



GOVERNORS' CLIMATE AND FORESTS TASK FORCE SANTARÉM 2010 MEETING SUMMARY

On September 14-16, 11 of the 14 Governors' Climate and Forests (GCF) Task Force member states and provinces (Aceh, Acre, Amapá, Amazonas, California, Campeche, Cross River State, East Kalimantan, Mato Grosso, Pará, and Wisconsin), 18 public and private interest organizations, and community members from Sao Paulo and Santarém convened in Santarém (Pará, Brazil) for the 4th plenary meeting of the GCF Task Force. The meeting, led by the GCF Task Force Chair (Pará), consisted of a one day meeting with the state and province representatives to discuss GCF Governance issues, and two days of open plenary meetings with state, province, and civil society representatives to discuss key issues related to the reduction of emissions from deforestation and forest degradation in the GCF Task Force states and provinces. The discussions of these key issues were framed within the context of the 4 Tasks of the GCF Task Force for 2010 (Task 1, Subnational REDD Frameworks; Task 2, Financing for REDD Activities; Task 3, GCF Knowledge Database; and Task 4, Communications, Outreach, and Stakeholder Involvement). The GCF Task Force meeting closely tracked the three-day Meeting Agenda, which is available in English, Portuguese, and Bahasa Indonesian at <http://www.gcftaskforce.org/documents/>. All of the meeting presentations are also posted at this location. In addition to the above activities, informal Task Group meetings were also held on September 13 at Santarém.

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PRIMARY DECISIONS AND OUTCOMES

1. **2011 Chair**—The GCF Chair for 2011 will be an Indonesian province, to be selected by provinces at October 15, 2010 meeting and conveyed to GCF (see Indonesia update, p.4 below, which mentions that Aceh has been selected as the 2011 GCF Chair effective January 1, 2010.)
2. **2011 Meetings**—There will be one main GCF Meeting in 2011 rather than two as was the case in 2009 (Belém and Los Angeles) and 2010 (Aceh and Santarém). Like in 2009 (Copenhagen) and 2010 (Cancún), there also will be one GCF event at the 17th UNFCCC Conference of the Parties (COP-17) in South Africa. One or more technical workshops are also planned for 2011, whose scope and location will be determined.
3. **New Members**—The GCF approved Central Kalimantan as a new GCF member, effective January 2011 and to be announced at either the Governors' Climate Summit in Davis, CA (November 2010) or at COP-16 in Cancún, Mexico (December 2010). The GCF conditionally approved Chiapas, Mexico as a new member effective January 2011 and to be announced at

either the Governors' Climate Summit in Davis, CA (November 2010) or at COP-16 in Cancún, Mexico (December 2010), provided that the state produce a letter signed by its Governor and identifying two GCF representatives for the state of Chiapas. More generally and as explained below, the GCF ad hoc group on governance will review the GCF's new member rules.

4. **Governance Issues**— The GCF states and provinces devoted an entire day of the Santarém meeting (Tuesday September 14, 2010) to addressing issues including the GCF's Objectives, Structure, and Roles & Responsibilities of the various participants (i.e. member states and provinces, stakeholders, the Secretariat, consultants, new members, country coordinators, Chair). Luis Meneses and Paul DeLong facilitated the closed session day, which generated a substantial amount of feedback. The GCF ultimately created an ad hoc group to develop proposed governance rules regarding these and other matters. The Secretariat is taking the first step of writing up the results of this day and creating a draft proposal that addresses each of these issues, to be reviewed and revised first by the ad hoc group and ultimately reviewed and adopted by all of the GCF states and provinces. New governance procedures could be memorialized in an addendum to the Joint Action Plan.
5. **Decisionmaking**—The GCF states and provinces agreed to reach decisions through consensus where possible, but where there is a majority with minority dissenting opinions, the majority decision will carry, with those in the minority asked to consent to the majority's decision (with their dissenting positions noted). The GCF states and provinces also agreed that if decisions must be taken outside of the GCF meeting (e.g. via email), it is appropriate to request responses from each member state and province and explicitly state that silence (no response) may be interpreted as consent if reasonable notice was provided on the matter.
6. **Continuity of GCF Activities in New Administrations**—The Brazilian states (with Pará offering to lead) committed to working to develop a transition strategy to ensure that there is continued support for the GCF in the states even if there is political turnover this election season. Suggested forums for this include state climate change forums, a Technical Cooperation Agreement, and more informal activities. The U.S. states will all have new Governors elected this year and need to be thinking about the same strategies.
7. **Stakeholder Involvement** — The GCF states and provinces adopted guidance stakeholder involvement principles to be followed by GCF bodies and in GCF activities. More specifically, the Santarém Plenary also adopted specific guidelines for stakeholder involvement in Technical/Advisory Groups and a GCF open/closed meetings guidance policy. The Secretariat is writing up the adoption of these guidelines in a guidance document that will be sent to the GCF states and provinces and to our stakeholder community. This document will also be posted at <http://www.gcftaskforce.org/documents.html>.

