Katoomba Incubator:

The REDD Opportunities Scoping Exercise (ROSE):

A Tool for Prioritizing Sub-National REDD Opportunities and Constraints

Experiences in Ghana, Tanzania and Uganda

Introduction

The Katoomba Ecosystem Services Incubator is an instrument created by the Katoomba Group with the main aims of helping rural communities access payments for ecosystem service (PES) markets, and developing regional capacity in land-use based carbon finance (Box 1). As part of this process, the Incubator has developed a tool called the REDD Opportunities Scoping Exercise (ROSE). ROSE is essentially a tool to classify and prioritise potential REDD+ sub-national activities, and assess critical constraints to project development, especially those associated with the national legal and institutional framework for carbon finance. This briefing presents the ROSE approach and process as applied in Tanzania, Uganda and Ghana in 2009.

At the national level, ROSE assessments provide a rapid qualitative analysis (based on expert opinion) to identify key emissions abatement opportunities across different forest contexts. At the sub-national level, ROSE is a pre-cursor to the costly process of pre-feasibility and feasibility analysis. It provides a framework for a programmatic approach to REDD in which sub-national activities respond to strategic and market requirements. ROSE also recognises the need to address policy or 'macro' level constraints to 'micro' level success; the three ROSE studies have therefore invested considerable efforts in assessing legal and institutional constraints (and opportunities) to carbon finance.

Box 1. Katoomba Ecosystem Services Incubator

In 2007 the Katoomba Group launched the 'Katoomba Ecosystem Services Incubator' – or Incubator for short - with the aim of mobilizing comprehensive support to bring promising PES projects to market, inform policy, and build capacity. The Incubator focuses mainly on communities and small to medium landowners, sectors with a critical role in providing ecosystem services, but which face considerable constraints in accessing and effectively using carbon and other PES finance. By investing in capacity building, project design and technical assessment, the Incubator creates the platform to leverage other finance, and positions local stakeholders for equitable participation in benefits. It is also increasingly focusing on the interface between projects and policies as shown by the 'ROSE' program of work.

The Incubator has three regional offices and programs - Latin America (with a particular focus on Brazil and the Andes Region), East Africa and West Africa. It draws on its staff and a roster of partners to link global expertise and local capacity in support of core regional partners with the aim of developing "centers of excellence".

The ROSE process therefore bridges 'projects' and 'policies', and is highly relevant to the development of national REDD programs. In the three countries where it has been implemented, ROSE has provided a set of legal, institutional and policy recommendations which are feeding into the national 'REDD Readiness' and priority-setting processes. For example, in Ghana, legal analysis from the ROSE study will inform an analysis of the country's REDD + architectural options (post-Copenhagen). Even where REDD + is predominantly programmatic and fund-based, policies and other actions will need to be results based, and will call into play similar criteria to those required for (current) market viability. Box 2 considers the emerging project-policy interface.

Box 2. Projects and Policies in a Post-Copenhagen REDD Architecture

It is as yet unclear how the post-2012 REDD regime will function, but cost-effective reduction of deforestation and degradation requires a mix of policy and project approaches. The ROSE assessment uses a structured analytical framework to provide inputs into REDD strategies at both national and sub-national levels. Policy and institutional approaches are clearly essential for addressing the underlying drivers of deforestation, including issues around agricultural productivity and expansion, land and tree tenure, forest governance, land-use planning, subsidies, etc.

The Incubator also believes that sub-national activities will continue to play a key role in a country's suite of REDD + activities. They have proved very effective mechanisms for building technical capacity, and are critical to the process of developing and providing cost-effective land use incentives for the stakeholders who will determine the success of national programs. Specifically, project-level activities:

- allow for near-term abatement potential to be realized, while enabling conditions are created to deliver results through national level approaches;
- are an attractive target for private capital, which is also needed to achieve emissions reductions;
- allow for innovation and controlled learning before embarking on national level experiments;
- create platforms for developing contracts, establishing the appropriate level and mix of incentives, and for developing equitable and transparent benefit sharing mechanisms;
- are important for demonstrating how REDD incentive mechanisms can deliver positive benefits, and building credibility and momentum behind national-level frameworks.

The ROSE methodology and process

The ROSE scoping study methodology was developed through an iterative process. The first exercise was undertaken in Tanzania in March 2009. Lessons from this were incorporated into its application in Uganda and Ghana in May and July 2009 respectively. The ROSE process falls into two main stages – an expert workshop and legal/institutional analysis by an in-country study team.

ROSE Expert Workshop

The first phase of the ROSE scoping study is a 2-3 day workshop with a small cross-sectoral group of experts who collectively combine knowledge of carbon markets, the forest sector and especially the main deforestation and degradation (DD) drivers, as well as legal, social and institutional issues. For example, the 20 people who participated in Ghana's ROSE workshop were composed of senior government staff of agricultural, cocoa and forestry departments, representatives of key national and international NGOs, a lawyer, a consultant forest economist, etc. The workshop participants worked through the following main steps:

Step 1: Agreement on REDD project scoring criteria: this consisted in analysing and agreeing a set of nationally appropriate REDD project scoring criteria. Box 3 presents the criteria used in the three ROSE studies.

Step 2: Identification and classification of REDD 'project types': this involved identifying the main forest ecosystems (and if possible their carbon emissions profile); sub-classifying them by their land tenure/institutional basis; and identifying the main DD drivers for each ecosystem/tenure situation. This resulted in an initial list of 'project types' (Box 4).

