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California Air Resources Board

1001 I Street

Sacramento, CA 94814

**RE: Support: High-Quality International Forest Offsets**

ClimateChange Scoping Plan, October 2008 (V-A-2; p. 114 ff)

Dear Chairman Nichols and Board Members,

I wish to congratulate you on the vision and breadth of the AB 32 scoping plan outlining California's strategy to achieve the 2020 greenhouse gas emissions limit. Actions from all sectors and levels of government are needed to meet the tremendous challenge of redirecting the world's climate path.

I especially wish to endorse the cautious opening of California’s potential GHG market to high-quality emission reduction offsets from developing nations that have committed to a meaningful greenhouse gas program. Governor Schwarzenegger's recent Climate Summit clearly shows that many developing countries are ready to participate in climate solutions in ways that recognize their "common but differentiated responsibilities" and their present stage of development.

One of California's important contributions to the world can be:

1. establishing high standards for international offsets;
2. incentivizing the participation of developing nations in climate actions by recognizing offset projects under appropriate rules and in defined amounts.

Offering potential entry to the California market will send the right signals to developing countries to:

* expand their emission reduction efforts;
* support their sub-national governments in upholding high standards in face of proposals for bogus projects; and
* reinforce requirements for rigorous offset protocols that provide real additionality, third-party verification, transparent registration and tracking of credits, and all other criteria that define legitimate offsets.

Providing opportunity to participate in California-eligible markets (however they may develop) will incentivize those willing to participate while setting a high standard for entry.

***International Forest Offsets*:**

Particularly in the forest sector, a closing of the California market to legitimate offshore forest projects would send an outdated signal that runs counter to current international efforts to stem tropical deforestation and forest degradation. The UNFCCC Bali Action Plan sent a clear message to develop methods and equitable payment schemes to avoid forest loss. Many donor nations, the World Bank, FAO, the UN Forum on Forests, and a long list of non-governmental organizations are keenly focused on developing "REDD" recommendations (*Reduced emissions from deforestation and forest degradation*) to include in the 2012 post-Kyoto climate agreement. The REDD discussions have expanded to include both avoided land conversion and promotion of sustainable forest management (SFM) -- both desperately needed.

Certification systems have developed in recent years establishing criteria for rating the legitimacy of forest offsets. These are rapidly converging into standards that meet “pre-compliance” quality, meaning they are preparing to move from the current voluntary market to a post-2012 compliance market. The international Voluntary Carbon Standards (VCS) Association has recently recognized the offset program of the California Climate Action Registry, the CCAR protocols and Climate Reserve as meeting its standards. Given the small number of qualifying forest projects and still-developing experience, this recognition is – appropriately -- not yet reciprocal by CCAR.

However, while ARB is not ready to adopt the details of a cap-and-trade program at this time, it sends a positive and useful message in the Scoping Plan that California will be willing to consider some international forest offsets in its market design. This will stimulate capacity building in developing nations and give reason to strive for high quality projects.

The recent forestry MOU signed by six Governors from Brazil, Indonesia and three U.S. states, including California, calls for technical cooperation and assistance to:

“…develop rules to ensure that forest-sector emissions reductions and sequestrations, from activities undertaken at the sub-national level, will be real, measurable, verifiable and permanent, and capable of being recognized in compliance mechanisms of each party's state, provincial, regional, national or international programs such as the State of California's Global Warming Solutions Act (Assembly Bill 32), Midwestern Greenhouse Gas Accord, Western Climate Initiative, Regional Greenhouse Gas Initiative, or other initiative…”

The Scoping Plan (pp. 114ff) links directly with this MOU in opening the possibility for future international forest offsets. As REDD and a California market develop, stakeholders and ARB can further specify details and safeguards. In the meantime California can join the rest of the international community in recognizing that emissions from global deforestation and forest degradation can no longer be ignored, and offering positive incentives in the form of technical cooperation and potential market access.

Thank you for your relentless hard work in pushing global climate actions forward. I urge your endorsement of this key proposal in the Scoping Plan.

Sincerely,

Andrea Tuttle