8. Tasks 1-4 Mandates Approved for Remainder of 2010—The GCF approved the following mandates for the four task groups moving forward:

8.1. Task 1 (Subnational REDD Frameworks)

The GCF directed the Task 1 Lead and Members to:

- Further refine the Task 1 Report based on feedback from members and stakeholders
- Include more specific reference to public finance opportunities in the next version of the Report
- Present the Task 1 report to GCF member states/provinces for adoption in time for COP 16

The GCF member states/provinces committed to review, comment, and decide on adoption of the Task 1 Report according to a specified timeline (with adoption of the Report by COP-16, if possible).

8.2. Task 2 (Financing)

The GCF directed/empowered the Task 2 Lead (John O. Niles) to:

- Develop the next steps for the donor database
- Develop GCF Fund options, including an assessment of the possible structures
- Engage possible donors about the GCF Fund and attempt to secure financial commitments from them
- Make decisions with strong GCF member state and province consultation
- Define and strengthen the relationship of the financing to the Task Groups 1, 3, and 4
- Work to announce the establishment of the GCF Fund at Cancún (if commitments can be secured)

8.3. Task 3 (GCF Knowledge Database)

8.3.1. The GCF directed/empowered the Task 3 Lead and Members to:

- Develop the database for the remaining states and provinces
- Develop fields for a U.S. members' database
- Seek the review and approval of each state and provinces database entries by the end of September, if possible
- Seek comments from stakeholders on the state and provinces database entries
- Explore web-based platform options for the database
- Develop funding needs for database creation
- Publish the documents and announcement in Cancún
- Commission the development of the database platform for 2011

8.3.2. The GCF determined that the characteristics of the database would include:

- Information is available to the public
- The database is populated by the GCF members with assistance from the GCF Secretariat and consultants
- The database is updated at least once, and possibly twice, per year
- The database should clearly list when entries were last updated

- Periodic reports analyzing the evolution of the member states and provinces' REDD programs

8.4. Task 4 (Communications, Outreach, and Stakeholder Involvement)

The GCF directed/empowered the new Task 4 co-Leads (Juliane Mello, Tony Brunello, Andrew Altevogt, and Jorge Figueroa) to:

- Develop GCF communications materials, including a 1-page template for all of the states and provinces to fill in
- Complete and circulate the memo for the Governors to introduce them to the GCF
- Provide updates for the GCF website to the Secretariat
- Develop other ideas for outreach (videos of Governors/state representatives, web-based presentations, virtual desktop)
- Finalize the Stakeholder Involvement Policy with guidance from the stakeholder ad-hoc group and review and adoption by all of the GCF states and provinces

9. Remaining 2010 Funds

The GCF Secretariat explained the remaining finances for 2010 with the GCF member states and provinces, which made recommendations regarding expenditures.

ROAD TO COP-16 and Beyond

➤ Indonesia update (Workshop, Chair, Coordinator, and Other)

On October 7-8, 2010, the Indonesian provinces convened in Jakarta to discuss the Task 1-3 deliverables, the Norway/Indonesia LOI and UN REDD + activities in Indonesia, and other related issues. They selected Aceh as the 2011 GCF Chair effective January 1, 2011 and approved Kemitraan as the GCF Coordinator for the Indonesian Provinces. Congratulations to Aceh as incoming chair of the GCF Task Force for 2011.

