

# **Stakeholder Meeting on Proposed Tropical Forest Standard**

1107 9<sup>th</sup> Street, 4<sup>th</sup> Floor Conference Room, Sacramento, CA

June 3, 2019 | 3:00pm

- Welcome, Agenda Review, Introductions (Assemblymember Eduardo Garcia)
  - Confirmed Attendees:
    - Assemblymember Ash Kalra
    - Assemblymember Eduardo Garcia
    - Assemblymember Eloise Reyes
    - Assemblymember Richard Bloom
    - Alana Mathews, Joint Legislative Committee on Climate Change Policies
    - Alfredo Arredondo, Environmental Defense Fund
    - Barbara Haya, UC Berkeley
    - Brian Nowicki, Center for Biological Diversity
    - Christina McCain, Environmental Defense Fund
    - Daniel Nepstad, Earth Innovation Institute
    - Diana Vazquez, California Environmental Justice Alliance
    - Gary Hughes, Biofuels Watch
    - Isabella Gonzalez Potter, The Nature Conservancy
    - Joanna Durbin, Conservation International
    - Jonah Busch, Earth Innovation Institute
    - Kathleen McAfee, San Francisco University
    - Katie Valenzuela, Assemblymember Eduardo Garcia's Office
    - Kevin Koenig, Amazon Watch
    - Lauren Withey, UC Berkeley
    - Mari Rose Taruc, California Environmental Justice Alliance
    - Maria DiGiano, Earth Innovation Institute
    - Matt Warren, Earth Innovation Institute
    - Michelle Passero, The Nature Conservancy
    - Pete Montgomery, Conservation International
    - Richard Corey, California Air Resources Board
    - Tim O'Connor, Environmental Defense Fund
    - Tracey Osborne, The University of Arizona
    - Zoe Cina-Sklar, Amazon Watch
- Discussion on Proposed Amendments to the Proposed Tropical Forest Standard:

➤ **Environmental Integrity**

▪ From Brian Nowicki:

- The TFS does not protect against the leakage of deforestation outside the jurisdiction. Under the TFS, logging operations could move across the state border and continue operating, potentially even in the same forest. Because the TFS takes a purely jurisdictional approach, it focuses primarily on economic drivers within the jurisdiction, with no capacity to control for leakage outside the jurisdiction.
- Neither the TFS nor the review of its environmental impacts acknowledge the potential that addressing leakage within the jurisdiction through the intensification of industrial operations, agriculture, aquaculture, or livestock feedlots could have significant negative impacts for the environment, society, and economy. Aside from that, the TFS fails to account for the potential increased GHG emissions associated with intensified activities outside the forest, to ensure that the climate implications are accurately assessed.

▪ From Kathleen McAfee, Tracey Osborne, Barbara Haya, Lauren Withey:

- Would credit-earning forest conservation measures under the TFS be scientifically valid? Would they actually compensate for the increased greenhouse gases that offset buyers could emit, or would they result in false “reductions”?
- Would they meet California law requirements that credited “reductions” be “real, additional, permanent, quantifiable, verifiable and enforceable by ARB”, specifically:
  - Would the TFS prevent leakage of deforestation?
  - Does the TFS ensure that conservation gains linked to the TFS are permanent?
  - How would California cope with invalidation of large numbers of credits necessitated by reversals consequent to fires, floods, infestations, commodity-price increases, or political changes?
  - Would activities financed under the TFS be additional to what would have occurred without it?

➤ **Drivers of Deforestation**

- From Kathleen McAfee, Tracey Osborne, Barbara Haya, Lauren Withey:
  - How would the TFS or any market-based program permanently address the major drivers of deforestation (beef, export crops, mining, etc.) given the immense opportunity costs of curbing them and the tropical state incentive policies that promote them?
  - Why would the TFS differ from the REDD+ projects and existing REDD-type jurisdictional programs that have targeted subsistence forest users and other smallholders but failed to address the superior power of extractive-industry interests?

➤ **Human and Indigenous Rights**

- From Brian Nowicki:
  - Neither the TFS nor the environmental review address the problem that endorsing the TFS—and the subsequent development of this particular market approach—could have severe negative impacts in jurisdictions where landowners and governments move to secure control of forest lands in the anticipation of developing forest carbon projects for the TFS. It may be that such actions will ultimately disqualify those landowners from participating in the TFS, but that does not undo the damage done to local and indigenous communities. At the same time, market leakage of logging demand could lead to increased deforestation outside of the TFS jurisdiction, with all of the environmental, social, and human rights impacts that come with it.
- From Kathleen McAfee, Tracey Osborne, Barbara Haya, Lauren Withey:
  - Would the TFS ‘safeguards’ provisions prevent the kinds of harm to forest peoples’ rights and well-being that have resulted from REDD+ and other payments for environmental services programs?
  - Would the ‘jurisdictional’ approach avoid the problems of subjectivity and conflicts of interest that have made

“safeguards” language largely ineffective in these programs?

➤ **Effects of a TFS Linkage in California**

- From Brian Nowicki:
  - Given the potential for negative impacts within and beyond the TFS jurisdictions, the TFS must contain a mechanism for halting and rescinding the program that adoption of the TFS is intended to induce. Otherwise, California would have no way of curtailing ongoing damage if their adoption of the TFS results in unexpected or outsized negative impacts.
- From Kathleen McAfee, Tracey Osborne, Barbara Haya, Lauren Withey:
  - Is California prepared to weigh in through the TFS on the ‘pro-market’ side of the international dispute in the UNFCCC and other global climate negotiations over whether conservation aid should be financed publicly (national and multilateral sources) or privately (carbon markets).
  - Does California have the capacity to assess the integrity of the conservation activities and deforestation trends reported by jurisdictions and their consultants (verifiers, etc.) in these highly conflictive landscapes?
  - What are the likely results of adding this additional offsets protocol to the ones we have and those in the pipeline, given the evidence of oversupply?
  - Given the known environmental injustice impacts of GHG emissions on California communities, can we justify the increased emissions by major polluters that would be enabled by additional offsets under the TFC?
- Discussion on Potential Alternatives to the Proposed Tropical Forest Standard
  - **AB 572 – Procurement Standards (Jeff Conant)**
  - **Request for JLC CCP to convene panel of experts to explore alternatives (EJ/Indigenous Group Letter)**
- Next Steps/Adjourn (Assemblymember Eduardo Garcia)