California Air Resources Board August 29, 2019

1001 I Street

Sacramento, CA95814

Dear California Air Resources Board members and staff,

In November 2018, geographers and other social and conservation scientists [submitted a letter](https://www.arb.ca.gov/lists/com-attach/127-tfs2018-UDoFbFU9Az4LeQcq.pdf) detailing our concerns about California’s Tropical Forest Standard (TFS). It was signed by over 110 scholars, all of whom have conducted empirical research on carbon offsets, payment for environmental services (PES), and REDD+. In the letter, we raised several key concerns. We discussed the environmental integrity problems of permanence, additionality, and leakage that were not addressed in the revised TFS and which could result in the issuance of “false credits” that fail to balance the increase in emissions by facilities that use those credits.

We pointed out the inability of carbon markets, due to their low and volatile prices, to address the primary drivers of tropical deforestation: large-scale production of soy, palm oil, beef, minerals, and timber. We expressed concerns about the social impacts on local and Indigenous communities and the inability of safeguard standards to ensure that these communities are protected, drawing on experience with similar safeguards that have not been effective and can be little more than box-ticking exercises. In our discussions with legislators and CARB staff, we have explained why none of these serious problems are resolved by the construction of “jurisdictional” offset-generating programs.

Due to these concerns raised by academic scientists, environmental and climate justice organizations, and representatives from Indigenous and local communities who provided hours of testimony at the November CARB meeting, Chair Mary Nichols requested direction from the California legislature. The Joint Legislative Committee on Climate Change has failed to take up the TFS formally. However, following an informal stakeholder consultation process, four Assembly members submitted a letter to Chair Nichols and Executive Officer Corey cautiously recommending that CARB endorse the TFS.

This recommendation was conditional on CARB’s commitment to “vigorous and proactive monitoring of any jurisdiction that decides to utilize it.” They write: “By endorsing the TFS, the Board is taking a position on an internationally-contested strategy, and as such must consciously and enthusiastically take on the responsibility of ensuring that our actions do not do further harm to our important, shared goals of preventing catastrophic climate change….. Such responsibility is implicit in an endorsement action…”.[[1]](#footnote-1)

On July 30, 2019, CARB introduced a set of changes to the TFS text that will be considered for approval in September 2019. However, after our thorough review of the document, it is clear that no substantive changes have been made to the TFS that in any way address raised concerns. The changes made only reiterate, or explain the motivation for, requirements that were already in the earlier draft standard.

Our concerns about CARB’s proposed endorsement of the TFS focused on specific weaknesses of the standard with regard to leakage, permanence, additionality, effectiveness at addressing the drivers of deforestation, protection against social harms, and the inherent challenges with monitoring the implementation of the standard to ensure that it is actually being met by any jurisdictions choosing to use it. We also expressed our concern that by endorsing the standard, California is putting our reputation behind a type of standard that has largely failed in the past and is vulnerable to lenient interpretations by other jurisdictions.

Expanding California’s monitoring responsibility to any jurisdiction in the world that chooses to use this standard would require a massive investment of resources. To ensure that the TFS produces real, additional emissions reductions without harming local and Indigenous communities, CARB would need to have substantial on-the-ground staff, with experience in rural conservation and development, who are financially disinterested in program outcomes, in every participating jurisdiction, along with an ongoing relationship with Indigenous federations and local community organizations that could help monitor impacts. These staff investments would need to build and maintain understanding of the implementation and effects of forest policies and programs and of the drivers of deforestation, to assess the effectiveness of the program at addressing those drivers, efforts to contain leakage, effects of the program on communities, implementation of safeguards, and the likelihood that the selling or purchasing jurisdiction will replace credited reductions if deforestation rates exceed credit buffers. In practice, CARB has not proposed to do this oversight.

The Assembly-members themselves recognize in their letter that “Concerns raised about additionality, permanence, leakage, verification, and human and indigenous rights in the first meeting still remained in the final meeting.” And that “[w]hile many improvements to the TFS have been made to account for lessons learned from similar mechanisms, there is still a lot of uncertainty on whether the TFS will be successful in protecting forests and the people who inhabit them.” These alone are reasons not to endorse the TFS in September. Since California has no diplomatic relationship with any jurisdiction to allow for formal enforcement, strict monitoring alone is the strategy recommended to hold jurisdictions accountable. However, California has not committed to the large investments in staff time, CARB resources, and staff expansion to include those with the necessary expertise and experience needed to monitor TFS implementation and therefore does not achieve the Assembly letter's standards.

Most sincerely,

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1. Letter from California Assemblymembers Eduardo Garcia, Richard Bloom, Ash Kalra, and Eloise Reyes to Chair Mary Nichols and Richard Cory of California Air Resources Board. June 17, 2019. [↑](#footnote-ref-1)