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Comments on the Regional Greenhouse Gas Initiative proposed Regulations

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- **Climate change is happening with greater speed and intensity than initially predicted. Every sound approach to mitigating climate change should be encouraged.**

The climate is changing with greater speed and intensity than initially predicted.[i] Recent research suggests that the "safe" level of atmospheric greenhouse gases may be far lower than previously thought, and that we may be closer to an irreversible tipping point than had been anticipated.[ii] It is, therefore, imperative that the United States act quickly and decisively to mitigate climate change. We should use every available, ecologically sound means to achieve what will, at best, be a very difficult goal. Land use change, especially deforestation, is a significant source of greenhouse gas emissions.[iii] Improved land management is key to avoiding dangerous climate change.

Climate change is a global problem requiring a global response strategy. Greenhouse gas emissions from industrialized nations are not contained within their borders. By the same token, emissions reductions in one place are as helpful as reductions in any other. This allows creative responses to the challenge posed by climate change – including the introduction of "cap and trade" systems that harness the vibrant power of markets.

- **Cap and trade systems need to incorporate emissions reductions, sequestration and tradable offsets.**

Cap and trade systems need to incorporate emissions reductions, sequestration and tradable offsets. They need to be implemented as soon as possible because the science tells us that emissions reductions/ sequestration that takes place now is far more valuable than what happens later.[iv] Experience has shown that, to be successful, a cap and trade system must set meaningful targets and allow flexible approaches to meeting them. Indeed, we have much to learn from the Kyoto Climate Accords and the European Union's Emissions Trading Scheme (EU-ETS). For instance, many European Union Member States are finding it extremely difficult to achieve the Kyoto Accords' modest targets using only domestic emissions reductions ("...existing domestic policies and measures by Member States to reduce emissions are not sufficient for the EU-15 to reach its Kyoto target. Even with planned additional domestic policies and measures, the target will not be reached").[v] As a result, they may have to include international offsets in the mix of tools helping them reach statutory targets. Emissions reduction targets in the EU – or United States – that exceed those stipulated in the Kyoto Protocol may be unrealistic unless international credits are allowed.

- **Avoided deforestation and bio-sequestration (through afforestation or reforestation activities) are well-established, scientifically sound ways to help mitigate the threat of dangerous climate change.**

Avoided deforestation and bio-sequestration of carbon through afforestation or reforestation is a well-established, scientifically sound, verifiable way to help mitigate climate change. Degraded landscapes have tremendous potential to sequester carbon in soils and biomass. Wiser land utilization and management could solve up to 14 per cent of the world's emissions reduction challenge.[vi] We can measure carbon sequestration rates and reduced emissions from forest conservation – and we can do it to such a degree of accuracy that forest based carbon credits can confidently be traded in the most scrupulous markets.[vii] Projects can also be certified as meeting the Climate, Community, and Biodiversity Standards.[viii] Doing so ensures they produce real benefits for local people and ecosystems.

- **International offset projects can be designed to reduce poverty. This is especially true of Agriculture, Forestry and other Land-use projects.**

The world's poorest people contribute least to climate change but will be hurt the most.[ix] This is because their livelihoods (such as rain-fed farming) are especially sensitive to climatic conditions and because their adaptive capacity is so severely constrained by factors including limited resources, discrimination and denied rights. Rising temperatures, rising sea levels, changing rainfall patterns, and increasingly intense and frequent extreme weather are exacerbating endemic water scarcity,[x] food insecurity,[xi] health risks and natural resource-based conflicts.

International offset projects can be designed in such a way that they make a substantial contribution to reducing poverty and helping the world's most vulnerable people adapt to climate change. These benefits are particularly acute in the case of Agriculture, Forestry and other Land-use (AFoLU) projects that generate offsets by planting or conserving useful trees in agriculturally productive landscapes. By lifting the State of Connecticut Department of Environmental Protection (DEP) restrictions on international land-based carbon credits, RGGI members would stimulate the financing of large-scale projects that can measurably, and sustainably:

- Increase poor people's resilience to natural hazards (e.g. hurricanes and other violent storms)
- Diversify poor people's sources of income
- Improve poor people's ability to manage their natural resource base (including farm fields and forests) and, in so doing, reduce their vulnerability to climate variability and change

In sum, lifting the DEP ban on international land-based carbon credits can substantially improve the lives of the world's poorest – and most vulnerable – people. While this is not the RGGI's primary purpose, there is a strong moral case for doing so. This is best understood in light of deficiencies in traditional Official Development Assistance (ODA). Indeed, the gap is already widening between ODA and what is required to achieve the Millennium Development Goals (MDGs) – let alone support large-scale adaptation to climate change in the world's poorest countries. Though ODA is growing, resource shortfalls (estimated at $46.6 billion in 2006 and projected to be more than $73.5 billion by 2015) are growing even faster.[xii] Nor, despite modest advances made during the 13th Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Bali, December 2007, can poor people expect sufficient assistance from adaptation funding mechanisms established under the UNFCCC.[xiii]

- **International Agriculture, Forestry and other Land-use offset projects can also enhance biodiversity and make critical ecosystems more resilient to climate change.**

International land-use projects can provide real environmental, as well as social benefits. For instance, projects implemented in denuded or degraded landscapes increase biodiversity by reintroducing trees and other plants that provide vital habitat for wildlife. This results in greater species richness and evenness. When farmers plant trees along the peripheries of their farms and homesteads, they also increase "connectedness" within the landscape, which is critical to ensuring species survival – especially in the face of stresses introduced by climate change. New plantings also reduce pressure on remaining forest resources, thus creating "positive leakage."

