

State of California  
AIR RESOURCES BOARD

**CALIFORNIA TROPICAL FOREST STANDARD**

Resolution 19-21

**September 19, 2019**

Agenda Item No.: 19-8-6

WHEREAS, the California Global Warming Solutions Act of 2006 (AB 32) made findings that global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California;

WHEREAS, AB 32 directed the California Air Resources Board (CARB) to consult with the federal government and other jurisdictions to identify the most effective strategies and methods to reduce greenhouse gases (GHG), manage GHG control programs, and to facilitate the development of integrated and cost-effective regional, national, and international GHG reduction programs;

WHEREAS, CARB consulted with other jurisdictions and assessed emerging emission reduction strategies beginning with the development of the AB 32 Climate Change Scoping Plan and the creation of the Governors' Climate and Forests (GCF) Task Force in 2008;

WHEREAS, one of the most studied sectors for achieving emissions reductions internationally has been tropical forests and whereas emissions from the deforestation and degradation of tropical forests account for an estimated 11-14 percent of all global CO<sub>2</sub> emissions. The catastrophic fires and growing concern over the health of the Amazon and other tropical forests illustrate the need for addressing these emissions globally;

WHEREAS, climate change compounds impacts on forests, resulting in less resilient, more vulnerable forests and further exacerbating these emissions;

WHEREAS, two recent Intergovernmental Panel on Climate Change reports – Special Report: Global Warming of 1.5 °C and Special Report on Climate Change and Land Use – emphasize the importance of simultaneously addressing emissions in all of our energy and industrial sectors and emissions from the land sector, including through efforts to reduce deforestation;

WHEREAS, the Special Report: Global Warming of 1.5 °C finds that achieving global carbon neutrality by mid-century is critical to avoiding the most catastrophic impacts of climate change;

WHEREAS, without significant reductions in emissions and increases in carbon sequestration from the land use sector, the world will not meet the goals of the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC);

WHEREAS, tropical forests are vital ecosystems for all of us, as they are home to incredible biodiversity, form the foundation of indigenous peoples' lives and cultures, and affect global weather patterns, including precipitation in California. Widespread deforestation in the Amazon could even reduce Sierra Nevada snowpack;

WHEREAS, multiple jurisdictions, both subnational and national, have urged California to develop a partnership approach to addressing emissions from tropical deforestation because of California's leadership role on climate;

WHEREAS, since the initial 2008 AB 32 Scoping Plan, CARB has continued to assess tropical forest programs through regulatory proposals, white papers, public workshops, and Board presentations. This assessment included discussions and evaluation of jurisdiction-scale efforts to reduce deforestation and degradation of tropical forests from the United Nations and other international bodies such as the World Bank's Forest Carbon Partnership Facility, voluntary carbon market tools and efforts, supply chain initiatives, and efforts from within GCF Task Force member states and provinces;

WHEREAS, CARB considered all of these materials and all public comments received during each workshop, as well as ongoing engagement with GCF Task Force jurisdictions and with indigenous peoples and local communities within GCF Task Force jurisdictions, in developing a California Tropical Forest Standard (Standard);

WHEREAS, on September 7, 2018, CARB staff released a draft Standard that provided detailed criteria that emissions trading systems and other incentivize programs can use to assess tropical forest programs. This Standard was initially considered by the Board at its November 16, 2018, Board hearing;

WHEREAS, the Standard represents a first-of-its-kind proposal, with rigorous and transparent criteria for assessing jurisdiction-wide programs that reduce emissions from tropical deforestation;

WHEREAS, the Standard will increase rigor in subnational, national, and international programs by establishing a model for demonstrating real, quantifiable, permanent, additional, enforceable, and verifiable efforts to address deforestation;

WHEREAS, the Standard is expected to value intact standing forest and attract investment for retaining tropical forests compared to what otherwise may occur based on existing local economic conditions;

WHEREAS, the Standard can be a useful tool in supporting ongoing and new investments in efforts to reduce deforestation and achieve associated co-benefits of sustainable development, biodiversity and watershed protection, among others;

WHEREAS, on September 10, 2018, in recognition of the key role indigenous peoples have had for generations in protecting tropical forests, as well as the increasing threats faced by indigenous peoples and indigenous territories, California and 35 other GCF Task Force jurisdictions, along with indigenous peoples, local community organizations, tribal governments, and civil society organizations endorsed *Guiding Principles for Collaboration and Partnership between Subnational Governments, Indigenous Peoples and Local Communities* (GCF Guiding Principles);

WHEREAS, the Standard also incorporates the UNFCCC Cancun Safeguards and the principles and criteria from Reduced Emissions from Deforestation and Degradation Social and Environmental Standards Version 2, such that these safeguards serve as benchmarks to elevate indigenous peoples and local community inclusion and participation in jurisdictional planning and implementation;

WHEREAS, these principles form the basis in the Standard for better ensuring recognition, respect, and collaboration on forest conservation and low-emissions development;

WHEREAS, CARB's regulatory program that involves the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans has been certified by the Secretary of Natural Resources Agency under Public Resource Code section 21080.5 of the California Environmental Quality Act (CEQA); California Code of Regulations, title 14, section 15251(d)), and CARB conducts its CEQA review according to this certified program (California Code of Regulations, title 17, sections 60000-60007);

WHEREAS, CARB prepared a draft environmental analysis under its certified regulatory program for the Standard entitled *Draft Environmental Analysis for the Proposed Endorsement of California Tropical Forest Standard* (Draft EA), and circulated it for 45 days from September 14, 2018, through October 29, 2018;

