



California Tropical Forest Standard

September 19, 2019

Agenda

- State of tropical deforestation since November 2018
- Why California's action is needed
- Updates to the Tropical Forest Standard
- Recommend endorsement of Standard



Tropical Deforestation is a Global Problem

- Rapid loss of tropical forests threatens our climate, public health, and economy
- Tropical forests are experiencing greater threats than a year ago
- Since November
 - Estimated 30+ football fields per minute have been cleared
 - More than 20 million acres of tropical forests lost in last 10 months



Threats

- Status Quo = Cleared lands are valued over standing forests
- Nearly 80% increase in fires since 2018 in Brazil alone
- Oil extraction and mining
- Cattle ranching
- Soy, palm oil and commodity crops

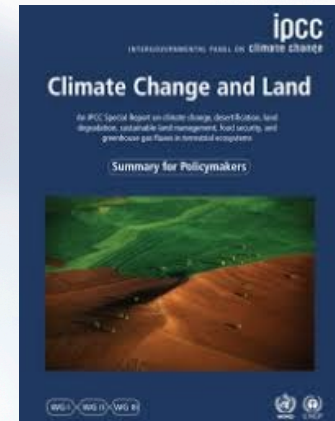




Urgent Need to Reduce Tropical Deforestation

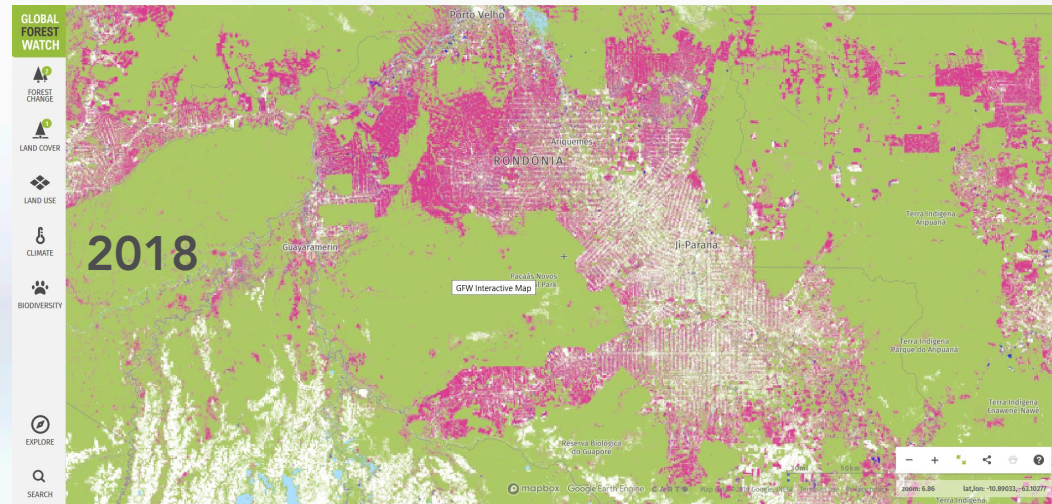
- Deforestation emissions exceed global emissions of buses, cars, trains, planes, combined
- Impacts global weather patterns, including in California
- IPCC Reports underscore necessity of focusing on all emission sources, including forests, agriculture, and land use to limit warming to 1.5 °C

"Forests are the only system we have at scale capable of providing 1/3 of the necessary climate mitigation"



Why Today's Action Is Important

- Reverses Status Quo Standing forest worth more than deforested lands
- Standard = economic incentive to preserve forests
- Standard = international model for increased stringency, accountability, and transparency
- Improves livelihoods and slows loss of tropical forests
- Endorsement sends strong signal for jurisdictions to take immediate action



Benefits of Tropical Forest Standard

- Standard provides a stepwise approach to quantify GHG emission reductions
- Establishes robust criteria to assess **jurisdiction-scale programs** to reduce emissions from tropical deforestation
- Safeguards indigenous rights – requirements for direct participation by and benefits to indigenous peoples and local communities



Overview of Tropical Forest Standard

- Standard has been 11 years in the making
- Establishes requirements for jurisdiction-scale sector plan that must include transparent, inclusive, public process to develop:
 - Historic reference level and crediting baseline against which to assess performance
 - Annual monitoring, reporting, and third-party verification (MRV)
 - Provisions for permanence, leakage, and rigorous enforcement
 - Safeguards to ensure benefits are shared equitably with indigenous peoples and local communities



