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 CO₂ 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.

Ryan Sakazaki, Clerk of the Board
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.
Introduction

The California Air Resources Board (CARB), as the lead agency for the Proposed Endorsement of the California Tropical Forest Standard (Proposed Project), prepared a Draft Environmental Analysis (EA) in accordance with its certified regulatory program (Cal. Code Regs., tit. 17, §§ 60000 – 60008) to comply with the requirements of the California Environmental Quality Act (CEQA) (Pub. Resources Code, §21000, et seq.). The Draft EA, entitled Draft Environmental Analysis prepared for the Proposed Endorsement of the California Tropical Forest Standard provided an analysis of the potential environmental impacts associated with the implementation of the Proposed Project. Following circulation of the Draft EA for a 45-day public review and comment period from September 14, 2018, through October 29, 2018, CARB prepared the Final Environmental Analysis prepared for the Proposed Endorsement of the California Tropical Forest Standard (Final EA) which includes minor revisions to the Draft EA. While minor modifications have been made to the Final EA to ensure it reflects the Proposed Project as accurately as possible, these changes merely clarify, amplify, or make insignificant modifications to the otherwise-adequate Draft EA. Therefore, no significant new information requires the Final EA to be recirculated. The Final EA was posted on CARB’s webpage on November 9, 2018, and again on September 9, 2019. This statement of findings and overriding considerations was prepared to comply with CEQA’s requirement to address the environmental impacts identified in the Final EA. (Pub. Resources Code, §§ 21081, 21081.6, Cal. Code Regs, tit. 14, §§ 15091, 15093.)

The Final EA provides a programmatic analysis of the potential for adverse environmental impacts associated with implementation of the Proposed Project and describes feasible mitigation measures for identified significant impacts. As described in Chapter 4 of the Final EA, implementation of the Proposed Project may indirectly lead to adverse environmental impacts as a result of reasonably foreseeable compliance responses. Therefore, the Final EA discloses the potential significant adverse impacts and beneficial impacts of the reasonably foreseeable compliance responses for implementing the Proposed Project based on currently available information, without being speculative. Because the specific location, extent, and design of potential new sector-based crediting programs seeking to meet the standard in the Proposed Project cannot be known at this time, the impact discussions reflect a conservative assessment to describe the type of effects that may occur. These impact discussions are followed by the types of mitigation measures that could typically be required to reduce potentially significant environmental impacts. It is expected that many of the identified potentially significant impacts can be feasibly avoided or mitigated to a less-than-significant level through jurisdiction-level environmental review associated with compliance responses and the attendant compliance with local, regional, and other laws and regulations. Nonetheless, in the interest of informed decision making, the Final EA takes a conservative approach for CEQA compliance purposes. Namely, to avoid any risk of understating an impact at this early planning stage, the Final EA presents conclusions for post-mitigation significance of these indirect impacts as significant and unavoidable where there is the possibility that
feasible mitigation either may not be sufficient or there is some risk it may not be implemented by third parties with the authority to approve actions undertaken as foreseeable compliance responses.

The Final EA concluded that the reasonably foreseeable compliance responses associated with the Proposed Project could result in the following short-term and long-term beneficial and adverse impacts: beneficial impacts to air quality and greenhouse gases; no impact to aesthetics, biological resources, cultural resources, energy demand, geology and soils, hazards and hazardous materials, hydrology and water quality, noise, recreation, and utilities and service systems; less-than-significant impacts agriculture and forest resources, population employment, and housing, public services, and transportation/traffic; and potentially significant and unavoidable adverse impacts to land use planning related to local land use plans for non-forest uses and to mineral resources.

CARB’s certified regulatory program requires that before adoption of an action for which significant adverse environmental impacts have been identified during the review process, CARB consider feasible mitigation measures and alternatives that could substantially reduce the impacts. (Cal. Code Regs, tit. 17, §60006.) CEQA places the burden on the approving agency to affirmatively show that it has considered feasible mitigation and alternatives that can lessen or avoid identified impacts through a statement of findings for each identified significant impact. (Pub. Resources Code, §21081.) CEQA Guidelines section 15091 provides direction on the content of the statement of findings. That section states that one or more of the following findings should be identified for each impact:

- Changes or alterations have been required in, or incorporated into, such projects which avoid or substantially lessen the significant environmental effect as identified in the final environmental impact report.
- Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency, or can and should be adopted by such other agency.
- Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the environmental impact report.

