**To: California Air and Resources Board**

**From: Daniel Nepstad, PhD, Executive Director and Senior Scientist, Earth Innovation Institute; Maria DiGiano, PhD, Anthropologist and Scientist at Earth Innovation Institute; Jack Horowitz, Research and Program Assistant, Earth Innovation Institute**

Earth Innovation Institute (EII) would first like to commend the California Air Resources Board (ARB) on submitting the proposed amendments to the cap-and-trade program – a critical step forward in achieving SB 32’s newly legislated target of reducing statewide emissions 40% below 1990 levels, signed into law by Governor Brown earlier this month. In order to achieve this ambitious target, it is likely that further policy innovations will be needed[[1]](#footnote-1); one important provision that will help ensure the state achieves the goals of SB 32 is the International Sector Based Offset program (IOP) currently under review.

EII writes in strong support of the IOP as a cost-effective mechanism to achieve California’s new 2030 statewide emissions reductions target, while multiplying the benefits of California’s vanguard climate action agenda beyond its borders to tropical forest jurisdictions. The IOP would support linkages between California and regions critical to global climate regulation, including Brazilian Amazon states of Acre and Mato Grosso which account for more than two billion tons of CO2 emissions reductions over the past ten years, providing much needed financial support to stave off rising deforestation rates. While some states are better positioned/prepared than others for linkage to California, the enactment of IOP would provide a much-needed signal to tropical forest regions and communities that their hard work in successfully reducing deforestation can be rewarded and will continue to be rewarded in the future.

Since its inception, we have been strong advocates of the IOP’s jurisdictional approach to reducing emissions from deforestation and forest degradation (REDD+), which establishes rigorous environmental and social standards for linkage to CA and, importantly, must provide mechanisms for benefit-sharing with multiple land and resource managers across the entire jurisdiction.

Acre, is the most advanced jurisdiction-wide REDD program in the world and exemplifies the type of policies, governmental leadership, and social inclusion that would be favored by the IOP. Since 1999, the Government of Acre has been building upon the legacy of Chico Mendes, the rubber tapper and grass roots organizer who was assassinated because of his successful efforts to keep forests standing by increasing economic opportunities for its indigenous and traditional residents. Beginning with Governor Jorge Viana, who took office as Governor in 1999, the Acre Government has been translating Chico’s vision into innovative policies and programs for improving the livelihoods and economic opportunities of the state’s indigenous peoples, rubber tappers and smallholders.

The government of Acre has gone through a rigorous, publicly inclusive process to design the State’s Environmental Service Incentive System (SISA), which has geared the Brazilian state up for effectively linking with California’s offset program. EII works actively with the state of Acre to provide technical and scientific assistance for the SISA program. To learn more about SISA and how it was developed, please see the [Acre State’s Progress Towards Jurisdictional REDD](http://earthinnovation.org/publications/acre-states-progress-towards-jurisdictional-redd-english/) report. EII would also like to applaud the ARB for doing their part in carrying out a deep vetting process to examine the IOP through the REDD Offset Working Group, the Staff White paper on Sector Based Offsets, and all of the public meetings and workshops it has hosted to date.

Last April, during ARB’s public workshop on social and environmental safeguard requirements for international offsets, a delegation of indigenous and tropical forest steward leaders[[2]](#footnote-2) participated to voice their support for the IOP and highlight the powerful benefits that these programs can have in their communities and regions. The delegates from Acre cited a number of key benefits already reaching indigenous peoples and traditional communities as a result of Acre’s jurisdictional REDD+ program. Manoel Monteiro, general administrator for a cooperative representing over 2500 rubber tapping families, spoke at the workshop about how a state subsidy for rubber, financed by SISA, has improved the livelihoods and well-being of forest dwelling families. Haru Kuntanawa, leader of an Indigenous Association in Acre, described how the state government has engaged Indigenous peoples as partners in sustainable development planning, and as a result has made progress in finding the best ways to support indigenous peoples through the SISA program. While many of the other visiting leaders come from regions far less advanced in terms of jurisdictional REDD+ and potential linkage to California, many expressed hope that the minimum safeguard requirements currently being developed by California as part of IOP will set the bar high for REDD+ globally – ensuring that jurisdictional REDD can advance both climate change mitigation and protection of human rights.

These examples provide a glimpse at the kinds of changes California could support through enactment of IOP.

EII fully supports ARB’s decision to maintain current offset usage limits in the proposed amendments and to continue further evaluation of the international sector based offsets program, though we urge the board to consider acting quickly to take necessary measures to implement the IOP as soon as possible so that it is operational in compliance period three of the Cap-and-Trade system.

Land use currently has the potential to provide up to 60% of total abatement measures needed by 2030.[[3]](#footnote-3) We are now at a pivotal moment where California can tap into the true potential that sustainable land use can play in avoiding dangerous impacts of climate change. California’s global leadership continues with the passage of SB 32 – if the state succeeds in compensating tropical forest regions and traditional forest stewards, profound mitigation impacts can be realized[[4]](#footnote-4) while also creating an important model for China and other jurisdictions who are developing emissions trading systems to follow.

1. Greenblatt, J.B., 2015. Modeling California policy impacts on greenhouse gas emissions. Lawrence Berkeley National Laboratory. [↑](#footnote-ref-1)
2. The list of these leaders can be seen as follows:

   * Candido Mezua – General Chief of the Emberá-Wounaan Region and Chairman of the National Coordinating Body of Indigenous Peoples of Panama (COONAPIP)
   * Gustavo Sanchez – President-Red Mexicana de Organizaciones Campesinas Forestales (RedMOCAF)
   * Arlen Ribeira – Administrative Coordinator, Coordinadora de las Organizaciones Indigenas de la Cuena Amazónica (COICA)
   * Edwin Vasquez – Coordinator General, Coordinadora de las Organizaciones Indigenas de la Cuena Amazónica (COICA)
   * Manoel Monteiro – General Administrator-Cooperativa Central de Comercialização Extrativista do Acre (Cooperacre)
   * Jose Flavio Nacimiento (aka Haru Kuntanawa) – Kuntanawa Tribe, President- Socio-Cultural and Environmental Association of the Kuntamanã

   [↑](#footnote-ref-2)
3. IPCC Working Group 3. Chapter 11, Agriculture, Forestry and Other Land Use. Assessment Report 5: Mitigation of Climate Change (2014). [↑](#footnote-ref-3)
4. Nepstad, Swette, Horowitz. 2014. Multiplying the impact of California’s Global Warming Solutions Act through International Partnerships for Tropical Forests. Earth Innovation Institute. http://earthinnovation.org/publications/multiplying-the-impact-of-californias-global-warming-solutions-act-ab-32-through-international-partnerships-for-tropical-forests/ [↑](#footnote-ref-4)