Standard Provides Social & Environmental Safeguards

Requires consistency with

- UNFCCC Cancun Safeguards to ensure protections and benefits for indigenous peoples
- Governors' Climate and Forest Task Force (GCF) Guiding Principles for Collaboration and Partnership with Indigenous Peoples
- Reduced Emissions from Deforestation and Degradation Social & Environmental Safeguards Version 2 (2012)
- Requires consultation and participation of indigenous peoples in design and implementation
- Recognizes and respects rights to land, territories, and resources
- Requires benefits to be shared equitably

Recent Improvements to Standard

- Assessed comments from November Board meeting as well as input from Legislature
 - Revisions reflect this input
- Reviewed comments from stakeholders
 - Revisions address comments
- Released revised Standard for comments, July 2019

Recent Improvements to Standard (continued)

Revisions strengthen, bolster, and clarify provisions, including:

- International safeguards fully included
- Provisions to identify and address leakage risk and require more sustainable economic activities
- Annual reporting and verification GHG and social/environmental safeguard reports
- Clarified assessment of additionality
- Enhanced transparency requirements

Standard Raises the Bar

- Raises the bar higher than any current Standard
- First-of-its-kind government-enacted Standard globally
- Motivates investment into better forest management, in a way that is more protective of indigenous rights than anything that currently exists

Endorsement of the Standard Does Not...

- Amend the California Cap-and-Trade Regulation
- Link with any jurisdiction
- Establish tropical forest offset credits for use in the California Cap-and-Trade Program

Tropical Forest Standard Adds Value and Attracts Investment

High bar that supports:

- International payments for programs that demonstrate reductions in deforestation
- Sustainable commodity supply chain initiatives by corporations
- Making progress toward Paris Agreement goals (NDCs)
- Highest Standard for emerging compliance markets that will already include the forest sector
- Highest Standard for voluntary carbon market

Acknowledges the links between forest health and climate change and weather patterns that impact the globe, including California

Extensive Engagement with Indigenous Peoples & Organizations

Years of engagement with indigenous groups, including:

- Yurok and other Tribal Governments
- Alianza Mesoamericana de Pueblos y Bosques (AMPB)
- Coordinator of Indigenous Organizations of the Amazon Basin (COICA)
- Indigenous Peoples' Alliance of the Archipelago (AMAN) of Indonesia
- Organización Nacional de los Pueblos Indígenas de la Amazonía Colombiana (OPIAC)

Developed GCF Guiding Principles



Indigenous Peoples Provide Crucial Oversight Role

Crucial oversight role for indigenous peoples and organizations

- Committed to monitoring to ensure the Standard is being used as designed
- Focused on requirements to follow the GCF Guiding Principles and other social and environmental safeguards
- Ensure that any jurisdiction using the Standard has conducted the necessary consultation and partnership process with indigenous peoples
- Provide information to CARB on progress, lessons learned, successes and challenges

Next Steps/Implementation of Standard

In the event the Board endorses the Standard

- Staff will provide vigorous and proactive monitoring
 - Third-party verified data from jurisdictions using the Standard that must be publicly posted
 - Information from monitoring efforts of GCF Global Committee
 - Data and observations from NASA, Global Forest Watch, academic institutions, non-governmental organizations, and others who will also be monitoring use of the Standard
- Annual staff reports to the Board on the results of this monitoring

Environmental Analysis

- Draft Environmental Analysis (EA) completed
- Released for public comment
 - September 14, 2018 – October 29, 2018
- Additional revisions in July 2019 did not impact assessment in EA, and did not necessitate a recirculation of the EA
- CARB prepared the Final EA and written responses to comments received on the Draft EA
 - Response to comments to 2018 comment period released on November 9, 2018
 - Response to most recent comments released on September 9, 2019

Staff Recommendation

- Endorse the California Tropical Forest Standard
- Approve written responses to environmental comments, certification of Final EA, and make CEQA findings
- Require vigorous and proactive monitoring of the use of the Standard based on best available data and technology
- Annual progress reports to the Board on use of Standard, learnings, any need for revisions
- Continued engagement with GCF Task Force, indigenous peoples, and others