WHEREAS, the Draft EA concluded that implementation of the Standard has the potential to result in: beneficial impacts to air quality and greenhouse gas emissions; no adverse impacts to aesthetics, biological resources, cultural resources, energy demand, geology and soils, hazards and hazardous materials, hydrology and water quality, noise, recreation, utilities and service systems; less-than-significant impacts to agriculture and forestry, population, employment and housing, public services, and transportation and traffic; and potentially significant and unavoidable adverse impacts to land use and planning related to local land use plans for non-forest uses and to mineral resources;

WHEREAS, written comments submitted during the comment period on the draft Standard and Draft EA recommended targeted changes to the Standard to enhance its rigor, transparency, and social and environmental safeguards;

WHEREAS, CARB staff has incorporated modifications to the Standard in response to written comments that further bolster the provisions in the Standard;

WHEREAS, CARB initially considered the Standard at its November 16, 2018, Board hearing, where no formal Board action was taken;

WHEREAS, on July 30, 2019, CARB released additional revisions in response to stakeholder comments discussed during the November 2018 Board hearing as well as input from several members of the Assembly, to further bolster, strengthen, and clarify the Standard. These revisions in the updated Standard, which is included as Attachment A to this resolution, did not alter any of the types of foreseeable compliance responses evaluated or conclusions reached in the Draft EA, introduce new significant effects on the environment, or provide new information of substantial importance relative to the Draft EA. As a result, these revisions did not require recirculation of the draft document for public comment pursuant to the CEQA Guidelines, California Code of Regulations, title 14, section 15088.5, before consideration by the Board;

WHEREAS, CARB staff reviewed written comments received on the Draft EA and prepared a *Final Environmental Analysis Prepared for the California Tropical Forest Standard* (Final EA), which is included as Attachment B to this resolution, and prepared written responses to comments received on the Draft EA in documents entitled *Response to Comments on Draft Environmental Analysis for the Proposed Endorsement of California Tropical Forest Standard* (Response to EA Comments) and *Response to Additional Comments on Draft Environmental Analysis for the Proposed Endorsement of California Tropical Forest Standard* (Response to Additional EA Comments), both of which are included in Attachment C to this resolution;

WHEREAS, on November 9, 2018, CARB staff posted on CARB's webpage the Final EA, and no further changes were required to be made to the Final EA before presenting the Final EA for the Board's consideration at the September 19, 2019, Board hearing;

WHEREAS, on November 9, 2018, CARB staff posted on CARB's webpage the Response to EA Comments and on September 9, 2019, CARB staff posted on CARB's webpage the Response to Additional EA Comments; and

WHEREAS, prior to the duly noticed public hearing held on September 19, 2019, CARB staff provided the Final EA, Responses to EA Comments and Additional EA Comments, and the Standard to the Board for consideration.

NOW, THEREFORE, BE IT RESOLVED that the Board finds that the California Tropical Forest Standard is a rigorous methodology that will support ongoing and new

investments in efforts to reduce deforestation and achieve associated co-benefits of sustainable development, biodiversity and watershed protection, among others.

BE IT FURTHER RESOLVED that the Board finds that the incorporation of the GCF Guiding Principles in the Standard strengthen the requirement that jurisdictions seeking to meet the Standard fully recognize, respect, and include indigenous peoples and local communities in the design and implementation of their sector-based crediting programs.

BE IT FURTHER RESOLVED that the Board endorses the California Tropical Forest Standard, as set forth in Attachment A to this resolution.

BE IT FURTHER RESOLVED that the Board certifies that the Final EA, as set forth as Attachment B to this resolution, was completed in compliance with CARB's certified regulatory program to meet the requirements of CEQA, reflects the agency's independent judgment and analysis, and was presented to the Board whose members reviewed and considered the information therein before taking action to endorse the Standard.

BE IT FURTHER RESOLVED that the Board hereby approves the Responses to EA Comments and Additional EA Comments as set forth in Attachment C to this resolution.

BE IT FURTHER RESOLVED that in consideration of the Final EA and the Responses to EA Comments and Additional EA Comments, the Board adopts the Findings and Statements of Overriding Considerations as set forth in Attachment D to this resolution.

BE IT FURTHER RESOLVED that the Board hereby directs the Executive Officer to transmit the Notice of Decision to the Secretary of the Natural Resources Agency for posting.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to vigorously and proactively monitor the use of the Standard and report to the Board on an annual basis. This monitoring will include assessment of information made publicly available by any jurisdiction using the Standard, continued engagement with the GCF Task Force, and collection and review of information submitted by the Global Committee of Indigenous Peoples and Local Communities of the GCF Task Force, as well as data and information from academics, organizations, and individuals who will be assessing the use and implementation of the Standard as well.

I hereby certify that the above is a true and correct copy of Resolution 19-21 as adopted by the California Air Resources Board.

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Ryan Sakazaki, Clerk of the Board

Resolution 19-21

**September 19, 2019**

**Identification of Attachments to the Board Resolution**

**Attachment A\*:** Revised California Tropical Forest Standard

**Attachment B\*:** Final Environmental Analysis

**Attachment C\*:** Response to Comments on Draft Environmental Analysis for the Proposed Endorsement of California Tropical Forest Standard

**Attachment D:** Findings and Statements of Overriding Consideration

\*Attachments A, B, and C are NOT attached to the proposed resolution; they are simply described on this page.