

28 August 2019

Members of the Board  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814  
USA

RE: Support for the revised California Tropical Forest Standard

Dear Members of the California Air Resources Board:

I am writing to endorse the revised California Tropical Forest Standard (TFS).

I am a Policy Fellow at Motu Economic and Public Policy Research, an independent, non-profit research organisation based in Wellington, New Zealand (<http://motu.nz>). Motu does not take an organisational position on issues, and my views are provided in an individual capacity.

My specialisation is market-based mechanisms supporting climate change mitigation, including emissions trading, project-based crediting, and sectoral crediting. Through policy positions in the US and New Zealand, I have worked on issues relating to crediting the climate change benefits from forestry activities since 1995 in the context of the UN Framework Convention on Climate Change, Kyoto Protocol, and Paris Agreement. In New Zealand, I was among the core group of officials who designed the New Zealand Emissions Trading Scheme, the only system in the world which includes forestry as an obligated sector for deforestation as well as a source of afforestation credits. I also served as New Zealand's Kyoto carbon markets negotiator under the UNFCCC in 2008 and 2009. More recently, I have been involved in an international collaboration to develop the "Climate Teams" model for transferring mitigation outcomes between countries (for more information, see <http://climateteams.org/>).

Deforestation and forest degradation are significant contributors to climate change and impose additional environmental, economic, social, and cultural damages. Solutions are urgently needed at large scale. Carbon market mechanisms can incentivise forest conservation by enabling landowners to capture economic value from sustaining forests' climate benefits. To be effective, such mechanisms must ensure credited climate benefits have environmental and social integrity.



In my view, the revised TFS provides a comprehensive, technically sound, and policy-relevant basis for assessing jurisdiction-scale programs that reduce emissions from tropical deforestation and degradation. The strengths of the proposed approach include:

- Application at a jurisdictional (and potentially national) scale, with the flexibility to accommodate nested projects
- A focus on diverse native forests with exclusion of monocultures or industrial plantations
- Transparent and publicly available documentation of programmatic elements in sector plans
- Provisions to ensure environmental integrity by managing and mitigating activity-shifting and market-shifting leakage and safeguarding permanence through the use of risk-based buffer pools
- Definition of a reference level based on historical emissions over a ten-year period, and a crediting baseline that begins at least 10 percent below the reference level to ensure additionality of credited reductions beyond the implementer's "own effort"
- Requirements for public participation involving all relevant stakeholders, including indigenous peoples, local communities and other forest-dependent communities, and adherence to internationally recognised environmental and social safeguards
- Specifying requirements for monitoring and reporting consistent with leading international protocols; third-party verification of emissions data, environmental and social safeguards, and sector plans; and regulatory oversight
- Provisions to avoid double counting in the event sector-based offset credits are recognised by an emissions trading system.

In addition to ensuring the integrity of any future credits recognised under California's Cap and Trade Program, the revised TFS can serve as a valuable role model for other jurisdictions seeking to invest in avoiding deforestation and forest degradation.

Sincerely,



Catherine R. Leining  
Policy Fellow

