

Announcing the publication of [The California REDD+ Experience](#), a report written by UCLA's [Emmett Institute](#) faculty and published by the [Center for Global Development](#).

Six years ago in Los Angeles, Governor Schwarzenegger signed a memorandum of understanding with Governors from Brazil and Indonesia (and also Wisconsin and Illinois), to “coordinate efforts and promote collaboration” on efforts to conserve forests, fight climate change, and encourage sustainable development. Among the specific policies the Governors agreed to pursue was the forest conservation mechanism known as REDD (reduced emissions from deforestation and forest degradation).

REDD and its conceptual descendent REDD+ (which includes certain conservation and sustainability strategies) assign financial value to the carbon stored within forests, creating a market for intact forests. In the usual scenario, investors from the developed world pay landholders in developing tropical countries to maintain or restore forested land. This investment displaces more impactful land uses, especially those requiring deforestation, which would otherwise release the carbon stored in these forests, and eliminate the forest as a future carbon sink.

The memorandum of understanding marked the beginning of an on-going collaboration known as the [Governors' Climate and Forests Task Force](#) (GCF), which today comprises 26 states and provinces from 7 countries. It also marked California's first public step toward engaging REDD+ strategies in its efforts to address climate change. Following the Los Angeles meeting, a [REDD Offset Working Group \(ROW\)](#) was formed to explore the idea of allowing REDD projects to generate offsets for California's GHG cap-and-trade program.

In the years since, California has maintained a lurching headway toward adopting REDD+ offsets. Through the GCF and ROW, the state has worked out the basics of a REDD+ partnership with other states in Mexico and Brazil. ARB has even carved out a place in its regulations for the fruits of such a partnership: the [regulations](#) say that offsets “may be generated” from REDD+ programs. However, the regulations don't contain any further detail on the particulars of how these offsets would be generated or included. Enacted in 2011, this regulatory placeholder remains the state's firmest commitment to allowing REDD+ offsets; ARB has yet to take the next steps to put REDD+ offsets into place.

Why the hesitation? Well, it's kind of an interesting story. This story is the subject of a [new report](#) from the Emmett Institute, published last week by the [Center for Global Development](#). The short version: there's a lot at issue, with good arguments on both sides.



As savvy readers will know, offsets are credits awarded for emissions reductions achieved outside of a cap-and-trade program, which capped emitters may purchase to meet their compliance obligations. By securing reductions outside the system, emitters can attain the same climate benefits as if they had reduced their own emissions at a lower cost, while engaging new players and practices in the effort to cut emissions.

Or so the theory goes. Offsets are a lightning rod of controversy, with critics characterizing the practice as a way for emitters to sidestep their obligations, and challenging whether reductions from non-capped emissions can be a legitimate source of reductions. Among the most common objections is the problem of causation: who's to say those emissions "reductions" wouldn't have occurred otherwise?

This basic divide on the merits of offsets is the start, but not the end, of the discussion. Bringing offsets into the California GHG cap-and-trade program has been particularly contentious. [AB 32](#), the law authorizing the program, contains strong language about the importance for regulatory programs to achieve (indeed, "maximize") in-state environmental benefits. Offset critics point to the air quality co-benefits of reducing GHG pollution from California sources, which can't be achieved through most forms of offset. And REDD+ offsets are especially provocative. The process of generating REDD+ credits is vulnerable to potential missteps involving human rights, property rights, and ecological integrity. On top

of these concerns, many find the idea of commodifying forests in this way inherently distasteful.

In the last few years, the opposition to REDD+ offsets has grown stronger and more vocal, largely a result of some wide-reaching collaborations that have brought together players from large environmental organizations, California's environmental justice community, and international human rights groups.

These objections give pause. But they come up against strong arguments in favor of REDD+ offsets. After all, the basic idea is alluring. A well-functioning REDD+ program can offer climate benefits as well as other considerable gains from avoided deforestation. And REDD+ partnerships can be a great opportunity on both sides: lower costs for businesses and customers in the investing jurisdiction, and a new source of income for forest landowners who might otherwise be economically compelled to put their land to more destructive uses. Those in favor of REDD+ offsets see the chance to put willing investment toward a worthy cause.

This policy debate is at the heart of the state's ongoing dilemma. During their deliberations on the issue, state policymakers have heard arguments from stakeholders in favor of crediting REDD+ offsets and those against. In so doing, the state has also had to grapple with the legal and practical hurdles to bringing these offsets into AB 32, among them, the statute's sometimes-confusing mandates, economic issues of offset demand, and some finer points of programmatic design.

The [new report](#) addresses these dynamics, as well as the considerations that will pave the path forward. The report was authored by UCLA law faculty Jesse Lueders, Cara Horowitz, Ann Carlson, Sean Hecht and Ted Parson. It is part of the Center for Global Development's paper series [Why Forests? Why Now? The Science, Economics, and Politics of Tropical Forests and Climate Change](#). The series covers the science, economics, and politics of forest conservation and finance to underscore the urgency, affordability and feasibility of scaling up funding for reducing deforestation, particularly through performance-based approaches. The report is also [available](#) from the Emmett Institute.