owners, or willing customary use rights holders
24 in developing projects to engage in carbon markets
25 through—

1 (A) carbon credits sold to buyers on exist-
2 ing carbon compliance markets or voluntary
3 carbon markets; or

4 (B) projects providing results-based pay-
5 ments.

6 (5) Developing domestic infrastructure and ca-
7 pacity building for creating and tracking carbon
8 credits, such as registries or projects eligible for re-
9 sults-based payments, and preparing countries to
10 implement nature-based solution initiatives.

11 (6) Ensuring that women, Indigenous Commu-
12 nities, and other local stakeholders are empowered
13 and enabled to meaningfully participate and share in
14 the potential benefits of activities funded under this
15 section.

16 (7) Ensuring the additionality of projects, pro-
17 grams, and other activities made possible by funding
18 provided pursuant to this section.

19 (c) AUTHORIZATION.—There are authorized to be ap-
20 propriated such sums as may be necessary to carry out
21 this section.

22 **SEC. 4. DEFINITIONS.**

23 In this Act:

24 (1) ADDITIONALITY.—The term “additionality”
25 means reductions to greenhouse gas emissions in de-

veloping countries that would not have occurred but for activities to reduce greenhouse gas emissions in developing countries funded and made possible by funding provided pursuant to section 3.

(2) APPROPRIATE LOCAL PARTNER.—The term “appropriate local partner” means any relevant subnational government, local authority, indigenous community, non-governmental entity, or private landowner in a developing country committed to and capable of achieving the goals described in section 2(b).

(3) COUNTRY OF CONCERN.—The term “country of concern” means the government or ruling party of any of the following countries:

(A) The Russian Federation.

(B) The People’s Republic of China.

(C) The Democratic People’s Republic of Korea.

(D) The Islamic Republic of Iran.

(E) The Bolivarian Republic of Venezuela.

(F) The Republic of Cuba.

(4) DEFORESTATION.—The term “deforestation” means a change in land use, including forest fragmentation and forest degradation, from a forest to any other land use.

1 (5) DEVELOPING COUNTRY.—The term “devel-
2 oping country” means—

3 (A) a country eligible to receive official de-
4 velopment assistance according to the income
5 guidelines of the Development Assistance Com-
6 mittee of the Organisation for Economic Co-op-
7 eration and Development; or

8 (B) any other country identified by the
9 Secretary with globally significant forests or
10 terrestrial ecosystems the loss of which is, or
11 has the potential to, significantly contribute to
12 the changing climate.

13 (6) ELIGIBLE PROJECT.— The term “eligible
14 project” means a verifiable and measurable national
15 or subnational activity developed or executed by the
16 central government, subnational government, local
17 authority, indigenous community, non-governmental
18 entity, private landowner, or any group of such per-
19 sons in a developing country that—

20 (A) reduces a quantity of greenhouse gas
21 emissions from deforestation and loss of terres-
22 trial ecosystems that is calculated by measuring
23 actual emissions against an eligible project
24 baseline, in accordance with subsection (i); or

1 (B) is directed at preserving or enhancing
 2 terrestrial ecosystems that might, absent such
 3 activity, be lost through conversion to other
 4 uses.

5 (7) EMISSIONS REDUCTIONS.—The term “emis-
 6 sions reductions” means greenhouse gas emissions
 7 reductions and increased sequestration achieved
 8 from—

9 (A) reduced, or avoided deforestation;

10 (B) reforestation;

11 (C) preservation of terrestrial ecosystems;

12 or

13 (D) enhancements to terrestrial ecosystems
 14 that will result in the increased sequestration of
 15 greenhouse gas emissions.

16 (8) FOREST DEGRADATION.—The term “forest
 17 degradation” means any reduction in the carbon
 18 stock of a forest due to the effects of human land-
 19 use activities, including land-use changes driven by
 20 human activity.

21 (9) INTERNATIONAL TRANSFERRED MITIGATION
 22 OUTCOMES.—The term “international transferred
 23 mitigation outcomes” means the units from the
 24 mechanisms that bestow carbon mitigation credits
 25 for use in international carbon markets.

1 (10) NATURE-BASED SOLUTION.—The term
 2 “nature-based solution” means an activity within a
 3 developing country to conserve, restore, or better
 4 manage forests and terrestrial ecosystems to seques-
 5 ter greenhouse gas emissions from the atmosphere.

6 (11) RESULTS-BASED PAYMENT.—The term
 7 “results-based payment” means a mechanism for the
 8 provision of United States assistance in which—

9 (A) a developing country, or appropriate
 10 local partner in a developing country, assumes
 11 responsibility for achieving measurable results
 12 in the reduction of emissions through an eligible
 13 project;

14 (B) such measurable results are defined in
 15 advance of the obligation of assistance by the
 16 United States for the eligible project; and

17 (C) such assistance is expended in the
 18 form of payments to such developing country or
 19 appropriate local partner only upon independent
 20 verification of such pre-defined results.

21 (12) TERRESTRIAL ECOSYSTEM.—

22 (A) IN GENERAL.—The term “terrestrial
 23 ecosystem” means naturally occurring grass-
 24 lands, forests, tropical rainforests, mangroves,
 25 peatlands, or wetlands comprised of native spe-

1 cies generated and maintained primarily
2 through natural ecological and evolutionary
3 processes.

4 (B) EXCLUSION.—The term “terrestrial
5 ecosystem” does not include tree plantations,
6 such as crops of trees planted by humans pri-
7 marily for the purposes of harvesting.

8 (13) SECRETARY.—The term “Secretary”
9 means the Secretary of State.

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