H.E. Luiz Inácio Lula da Silva
President of the Federative Republic of Brazil

H.E. Barack Obama
President of the United States of America

H.E. Dr. Susilo Bambang Yudhoyono
President of the Republic of Indonesia

Forests & Climate Policy:
A Call for Leadership

Your Excellencies President Lula, President Obama, and President Yudhoyono,

We, the Governors of Aceh, Acre, Amapá, Amazonas, California, East Kalimantan, Illinois, Mato Grosso, Papua, Pará, and Wisconsin, commend you for your leadership in addressing climate change. Now, we call upon you to include robust provisions for forests in international and national climate policies and to join with us and other subnational governments from around the world in designing such provisions and translating them into action. The time has come to act on climate change, and forests must play a fundamental role in the effort to solve that problem.

Since November 2008, our states and provinces have been cooperating under a series of Memoranda of Understanding (MOUs) with the aim of sharing experiences, building capacity, and developing recommendations for policymakers and regulatory authorities considering ways to integrate Reduced Emissions from Deforestation and forest Degradation (REDD) and other forest carbon activities into emerging greenhouse gas (GHG) compliance systems. More than 50 percent of the world's tropical forests are located in our states and provinces, providing livelihoods for countless local communities and indigenous peoples. Collectively, our state and provincial economies represent more than $2.6 trillion of the global economy.

Our collective efforts are the first at any level of governance to move into what might be called the "proof of concept" stage in the ongoing effort to bring REDD into these GHG compliance systems. We are pursuing this objective through a unique process of transnational cooperation among key states and provinces across the world, illustrating the critical role that subnational entities play in the fight against climate change.

We applaud your efforts to advance climate policy at national and international levels, and we appreciate the work that your governments are doing to include robust provisions for REDD in national and international climate protection efforts. But this is an issue that cannot be solved by national governments alone. Therefore, we urge you to join with us to forge a comprehensive approach that mobilizes action at multiple levels of governance – local, state/provincial, national, and international – and takes advantage of the vital work being done by states and provinces around the world. While we fully recognize that our efforts will not be enough without strong support from our respective national governments and from the international community, we also know that your efforts at the international and national levels will be difficult to implement unless they use existing programs and mobilize existing capabilities at the subnational level. Only by acting together can we make forests a meaningful part of climate policy.

Forests and Climate Policy

As we all know, the forest sector is a key component of the climate change problem. Deforestation, almost all of which occurs in the tropics, accounts for some 20 percent of global anthropogenic GHG emissions – more than the entire global transportation sector and roughly equivalent to annual CO_2 emissions in 2005 from China or the United States. Deforestation is also the largest source of emissions for many developing countries, and some of the world's largest emitters have achieved their rank largely because of emissions from deforestation. And yet, tropical deforestation was expressly excluded from the Kyoto Protocol, creating an immense gap in international climate protection efforts. This must change.

Simply put, we cannot stabilize atmospheric concentrations of GHGs at levels scientists consider necessary to prevent catastrophic climate change impacts if we exclude the 20 percent of global emissions caused by deforestation. At the same time, including REDD in international climate policy offers the only meaningful path for many developing countries to participate in international efforts to deal with climate change, and without meaningful developing country participation we will not achieve an effective post-2012 climate agreement. REDD and other forest carbon activities could also provide low-cost GHG mitigation options that are available in the near term, providing much needed flexibility as we transition to a low-carbon energy system. Finally, efforts to protect and restore forests will generate numerous environmental and social co-benefits, including restoration of degraded lands and watersheds, improved habitat, maintenance of regional climatic stability and hydrological cycles, increased incomes for forest-dependent communities, reduced migration and conflict, and enhanced capacity for adaptation to climate change and other environmental stresses.

Governors' Climate & Forests Principles

Given the urgency of including forests in climate protection efforts and based on our collective experiences, we believe that any successful effort to include forests in climate policy must adhere to the following principles:

1. Subnational Action: States, provinces, and other local governments around the world have a critical role to play in bringing forests into climate policy. Our efforts through the MOU process stand as positive proof that transnational collaboration among states and provinces is vital to the effort to develop workable frameworks for REDD and other forest carbon activities. Without deep and sustained engagement by subnational governments, these efforts will not succeed. We urge you to include strong provisions for subnational action on REDD and other forest activities in any international climate treaty and in domestic legislation.

2. Robust Provisions at Scale: This is not the time to be timid. Any provisions to include emissions from deforestation in climate policy (at any level) must be sufficiently robust to address the problem at scale. This means designing policy mechanisms with a capacity to mobilize billions of dollars per year and developing institutional frameworks that will effectively channel such investment to people and communities on the ground.

3. Markets and Funds: Efforts to finance REDD and other forest carbon activities at scale must deploy both public financing for capacity building and market readiness as well as market-based approaches capable of mobilizing substantial and sustained levels of financing. These approaches are not mutually exclusive. We need both.

