## **United Nations Development Programme**



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

Dear Board Members,

The United Nations Development Programme commends the recognition that California is giving to the critical climate change mitigation role played by tropical forests, through the proposed California Tropical Forest Standard (CFTS).

Nature-based climate solutions, particularly forest-related actions, can deliver approximately a third of the cost-effective CO2 mitigation needed through 2030 to keep warming well below 2 degrees C. Within this package of solutions, reducing deforestation provides the single largest opportunity to generate emission reductions.

Subnational jurisdictions have enormous potential to contribute to global efforts to reduce deforestation and mitigate climate change, with a number of states and provinces already building effective programs to protect forests and enhance other social and environmental benefits. States and provinces serve as innovators, providing models for programmes and policies that can be scaled up to the national level. We applaud California for providing a strong incentive for enhanced action in tropical forests at the subnational level, through the CFTS.

Overall, we find that the main features and characteristics of the Standard lay a solid foundation for a robust system which ensures that there are real, additional emission reductions, environmental integrity is maintained, and social and environmental safeguards are fully addressed. This includes, for example, the call for consistency with the IPCC Guidance on greenhouse gas inventories as international best practice for estimation of GHG emissions and removals as well as the provisions to address the risks of non-permanence and leakage.

We note below a few areas where the draft CFTS could be improved with straightforward additions or revisions. We do not, however, think such revisions merit a delay in the adoption of the Standard.

Regarding the requirement that the reference period shall end no earlier than 24 months prior to linkage, which is first referred to in Chapter 1.2 of the Standard, we suggest a revision. Given our experience

supporting countries to meet the eligibility requirements for REDD+ results-based payments under the UNFCCC, we recommend extending this 24-month period requirement to accommodate the following activities which often require additional time: (1) integration of new data into the reference level; (2) coordination with the national level, obtaining approvals and conducting reconciliation or alignment, as needed; and (3) stakeholder consultations, including any official validation of the reference level.

We propose that the 24 months be replaced with 48 months, in order to allow for the required technical work as well as the processes expected to follow. With this revision to the time requirement, the rigor would be maintained, ensuring that the reference period is still representative of recent past, while also having requirements that are sufficiently practical to be operationalized by jurisdictions.

With regard to Chapter 10. Social and Environmental Safeguards, UNDP welcomes the Standard's commitment to ensuring a robust application of social and environmental safeguards in design and implementation of jurisdictions' sector plans, including the full participation and engagement of relevant stakeholders. We propose a few modifications to improve the section. Firstly, in order to strengthen alignment with the UNFCCC decisions and national approaches to REDD+ safeguards, it is recommended to include references and linkages to the three key UNFCCC safeguard requirements<sup>1</sup>, where appropriate. Secondly, regarding the standard benchmark that a sector plan must demonstrate consistency with, it is recommended to include references to other sets of standards<sup>2</sup> that have been recognized as fully addressing the key principles of the Cancun safeguards and that also provide a more operational framework for their application. Finally, it is recommended to further refine the definitions of forest-dependent communities and indigenous peoples, in line with international best practice<sup>3</sup>.

We very much appreciate the opportunity to provide inputs on the proposed CTFS and commend California's leadership in this area.

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<sup>&</sup>lt;sup>1</sup> Namely: 1) **promote and support the Cancun safeguards** throughout the implementation of REDD+ actions; 2) develop a **system for providing information** on how the Cancun safeguards are being addressed and respected ("safeguards information system" (SIS)); and 3) provide **summaries of information** (SOI) on how all the Cancun safeguards are being addressed and respected throughout the implementation of REDD+ actions.

<sup>&</sup>lt;sup>2</sup> For example, <u>IFC Performance Standards</u> (used by the Green Climate Fund), <u>Forest Carbon Partnership Facility</u> (<u>FCPF</u>) <u>Common Approach to Environmental and Social Safeguards</u> (includes the safeguards of the <u>World Bank</u> and <u>the United Nations Development Programme</u>), and the <u>Legal Matrix - Demonstrating consistency with Cancun and UNDP Safeguards</u>.

<sup>&</sup>lt;sup>3</sup> See, e.g. Annex 1 and Endnotes 1 and 2 of the <u>UN-REDD Guidelines on Free, Prior and Informed Consent (FPIC)</u> (2012).