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 Columbiana (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