4. Environmental Integrity: Bringing REDD and other forest carbon activities into climate policy will depend upon adherence to standards and protocols that ensure that any credits for these activities will be real, permanent, quantifiable, verifiable, enforceable, and additional. We cannot allow REDD or other forest carbon activities to undermine emissions reductions efforts in other sectors. This means developing strong principles and criteria for project-level activities together with effective and transparent institutions for accounting and coordination at state, regional, national, and international levels.

5. Simplicity and Transparency: Policy mechanisms for REDD and other forest carbon activities must function in a simple and transparent manner based on the overarching goal of climate protection. We must be careful not to ask too much of REDD in terms of its capacity to solve other non-climate problems and must avoid imposing too much complexity on the effort.

6. Phased Approach: We must start with relatively quick and conservative approaches to reducing emissions from deforestation in areas that have the capacity to act now (at whatever level of governance), while working toward a comprehensive, global approach that includes other geographies and other forest carbon activities as capabilities evolve.

7. Equity and Local Participation: Any successful effort to bring forests into climate policy must mobilize and enhance the participation of local forest-dependent peoples, communities, and governments in a manner that is equitable and accountable. Such

policies must include transparent frameworks and procedures to ensure meaningful local participation and equitable sharing of benefits from REDD and other forest carbon activities. If the benefits from such activities fail to reach local communities on the ground, the effort will not succeed.

8. Vertical Coordination: National and international climate policy provisions regarding forests must be built upon institutions and rules for linking project-based activities with state, national, and international activities to ensure coordination among programs, reduce possibilities for leakage, and harmonize regulations between different levels of governance.

Creating a Climate and Forests Task Force of National and Subnational Governments

Our efforts over the last year have convinced us of the tremendous value involved in cooperation among different states and provinces from around the world in sharing ideas, building capacities, and developing recommendations for efforts to bring REDD and other forest carbon activities into climate policy. At the same time, we are concerned that the UN negotiations are moving too slowly and that the different national efforts on climate and forests in Brazil, Indonesia, the United States, and other countries are proceeding in relative isolation without adequate coordination.

Irrespective of the outcome of UN climate negotiations, we face a critical window of opportunity as national and subnational governments around the world are designing and implementing new laws governing the inclusion of forests in climate policy – whether in the design of GHG compliance systems at state and federal levels in the United States or in the development of new laws, regulations, and institutions governing forests and carbon in Brazil and Indonesia. There is great strength in this plurality of efforts, but it must be harnessed through careful, coordinated action that includes both national and subnational governments.

Accordingly, we see tremendous value in expanding our effort to create as soon as possible a new transnational Climate and Forests Task Force composed of representatives from national and subnational governments that would coordinate efforts across our respective governments and develop specific recommendations for inclusion of forests in climate policies at multiple levels of governance. Such a task force would provide a unique opportunity to learn, enhance capabilities, and develop recommendations for linking our various efforts. *We respectfully request that you join with us to establish such a task force that will take into consideration all efforts at subnational and national levels to guide the discussions before and after the upcoming UN climate meetings in Copenhagen.*

A Call for Leadership

We recognize and appreciate the hard work that you are already doing to fight climate change and to include REDD and other forest carbon activities in those efforts, and we stand ready to join with you to finish the job. Based on our collective experience in working together over the last year and on our individual efforts in making forests part of climate policy, we bring a unique and essential set of capabilities to the effort. We ask that you embrace the principles that we have espoused and that you join with us in establishing a new Climate and Forests Task Force composed of representatives from your governments and ours to make forests a real and lasting part of climate policy.

You are uniquely positioned to lead on this issue. Therefore, it is imperative that you define and agree upon ambitious global targets that will permit the inclusion of additional commitments to reduce emissions from deforestation in a climate policy regime that will fairly compensate efforts at the local level. Brazil and Indonesia together account for more than half of global emissions from deforestation and would therefore benefit significantly from a climate regime that rewards efforts to reduce emissions from deforestation. At the same time, the United States is considering legislation that would constitute one of the largest and most important GHG compliance systems in the world. In your own domestic efforts to establish specific greenhouse gas reduction targets and in your efforts to develop an effective international

agreement on climate change, you have an unprecedented opportunity to design and implement policies to make forests a meaningful part of climate policy. The time to lead is now.

Sincerely,

Federative Republic of Brazil

Antônio Waldez Góes da Silva
Governor of Amapá

Carlos Eduardo de Souza Braga
Governor of Amazonas

Blairo Maggi
Governor of Mato Grosso

Ana Júlia de Vasconcelos Carepa
Governor of Pará

Arnóbio Marques de Almeida Júnior
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Arnold Schwarzenegger
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