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RECOMMENDATIONS OF THE GEF-STAP CROSS-FOCAL AREA WORKSHOP: APPROACHES TO ADDRESS CARBON BENEFIT IN THE CONTEXT OF MULTIPLE GLOBAL ENVIRONMENTAL BENEFITS IN IMPLEMENTING THE SFM/REDD+PROGRAM IN GEF-5

(Prepared by STAP)

Scientific and Technical Advisory Panel

The Scientific and Technical Advisory Panel, administered by UNEP, advises the Global Environment Facility

Recommendations of the GEF-STAP Cross-Focal Area Workshop:
Approaches to Address Carbon Benefit in the context of Multiple Global Environmental Benefits in Implementing the SFM/ REDD+ Program in GEF-5

Held on 1-2 September 2010, World Bank Conference room I2-250, Washington, D.C.

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Objectives

1. To assess how to enhance the delivery of multiple global environment benefits (GEBs) and social benefits in the SFM/REDD+ program of the Global Environment Facility (GEF).

2. To identify a list of advisory products that will assist the GEF partnership in preparing and reviewing land management projects in GEF-5.

Background

Forest-related environmental concerns have always received the attention of the GEF. The GEF has been supporting forest conservation and forest carbon related projects under the Biodiversity (BD) and Land Degradation (LD) focal areas as a part of the SFM portfolio and carbon sequestration projects under the climate change LULUCF window. The GEF approach recognizes SFM as encompassing seven thematic elements: extent of forest resources, biological diversity, forest health and vitality, productive functions of forests, protective functions of forests, socioeconomic functions, and the legal, policy and institutional framework. This broadly defined approach can be applied from production forests, all the way to protected forests and to degraded forests in need of restoration.

In GEF-5's SFM/REDD+ Program, "the portfolio is expected to be made up of a wide spectrum of SFM management tools, such as protected area creation and management, integrated watershed management, certification of timber and non-timber forest products, payments for ecosystem services (PES) schemes, financial mechanisms related to carbon, development and testing of policy frameworks to slow the drivers of undesirable land-use changes, and work with local communities to develop alternative livelihood methods to reduce emissions and sequester carbon. In connection with these projects and programs, the GEF may also support activities that develop systems to measure and monitor carbon stocks and fluxes from forest and non-forest lands" (GEF/C.38/Inf.4).

In GEF-5 the investments in forest management and conservation will be boosted by an allocation of up to US$ 250 million SFM/REDD+ , which complements the national allocations coming from individual focal areas (climate change (CC), biodiversity (BD), land degradation (LD)).

Workshop approach

The workshop was designed as a consultation and scoping exercise with key stakeholders in the SFM-REDD+ area, including GEF agencies, GEF Secretariat, Conventions, other international organizations and programs (including CIFOR and UN-REDD), and the broader scientific community. In total, 55 participants attended. The aim was a joint assessment of the key cross-focal area issues involved in the SFM- REDD+ Program in GEF-5, including critical knowledge gaps to be filled and to produce a list of follow up STAP advisory products/tools addressing needs of the GEF partnership at different stages of the project cycle (ex-ante / entry, project monitoring and ex-post / evaluation).

The two-day workshop consisted of oral presentations, subgroup and plenary discussions, and was structured around the ten overarching issues:

1. Trade-offs and synergies between management of biodiversity and carbon benefits;
2. Trade-offs and synergies between carbon benefits, human well-being/and livelihood maintenance;
3. Complex relationships between carbon, biodiversity and sustainable land management;
4. Key ecosystems, /landscapes, and /biomes for SFM-REDD+ projects;
5. Perverse incentives across different benefits in SFM/REDD+ projects;
6. Approaches to measuring and monitoring carbon benefits in land-based projects;
7. Ex-ante estimates of carbon benefits of land-based projects;
8. Challenges of carbon baseline development;
9. Required enabling activities to enhance delivery of global environmental benefits in SFM/REDD+ projects;
10. Major barriers in implementing SFM/REDD+ projects with multiple benefits.