The potential adverse impacts identified in this programmatic level Final EA are potential indirect impacts associated with the compliance responses reasonably foreseeable in response to implementing the Proposed Project based on currently available information. The authority to determine jurisdiction-specific impacts of sector-based crediting programs carried out by third party implementing jurisdictions and the ability to require feasible mitigation lies with those jurisdictions with authority to approve such actions, e.g., national, state or provincial permitting authorities. CARB does not have the ability to determine with any specificity jurisdiction-specific impacts since no jurisdiction is specifically identified in the Proposed Project, nor the authority to require jurisdiction-specific mitigation for these types of actions in approving the Proposed Project, as discussed in the findings below.
An agency may approve a project with unavoidable adverse environmental impacts. When doing so, CEQA requires the agency to make a statement in the record of its views on the ultimate balancing of the merits of approving the project despite the environmental impacts in a “statement of overriding considerations” (Pub. Resources Code, §21081(b); Cal. Code Regs, tit. 14, §15093.) The following presents the Board’s statement of findings for each significant adverse impact identified in the Final EA, accompanied by a brief explanation, and its statement of overriding considerations.

STATEMENT OF FINDINGS

The Board has independently reviewed and considered the entire record, including the information contained in the Final EA, public testimony, and written comments received, all of which are hereby incorporated by reference. The Board makes the following written findings for each significant adverse impact identified, accompanied by a brief explanation of the rationale for each finding. These findings are supported by substantial evidence in the record. Please note that only the compliance responses leading to potentially significant and unavoidable impacts are included for each resource area below. For a complete discussion of the compliance responses relevant to each resource area, please see Chapter 4 of the Final EA.

Land Use and Planning

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Proposed Project could result in potentially significant long-term operational impacts on land use and planning. The reasonably foreseeable changes to land uses would effectively limit degradation of the existing environment and would be intended to result in: forest protection, forest management and forest production processing and marketing, and increased sustainable agriculture, ranching, silviculture, and agroforestry activities associated with the restoration of degraded areas, so as to value forests and reduce pressure for deforestation of new areas. This could result in some changes to existing land uses related to activities such as improved efficiencies on cattle ranches and other types of agricultural lands. Overall, establishing a standard for assessing programs that reduce emissions from tropical deforestation would incentivize retention of more forest land, compared to what otherwise may reasonably occur, as motivated by existing local economic conditions. Dedicating land to continuous forest cover could prevent planned non-forest land uses from occurring; therefore, efforts to reduce emissions from tropical deforestation could conflict with local land use plans.

The Final EA includes Mitigation Measure 11-1, which identifies that before implementing a sector-based crediting program pursuant to the Proposed Project, the implementing jurisdiction shall review all applicable land use plans, regulations, and policies, and shall amend such plans, regulations, and policies as appropriate to ensure program implementation is consistent with all applicable requirements and goals of the standard.

Impacts may be reduced to a less-than-significant level by the implementing jurisdiction’s conditions of approval at a later stage. But at this stage, the Board lacks full details on the design of potential programs and associated required mitigation. Consequently, the Board...
takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Project would be potentially significant and unavoidable. This impact is overridden by the Proposed Project’s benefits as set forth in the statement of overriding considerations.

Mineral Resources

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Proposed Project could result in potentially significant long-term operational impacts on mineral resources. The reasonably foreseeable changes to land uses would effectively limit degradation of the existing environment and would be intended to result in: forest protection, forest management and forest production processing and marketing, and increased sustainable agriculture, ranching, silviculture, and agroforestry activities associated with the restoration of degraded areas, so as to value forests and reduce pressure for deforestation of new areas. Establishing a standard would economically encourage a decrease in deforestation and forest destruction, which would more effectively protect natural landscapes in the region. However, it is reasonably foreseeable that existing forested landscapes could contain known mineral resources of economic significance. While some types of mineral resource recovery are less disruptive to forestry uses than others, implementation of the Proposed Project could inhibit the availability of mineral resources by, for example, placing restrictions on parcels that would preclude mineral resource recovery.

The Final EA includes Mitigation Measure 12-1, which identifies that before implementing a sector-based crediting program pursuant to the Proposed Project, the implementing jurisdiction shall consider the jurisdiction’s potential for mineral extraction, as well as the potential for that extraction to conflict with the requirements and goals of the Proposed Project. The Board finds that the authority to determine jurisdiction-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as implementing jurisdictions. Because the authority and responsibility to determine jurisdiction-specific impacts and mitigation lies with implementing jurisdictions for individual sector-based crediting programs, and the programmatic level of analysis associated with the Final EA does not attempt to address sector-based crediting program-specific details of mitigation since no jurisdiction is specifically identified in the Proposed Project, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by the implementing jurisdiction’s conditions of approval at a later stage. But at this stage, the Board lacks full details on the design of potential programs and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Project would be potentially significant and unavoidable. This impact is overridden by the Proposed Project’s benefits as set forth in the statement of overriding considerations.