Over the past few weeks, a series of regional consultations have taken place on Indonesia's National REDD+ Strategy. The draft strategy is available for public comment at <http://www.un.or.id/sites/default/files/COMPLETEStranas1RevisedEng%20final%20version.pdf>.

➤ Brazil update (Workshop, REDD+ Partnership, Acre)

The Brazilian states held a GCF workshop on November 3, 2010 in Manaus, Brazil largely to generate feedback from the states and Brazilian NGOs on the Task 1 Subnational REDD Frameworks report (and accompanying Appendix developed by Terra Global Capital on a possible nesting architecture).

Natalie Unterstell (Amazonas) attended the 10th session of the Conference of Parties (COP 10) to the Convention on Biological Diversity in Nagoya, Japan (October 18-29, 2010), which in part addressed the biodiversity benefits of REDD. For more information about the COP-10 meeting, see

<http://www.cbd.int/cop10/>. In addition, Japan invited Natalie to attend the REDD+ partnership Ministerial Meeting as an observer on behalf of the GCF Task Force on October 26, 2010. For more about the Ministerial Meeting, see <http://reddpluspartnership.org/en/> or contact Natalie at natalie.ceclima@sds.am.gov.br.

The Acre State Law on Environmental Services was approved by the State Legislative Assembly on October 22, 2010. We are in the process of translating the law into English. The Portuguese version is available on the GCF website home page (<http://www.gcftaskforce.org/>).

➤ **California Air Resources Board AB 32 Regulation**

The California Air Resources Board issued on October 28, 2010 the AB 32 Proposed Regulation to Implement the California Cap-and-Trade Program with a corresponding staff report. The regulation and all related materials can be found at <http://www.arb.ca.gov/regact/2010/capandtrade10/capandtrade10.htm>. We have also posted the proposed regulation to the GCF website. The staff report discusses REDD in the context of a sector-based crediting program. If adopted by the Air Resources Board, these will be the first rules for compliance grade REDD assets in the world. This would be a major accomplishment. The staff report identifies general programmatic elements for a subnational REDD program, and recognizes the GCF Task Force and its contribution and continued value to California's work. The regulation includes a placeholder for adding language specific to REDD. All of the specific proposed regulation and staff report sections identified below are particularly related to REDD. The rule will be open for public comment for 45 days, with Monday, November 1st marking the start of the 45 day comment period. The ARB Board will be holding a hearing on the proposed regulation on December 16th.

Details and instructions on how to comment on the proposed regulation:

<http://www.arb.ca.gov/regact/2010/capandtrade10/capnotice.pdf>

The regulation and all related material:

<http://www.arb.ca.gov/regact/2010/capandtrade10/capandtrade10.htm>

Staff Report – Initial Statement of Reasons (ISOR):

Chapter 3: Overview of the Compliance Offsets Program, III-2; II-22 thru 29

<http://www.arb.ca.gov/regact/2010/capandtrade10/capisor.pdf>

Proposed Regulation Sections

Sections § 95854 (quantitative limit; pages A-68-69)

Sections § 95991-95997 (Sector-Based Offset Credits, page 176-178)

<http://www.arb.ca.gov/regact/2010/capandtrade10/capv1appa.pdf>

➤ **Task 1-4 activities since Santarém**

Task 1

Task 1 (led by the Secretariat) is in the process of reviewing and incorporating additional feedback received on the draft report since Santarém (e.g. from the Indonesian provinces, Tropical Forest Group and others). We will receive additional feedback from the Brazilian states and NGOs after their November 3 workshop. At this point, it seems unlikely that we will have the time to revise, translate, and secure sign-off from all of the states and provinces on a final Task 1 report prior to COP-16, but we are still aiming to have a working draft or general summary of the report that we could present at COP-16. To that effect, continuation of the work in developing a high-quality report on Subnational REDD Frameworks that can be endorsed by the GCF member states and provinces will be a priority for our work in 2011.

Consistent with the mandate for Task Group 1 approved at the Aceh meeting, we have also engaged 3rd party standards organizations, including the Voluntary Carbon Standard (VCS) and the Climate Action Reserve (CAR), and are in the process of gathering information from them regarding their plans to develop a set of rules that would accept subnational REDD credits into their respective systems. VCS, in particular, has put in a proposal to the Climate and Land Use Alliance (CLUA) to develop a set of requirements for jurisdictional accounting for REDD activities in states and provinces. We have only just become aware of this proposal and are providing some feedback to make sure that they move forward in a way that supports the work of the GCF states and provinces.