The partial overlap between these questions facilitated links between the products of the subgroups and therefore contributed to cross-fertilization during the plenaries.

All of the expert presentations, the full agenda and the participants list are available online at: http://www.unep.org/stap/Events/SciencePanelWorkshops/CarbonBenefitsofSFMREDD/tabid/4914/language/en-US/Default.aspx

Workshop recommendations for SFM-REDD+ projects in GEF-5

1. Projects in the SFM-REDD+ GEF5 portfolio should consider multiple benefits. These include carbon, biodiversity, livelihoods. Regulation of the quality and amount of water provision was identified as an important benefit to be considered. The reasons for considering multiple benefits are (a) in most cases they are inextricably interconnected; and (b) this is an unavoidable consequence of responding to three of the conventions for which the GEF is a financial mechanism.

2. The interactions among multiple benefits necessarily increase the conceptual and practical complexity of the proposed interventions. This complexity should be embraced, but it should not lead to unnecessary complication at the formulation and implementation phases. It should be addressed in the simplest way that still captures the essence of the processes the intervention is ultimately intended to impact.

3. Different benefits often cannot be simultaneously maximized, but optimal solutions can often be identified and successfully implemented.

4. In order to enhance persistent impacts beyond funding period, project design should consider pressures arising from countries' development policies. This could include, for example, considering the high opportunity cost of protecting forest areas in the context of national policies that strongly favor agricultural expansion.

5. The effective incorporation of multiple benefits in projects will require adequate measurable, reportable and verifiable (MRV) methods/protocols (sensu lato). A number of these already exist for carbon, biodiversity, well-being and water (including GEF supported Carbon Benefits Project, USAID Forest Carbon Reporting Initiative, Google Earth Engine, GOFC-GOLD Sourcebook, ICRAF tool and others), although they are developed to different degrees, some of these tools could satisfy many needs of the GEF. MRV methods / protocols for the GEF should target different stages in the project cycle with a varying degree of precision. The best approach appears to be a revision of multiple existing SFM/REDD methods/protocols and their adaptation and integration into a "package" of MRV tools. Such a package should contemplate practical ways to deal with at least the following aspects:

   a) Definition of baselines for different benefits;
   b) Accounting for additionality for different benefits (including threats, service delivery potential and opportunity cost);
   c) Spatial leakage (indirect land use change caused by the displacement of land-use activities);

d) Barriers to implementation (biological, social, institutional, etc);
e) Experimental or quasi-experimental design for rigorous evaluation of impacts of the project.

6. There is a need for a common and simplified GEF-wide framework for reporting carbon and other benefits. The adoption of such framework will make a major contribution towards higher GEF accountability and effectiveness (e.g. for carbon benefit measured in tCO_2 reduced/$requested). Protocols should tackle complexity in a tractable, manageable and cost-effective way. They should be suitable for use and understanding by people in the field, and flexible enough to accommodate the specific needs of different countries and project interventions without baring significant transaction costs. At the same time, they should still be sensitive enough to changes in the key processes the intervention is intended to address. With respect to carbon and possibly other benefits, an IPCC-style Tier 1, 2 and 3 structure could be adapted with Tier-1 simple methods for projects with minimal carbon benefits and more elaborate Tier 3 methods including modeling for projects having significant carbon implications and high financial risks.

7. The selection of tracking indicators used in the methods/protocols should be parsimonious. That is, the list of indicators should not be unnecessarily long, the indicators should have enough sensitivity to key processes, they should have a good cost/benefit ratio, and it should be possible to estimate them with low error by key stakeholders, especially those in the field. Indicators reflecting upon enabling environment including capacity building should complement biophysical indicators.

