



September 2, 2016

Governor Edmund G. Brown, Jr
c/o State Capitol, Suite 1173
Sacramento, CA 95814

Re: Tropical forest protection in AB 32

Dear Governor Brown:

On behalf of the National Wildlife Federation, we are writing to support the continuation and advancement of California's Cap-and-Trade program. More specifically, we urge the adoption of the proposed amendments to the cap-and-trade and market-based compliance mechanisms regulation.

In addition, we are pleased that the state's Air Resources Board intends to consider the inclusion of greenhouse gas (GHG) reductions from tropical forests in subsequent amendments. Pursuing tropical forest credits will demonstrate California's continued commitment to practical solutions in the fight to mitigate and adapt to our changing climate. The program will not only act as a testament to your climate leadership but will also serve as a model for the inclusion of forests in future international carbon markets. As you well know, climate change is no longer an abstract future threat but is a real and present danger to ecosystems and people. Offsets from tropical forests are essential components in a comprehensive effort to reduce the worst impacts of climate change, and a successful California program can boost the prospects for gearing up a global REDD+ program.

Tropical forests play a particularly important role in stabilizing atmospheric emissions because they are the main source of terrestrial carbon emissions¹, they contain massive biomass carbon stocks², and improved land management policies likely can be implemented faster than a transition away from carbon intensive energy production.

California is a pioneer in the realm of international climate change and forest policy and is therefore in a unique position to incorporate REDD sector-based offset credits into its cap-and-

¹ Forests and other land-use change (FOLU) activities accounted for about 4.3-5.5 Gt CO₂eq/yr (8.6% - 11%) (IPCC AFOLU).

² Combined above- and below-ground carbon stocks are estimated to be greater than 500 Pg C, about a half of the total carbon stored in known fossil fuel reserves (Houghton et al. 2015).

trade program in future amendments. This will send a positive market signal to tropical forest regions around the world that, after so many years of discussions, the world is starting to gear up to fulfill the promises of REDD+.

While National Wildlife Federation supports the inclusion of REDD offsets in California's cap-and-trade scheme, we also understand the concerns expressed by environmental justice groups in California. If and when California links with international tropical forest offset programs, we believe that the market based mechanism must be approached with a social justice policy framework. This is essential in the arena of climate change, since global warming disproportionately affects the poor, as has been well documented in the scientific literature.³ Many experts agree that poverty is a primary stressor which can increase vulnerability to climate change because poor communities have the highest levels of exposure to climate hazards yet have the lowest capacity to cope and adapt to these changes.⁴ In fact, the World Bank estimates that the poorest populations will bear 75-80% of the costs and damages caused by future climate changes.⁵

Many polluting industries, especially large emitters of GHG gases, are located in poor and disadvantaged communities. Therefore, we recommend that an expansion of California's cap-and-trade system to include forests be accompanied by clarification, and increased enforcement where needed, of site specific measures within California which have tangible health benefits for at-risk communities. This would include, for example, application of mercury rules to restrict emissions from individual power plants.

Moreover, the National Wildlife Federation urges that the overall cap-and-trade program distribute substantial portions of the revenues resulting from offsets to vulnerable populations within California, so they can address environmental and social priorities pertinent to their communities.

We advocated for many years in the global climate change negotiations to include social and environmental safeguards within the provisions for REDD+, which are now embodied in the Paris Agreement. Therefore our support for a California tropical forest offset program is predicated on the inclusion of similar safeguards there, as part of the policy framework, not as voluntary guidelines.

The tropical forest jurisdictions involved in the cap-and-trade Program are mostly impoverished themselves. Yet they worked hard for many years to develop deforestation reduction programs, without much in the way of financial support, in the hope that the international community is

³ Leichenko, R., & Silva, J. A. (2014). Climate change and poverty: vulnerability, impacts, and alleviation strategies. *Wires: Climate Change*, 5(4), 539. Retrieved from doi:10.1002/wcc.287

⁴ Intergovernmental Panel on Climate Change (IPCC).

Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation. New York: Cambridge University Press; 2012, 594.

⁵ <https://openknowledge.worldbank.org/bitstream/handle/10986/20639/WPS7126.pdf?sequence=1>

serious about REDD+. California's new program has the potential to prove the viability of REDD+, and provide early incentives toward its expansion under the Paris Agreement in the near future.

We hope that California adopts the proposed amendments, and will once again be the front-runner on climate change policy. And we will continue to work with you toward a linkage between tropical forest offsets and the state's cap-and-trade regime.

Thank you for your continued leadership on climate action.

Sincerely,

A handwritten signature in black ink that reads "Barbara Bramble". The signature is written in a cursive style with a large initial 'B' and a long, sweeping underline.

Barbara J. Bramble

Vice President, International Conservation and Corporate Strategies

National Wildlife Federation