Cumulatively Considerable Impacts

The Final EA takes a conservative approach and concluded the Proposed Project could result in a cumulatively considerable contribution to significant cumulative impacts to
aesthetics, agricultural and forest resources, land use planning, mineral resources, population, employment and housing, public services, and transportation and traffic. While suggested mitigation is provided within the respective resource areas of the Final EA analyses that could address the contribution of the Proposed Project to each of these potentially cumulatively considerable impacts, the Board finds that because these adverse impacts are potential indirect impacts associated with the compliance responses, and because CARB lacks general land use or permitting authority, the authority to determine sector-based crediting program specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as the implementing jurisdictions. Public agencies with authority can and should implement the identified measures to the degree feasible.

Consequently, while cumulative impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the cumulatively considerable contribution of the Proposed Project to existing significant cumulative impacts to aesthetics, agricultural and forest resources, land use planning, mineral resources, population, employment and housing, public services, and transportation and traffic to be potentially significant and unavoidable.

**Findings on Alternatives to the Project**

In addition to the No-Project Alternative, the Final EA considered a reasonable range of potentially feasible alternatives that could potentially reduce or eliminate the significant adverse environmental impacts associated with the Proposed Project, while accomplishing most of the basic project objectives.

The Board finds the alternatives analysis is sufficient to inform the Board and the public regarding the tradeoffs between the degree to which the alternatives could reduce environmental impacts and the corresponding degree to which the alternatives could achieve the project objectives. Further, the Board finds that none of the alternatives discussed in the Final EA is clearly environmentally superior, and the discussion of the environmental advantages and disadvantages of each alternative in comparison to the proposed scenario is sufficient to inform the Board of alternative options under CEQA.

Based upon a full evaluation of the alternatives, and the entirety of the record, the Board finds that adoption and implementation of the Proposed Project is the most desirable, feasible, and appropriate action for achieving the objectives of the project, and the Board rejects the other alternatives because they either fail to meet most project objectives, or are infeasible based on consideration of the relevant factors identified in the Final EA and briefly described below:

**Alternative 1: No Project Alternative**

Alternative 1 in the Final EA describes a reasonably foreseeable scenario if CARB did not endorse the Proposed Project. Implementation of the No-Project Alternative would avoid the conservatively-designated significant and unavoidable impact to mineral resources availability and land use planning identified in Chapter 4 of this Draft EA that is associated with incentivizing protection of international rainforests from deforestation. The No-Project Alternative would also result in increased deforestation when compared to the Proposed
Project. Overall, establishing a standard for assessing programs that reduce emissions from tropical deforestation would incentivize retention of more forest land, compared to what otherwise may reasonably occur, as motivated by existing local economic conditions. Thus, the No Project Alternative would result in substantially more potentially significant impacts than the Proposed Project. The No Project Alternative would result in potentially significant adverse impacts to aesthetics, agriculture and forestry resources, air quality, biological resources, cultural resources, energy consumption, GHG emissions, geology and soil resources, hydrology and water quality, land use and planning, noise, population, housing and employment, public services, recreation, transportation and traffic, and utilities and service systems.

The Board finds that this alternative would fail to meet the project objectives listed in Chapter 2 of the Final EA. Most importantly, the No-Project Alternative would not provide for the endorsement of the California Tropical Forest Standard for assessing programs that reduce emissions from tropical deforestation (Objective 3). The No-Project Alternative would also fail to facilitate integrated GHG reduction programs (Objective 1), as well as fail to incentivize reductions from tropical deforestation (Objective 2) and fail to ensure rigorous social and environmental safeguards (Objective 4). Additionally, the No-Project Alternative would fail to establish a jurisdiction-scale model for others to use (Objective 5) and would not support important actions needed to meet long-term climate goals (Objective 6). Compared to the Proposed Project, the No Project Alternative would reduce California’s ability to help address tropical deforestation, which is recognized as one of the most environmentally damaging contributors to long-term climate change. For these reasons, the Board rejects this alternative.

Alternative 2: Endorse California Tropical Forest Standard That Includes Project-Based Criteria, Instead of Jurisdictional Sector-Based Crediting Program Criteria

- Under Alternative 2, the Board would endorse a standard that establishes criteria for a project-based approach to addressing emissions from tropical deforestation rather than the Proposed Project, which establishes criteria for assessing a jurisdictional approach to addressing emissions from tropical deforestation. This approach would provide criteria for assessing individual projects, rather than an entire jurisdiction-scale program.