8. Carbon baseline establishment and monitoring for multiple environmental benefits remains the most important barrier for improved accountability of GEF SFM/REDD+ projects. The lack of data, consistent methodology and capacity is the main reasons. Project preparation grants could be used to support baseline development. GEF guidance on carbon baseline establishment and monitoring in land-based projects is urgently needed.

9. There is no existing “toolkit” to explicitly address trade-offs between different benefits (considering e.g., feasibility and desirability of “common currencies”, “stop-points” beyond which the trade-off is no longer acceptable, uncertainty and risk associated with different extremes of the trade-offs).

10. Whenever feasible, project design should explore opportunities for experimental or pseudo-experimental design features to be introduced that would allow rigorous assessment of impact of the intervention on multiple benefits. As well as leading to a better evaluation of the project at hand, these will enhance a more general institutional learning on the effectiveness of different interventions.

11. Critical knowledge gaps:

a) Links between “biologically based” multiple benefits at different spatial scales (e.g. how biodiversity, carbon and water map to each other at the global vs. regional vs. landscape scale).

b) Tools/indicators with solid theoretical bases for social benefits biodiversity and water that can be integrated in a joint assessment. This includes:

    i. How to operationalize multiple trade-offs, including “safe limits”, differential risks of different choices along a continuous trade-off. Construction of multiple trade-offs “indices”: is this feasible, is it desirable?

    ii. How to calculate more sophisticated, spatially explicit estimates of opportunity costs and combine them with biophysical ecosystem services targets and threat estimates?

c) Should different benefits be estimated using different “currencies” (e.g. Mt of C, number of endemic species, human development index) and then incorporated in a non-dimensional index? Should a common currency be developed to measure them all? Should some be measured quantitatively (e.g. carbon) and other qualitatively (e.g. empowerment)?

STAP's Response

Acknowledging the productive discussion at the workshop, taking into account needs of several focal areas and UNFCCC, CBD and UNCCD convention guidance, STAP's October 2010 meeting will consider including the following two advisory products in its work program for delivery in FY11-FY12. These fall within the scope of item XC#9 described in more general terms in the STAP work program presented to the GEF Council in June 2010 (GEF/C.38/Inf.11).

1. A simplified project screening tool for ex-ante evaluation of multiple global environmental and social benefits of GEF project proposals submitted under the SFM/REDD+ Program. A screening tool will utilize a decision tree approach and provide a minimum set of MRV indicators to be used primarily at the project preparation, but also during implementation stages. Furthermore, the tool will include a minimum set of standards for baseline establishment. This tool, primarily for use of GEF Agencies, GEF Secretariat and STAP could be delivered in FY12.
2. Carbon accounting methodology for GEF land-based projects based on existing tools and methods, with special regard for the GEF Carbon Benefits Project developments. A methodology will provide detailed guidance on the carbon baseline development, carbon monitoring during project implementation and carbon reporting at evaluation. It will utilize an IPCC-styled Tier 1 to 3 approach with differential carbon reporting requirements depending on the potential carbon footprint of project interventions, and could be delivered in two parts, with "version 1" in the current financial year (FY11) and a more thorough "version 2" available in FY12.

STAP will keep under review the needs of the GEF partnership and with sufficient resources available could also consider development of one or some of the following issues into advisory products aimed to improve the effectiveness of SFM/REDD+ Program:

a) Experimental and quasi-experimental design to facilitate the evaluation of project impacts (under item C# in STAP's work program, GEF/C.38/Inf.11);

b) Multiple benefits (global vs. local, social vs. environmental) and their coincidences and trade-offs at different scales. - Advisory Document on design of land-management projects considering delivery of multiple benefits;

c) Additionality for different benefits: how to measure it, how to maximize/optimize it, how to monitor/verify it, what about REDD+ projects in countries/regions where additionality cannot easily be defended.

d) How to integrate the CBD guidance on post-2010 targets into land-management projects (BD, CC, LD and SFM-REDD+);

e) Community participation in REDD+ initiatives (informed consent, baselines, monitoring, and compliance).