CARE's Position

CARE is an international organization with more than fifty years experience fighting the root causes of poverty in the world's poorest communities. We work in 66 countries and place a special focus on working alongside women because – if equipped with the proper resources – they have the power to help whole families and entire communities escape poverty. Each year, CARE helps tens of millions of people around the world effect real, positive changes in their lives.

CARE has been implementing reforestation projects for decades. The design principles we have developed to ensure long-term poverty reduction and environmental conservation benefits are straightforward: if the project improves local people's lives, changes will be maintained. In other words, if planting trees adds to people's income or otherwise makes their lives more secure, the trees will be protected and – in worse case scenarios such as fires – replanted. CARE sees real value in these types of projects and their unique potential to simultaneously mitigate climate change, reduce poverty, help some of the world's most vulnerable communities adapt to climate change, and conserve critical ecosystems. For this reason, CARE supports:

1. Limited offsetting within the context of an appropriately ambitious, multifaceted strategy to mitigate climate change.
2. International offsetting as a way to (a.) provide much needed flexibility in carbon markets (b.) make ambitious emissions reduction targets achievable and (c.) allow poor countries to participate in and benefit from positive incentive structures established by carbon markets.
3. The use of appropriate land-use projects for climate change mitigation and poverty reduction *including afforestation, reforestation, and reduced emissions through the prevention of deforestation and degradation.*

In the context of the Regional Greenhouse Gas Initiative, CARE recommends:

1. The inclusion of all appropriate land-use project types, including afforestation, reforestation, and reduced emissions from deforestation and degradation.
2. The inclusion of international offsets as part of a fully fungible trading scheme.
3. Adoption of a the limited offsetting approach, which allows international offsets and bio-sequestration to contribute to emissions reduction targets

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[i] Earth's Natural Defenses Against Climate Change 'Beginning to Fail', Michael McCarthy, The Independent 5/18/2007

[ii] Remember This: 350 Parts Per Million, Bill McKibben, Washington Post, 12/28/2007

[iii] In the period 1989 to 1998 emissions from land – use change were estimated at 1.6 ± 0.8 Gt C yr^{-1}, emissions from fossil fuel combustion and cement production were estimated at 6.3 ± Gt C yr^{-1} for the same period, indicating that emissions from land – use change were greater than 20% of total emissions from these sources during this time period. Land Use, Land-Use Change, and Forestry: A Special Report of the IPCC, Intergovernmental Panel on Climate Change, 2000, Cambridge University Press

[iv] The Stern Review: The Economics of Climate Change – Executive Summary, 2006, Nicholas Stern. available at: www.hm-treasury.gov.uk/media/4/3/Executive_Summary.pdf

[v] European Environment Agency. 2005. Greenhouse gas emission trends and projections in Europe 2005. EEA Report No 8/2005 ISSN 1725-9177

[vi] Stabilization Wedges: Solving the Climate Problem for the Next 50 Years With Current Technologies, S. Pacala and R. Socolow, Science V. 305, pp. 968-972, 8/13/2004

[vii] Winrock International. Senate Agriculture Committee Testimony. Available online: www.senate.gov/~agriculture/ Hearings/ Hearings_2001/March_29__2001/0329kad.htm

[viii] The Climate Community Biodiversity standards are available at: www.undp.org/energy/docs/poverty-and-climate-change-72dpi-part1.pdf

[ix] Poverty and Climate Change: Reducing the Vulnerability of the Poor through Adaptation: www.undp.org/energy/docs/poverty-and-climate-change-72dpi-part1.pdf

[x] Climate Change 2001: Working Group II: Impacts, Adaptation and Vulnerability, 10.2.1.1 Overview of Regional Water Resources, 2001, available at: www.grida.no/climate/ipcc_tar/wg2/383.htm#fig104

[xi] Climate Change and Food Security: A Framework Document *Summary*, Interdepartmental Working Group on Climate Change of FAO, 2007

[xii] Reality of Aid, http://www.realityofaid.org, 3rd December, 2006.

[xiii] Climate Change: Who Will Pay the Price?, Marcella Valente, Inter Press Service, 12/16/07 at: www.ipsnews.net/ interna.asp?/idnews=26711