Task 2

John O. Niles (Tropical Forest Group) and the Secretariat have continued to build out the GCF Fund (GCF-F) concept. A GCF-F Prospectus has been circulated to Task 2 members for comment. A final version will be sent to all GCF members in early November. The GCF Fund will address critical collective needs identified by states and provinces through the GCF Knowledge Database effort and will fund proof-of-concept proposals in individual states and provinces (through a competitive grant process). The GCF Secretariat and others have approached potential funders regarding some initial funding for the GCF-F. An ambitious goal is to announce a lead sponsor in Cancún.

Task 3

Task 3 has completed the database entries and analysis for Mato Grosso, Acre, Amapá, and Amazonas. The Brazil GCF member analysis is finalized. Luis Meneses is awaiting feedback from Pará. Once received, the Secretariat will have the results and analysis translated. Jim Davies has made significant progress with the Indonesian provinces. Cross River State is in the process of completing its database entries. Campeche and Chiapas are still considering how to approach completing their database entries, but this should be resolved soon.

Task 3 and the Secretariat are exploring options for creating an online platform for the database in addition to examining the possibility of developing a GCF Registry for high-quality GCF emission reduction certificates that would build on the database effort. We have had initial conversations

with Markit to explore this idea and will conduct additional due diligence on other registry providers during the remainder of 2010.

Task 4

Task 4 has begun to develop both a GCF brochure and a template for one-page informational sheets for each state and province to populate with text, images, etc. ideally prior to the 3rd Governors' Global Climate Summit and/or COP-16. A graphic designer in Colorado will be assisting with design and layout.

➤ GCF 2011 Grant Proposal

The Secretariat has submitted a proposal for continued funding for 2011 to the Moore Foundation and ClimateWorks Foundation to support ongoing GCF work under the four Task Groups as expressed in Santarém. Provided funding is secured, in 2011 the GCF will continue to actively identify and pursue multiple market and non-market opportunities for REDD+ programs in GCF states and provinces, including: compliance markets, voluntary markets, public finance, and commodity roundtables. As discussed in Santarém, we are seeking support for a series of technical workshops in GCF states and provinces as well as a single full GCF meeting, which will likely be in Indonesia during the summer of 2011.

➤ Governors' Global Climate Summit, November 15-16, 2010, Davis, CA

California is hosting the 3rd Governors' Global Climate Summit in Davis, California on November 15-16, 2010. More information about the event is available at http://ces.ucdavis.edu/ggcs3_stage/index.cfm?fuseaction=app.home. The GCF is not formally participating in or helping organize this event in any way. However, there has been some interest on the part of the California organizers in putting together a 60-90 minute breakout session on Tuesday, November 16, 2010 focused on California's domestic and international forestry efforts and progress, including the GCF Task Force. We are in the process of getting more information about this from the California organizers and will report back soon or will ask that the California GCF representatives provide such information to our members and to our stakeholder community.

➤ COP-16 Events (Cancún, Mexico)

The GCF Secretariat is continuing to work to ensure that the GCF activities are highlighted at COP-16 through several venues: (1) a GCF booth at Forest Day 4 on Sunday, December 5, 2010; (2) the official UNFCCC COP-16 GCF side event on Thursday December 9, 2010 from 4:45-6:15 p.m.; and (3) a Governors' Reception to follow Thursday evening from 7:30-10:30 p.m. at the Ritz-Carlton.

➤ nrg4SD

As introduced by Chair Rodolfo Pereira (Pará) in Santarém, the Network of Regional Governments for Sustainable Development (nrg4SD) has expressed interest in collaborating with the GCF Task

Force. The network promotes understanding, collaboration, and partnerships in sustainable development and seeks greater international recognition of the importance of regional contributions to sustainable development. An English version of nrg4SD's letter of interest is now available on the GCF website at <http://www.gcftaskforce.org/documents.html> (under Santarém Meeting Documents and Other Documents and Presentations). The Chair is working with the Secretariat to formulate a response letter and will circulate that letter to this group as soon as it is finalized.

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