Under Alternative 2, the environmental impacts would be similar to those of the Proposed Project, except they may reduce the impacts to land use and planning, because the scale of assessment would be reduced to the project-scale and could therefore consider consistency with land use plans at a more specific level. While this may on its face appear to be beneficial, it would also reduce the ability of the standard to achieve larger-scale reductions and benefits to agriculture and forestry resources and GHG emissions.

The Board finds that Alternative 2 fails to meet many of the project objectives listed in Chapter 2 of the Final EA. Most importantly, Alternative 2 would not provide for the endorsement of the standard for assessing programs that reduce emissions from tropical deforestation at the jurisdiction scale, and therefore, may not be as effective at reducing the potential for leakage or ensuring broader scale climate benefits (Objective 3). This
alternative also would not establish a jurisdiction-scale model for other programs to use (Objective 5). For the above reasons the Board rejects this alternative.

**Alternative 3: Endorse California Tropical Forest Standard That Does Not Seek to Disincentivize Mineral Resource Extraction**

Under Alternative 3, the Board would endorse a standard that establishes criteria for sector-based crediting programs to address emissions from tropical deforestation in the same fashion as the Proposed Project, except the standard would not specifically attempt to result in reduced mining and mineral extraction.

The environmental impacts of Alternative 3 would be similar to those of the Proposed Project, except they may reduce impacts associated with limiting availability of mineral resources, as projects under such a program could be assessed to determine if mineral extraction would be hampered by the proposed action. While this may on its face appear to be beneficial, it would also reduce the ability of the standard to minimize leakage caused by deforestation activities associated with mineral extraction, and would thereby not provide the same benefits to forestry resources and GHG emissions as contemplated by the Proposed Project. In addition by allowing mineral extraction to continue it would result in potentially significant adverse impacts to many other resource areas as a result of mining, such as agriculture and forestry resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous waste, and hydrology and water quality to name a few.

The Board finds that while Alternative 3 would meet the most of the project objectives it would fail to meet the Objective 4 as effectively as the Proposed Project. The Proposed Project specifically identifies a reduction in expansion of mineral extraction as one mechanism to demonstrate strong social and environmental safeguards. Alternative 3 would remove those criteria and would not ensure the same rigor vis-à-vis Objective 4 as the Proposed Project. Alternative 3 would also result in potentially significant adverse impacts to other resource areas, such as, agriculture and forestry resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials and hydrology and water quality as a result of mining. For these reasons, the Board rejects this alternative.

**STATEMENT OF OVERRIDING CONSIDERATIONS**

CARB expects that many of the significant adverse impacts identified in the Final EA will be avoided or mitigated; however, since uncertainty exists as to the extent of mitigation that other agencies will require at the jurisdiction-specific level, the Board is conservatively considering the impacts to be significant and unavoidable. The Board finds that despite the potential for adverse environmental impacts associated with the Proposed Project, other benefits of the proposed actions are determined to be overriding considerations that warrant approval of the Proposed Project and outweigh and override its unavoidable significant impacts. Each benefit set forth below constitutes an overriding consideration warranting approval of the project, independent of the other benefits, despite each and every unavoidable impact. These benefits include:

1. Large-scale reductions of greenhouse gas emissions from one of the largest sources of emissions globally;
2. Bolstering efforts to meet long-term climate goals as established in the Paris Agreement to the United Nations Framework Convention on Climate Change;

3. Increased transparency, public participation, and rigor of large-scale programs to reduce deforestation and resulting emissions;

4. Active engagement with indigenous peoples and local communities in the design, implementation, enforcement, and benefit sharing of sector-based crediting programs to protect tropical forests by recognizing and safeguarding rights, and facilitating low emissions development initiatives;

5. Emission reduction programs tailored to each implementing jurisdiction, but with the same overall level of transparency, rigorous accounting, public data access, and implementation criteria;

6. A replicable model that tropical forest jurisdictions and emission reduction programs (including emissions trading systems, payment-for-performance mechanisms, and sustainable sourcing initiatives) can immediately utilize;

7. Mechanisms to allow CARB, third-party verification bodies, other emission reduction programs, and the public to determine if an implementing jurisdiction’s sector-based crediting program is effective through measurable outcomes, metrics to track progress, and publicly available annual reports;

8. Protection of globally important habitats and biodiversity; and

9. Increased confidence in the ability of jurisdiction-scale tropical forest protection programs to attract necessary financing to ensure long-term protections of a globally-important carbon sink.

LOCATION AND CUSTODIAN OF THE RECORD

The documents and other materials that constitute the record of proceedings on which these findings are based are located at 1001 I Street Sacramento, CA 95814. The custodian for these documents is the California Air Resources Board Legal Office.