Step 3: Scoring of project types against the criteria: the workshop participants scored each project type in terms of each of the agreed criteria. All criteria were initially given equal weighting and rated on a scale of 1 (least desirable) to 3 (most desirable). The total score for each project type was then computed. Table 1 presents an example of the scoring of potential REDD types from Ghana, including for some of the main criteria.

Step 4: Discussion and selection of higher potential project types: this involved a discussion of the initial aggregated scores and of particularly critical criteria, such as carbon additionality, land use opportunity costs, land tenure/carbon property rights situation, permanence risk, etc. At this point it was

decided either to give such criteria a higher weighting and rescore, or to make a qualitative judgement (as in Tanzania).

Step 5: Brainstorm of legal and institutional constraints for each high potential project type: this step identified key policy, legal and institutional issues for carbon finance to succeed. Having a lawyer(s) with land tenure experience was critical for this discussion.

Step 6: Brainstorm of potential project and policy responses for each high potential project type. This generated a range of potential policy and project responses, for example, the need to clarify benefit-sharing and land tenure issues in Uganda.

Step 7: Identification of potential REDD project sites for each high potential project type: this was another brainstorm exercise to make an initial list of possible project sites for each high potential project type.

Legal & institutional analysis by an in-country team

The second phase of ROSE involved refining and fleshing out the workshop results. This is carried out by a small in-country team comprising of (at least) a legal and forest sector specialist. The team reviewed relevant legal and policy documents, interviewed key national, regional and local stakeholders, and incorporated their findings in the final ROSE report.

Box 3: Project scoring criteria used for ROSE case studies

Common 'project type' scoring criteria used in the three ROSE expert workshops were:

- Opportunity Cost associated with alternative (to REDD) land use
- Threat level or likely carbon additionality
- Clarity of land tenure
- Clarity of tree tenure (and possibly carbon property rights)
- Size of forest areas or aggregation potential
- Biomass or carbon level of the ecosystem
- Institutional/governance capacity associated with the 'project type'
- The probable leakage risk
- Potential for replicability or scaling up a 'project type'
- Level of community benefits or poverty reduction
- Potential for bundling (combining carbon with other ecosystem services)

Other criteria used in 1-2 of the ROSE studies were: the likely permanence level; remoteness/accessibility; likely government interest; applicability of an existing carbon methodology; adaptability to emerging markets (e.g., fair trade products); compatibility with current livelihoods; and the level of biodiversity co-benefits.

Table 1: Scoring of REDD project types in Ghana (selected criteria only)

Ecosystem type	Tenure	Deforestation & degradradation drivers	Total score	Carbon content	Size / Aggr.	Threat/ Addit'y	Opport. Cost [1]	Land Tenure	Tree tenure	Replic-ability
High forest - wet evergreen	Production FR	Unsustainable/ illegal logging	32	3	3	2	1	3	3	2
	Production FR	Tree/food crops	38	3	3	3	1	1	3	3
	Off-Reserve	Tree/food crops	32	3	3	3	1	3	1	3
	Off-Reserve	Logging	33	3	3	3	2	3	1	3
	Off-Reserve (CREMAs/CFs)	Tree/food crops & logging	41	3	3	3	1	3	3	3
	Production/ Protected FR	Unsustainable/ illegal logging	32	3	3	2	1	3	3	2
High forest - moist semi-deciduous	Production/ Protected FR	Wildfire / logging	39	3	3	3	3	3	3	3
	Off-reserve	Tree/food crops	32	3	3	3	1	3	1	3
	Off-Reserve	Logging	33	3	3	3	2	3	1	3
	Off-Reserve (CREMAs/CFs)	Tree/food crops & logging	40	3	1	3	3	3	3	2
	Production/ Protected FR	Wildfire	37	2	3	3	3	3	3	3
	Production FR	Logging	32	2	3	2	2	3	3	3
Transition zone	Protected FR	Illegal logging	32	2	3	2	2	3	3	3
	Off-reserve	Wildfire & fuel-wood/charcoal	39	2	3	3	3	3	3	3
Guinea savanna	Off-Reserve	Farming/grazingcharcoal & fire	39.5	2.5	3	3	3	3	3	3

[1] *A score of 1 signified a high opportunity cost and a score of 3 represented a low opportunity cost.*

***Abbreviations**: FR = forest reserve; CF = community forests; CREMA = Community Resource Management Area; Aggr. = aggregation potential; Addit'y = additionality*

Summary of selected high potential REDD project types

(For Ghana see Table 1 - project types scoring over 36 considered as high potential)

TANZANIA

Ecosystem type	Institutional-tenure basis	Main DD driver(s)
Miombo woodland	Community Based Forest Management Joint Forest Management	Charcoal Agriculture
Coastal forest	Community Based Forest Management	Logging, charcoal
Eastern Arc/montane forest	Joint Forest Management Forest Nature Reserve	Fire Illegal logging
Acacia Savanna woodland	Customary Community Based Forest Management	Farming, firewood
Guinea-Congolean forest	Joint Forest Management	Farming, charcoal

UGANDA

Ecosystem type	Institutional-tenure basis	Main DD driver(s)
Tropical high forest well-stocked	Strict Nature Reserve, Protected National parks, Private, Collaborative forest management	Unregulated pit sawing, Unregulated pit sawing, farming, Small holder agriculture
Tropical high forest low-stocked	Collaborative resource management, Private, Customary/communal Collaborative forest management	Pit sawing, agric./grazing Agriculture, firewood & poles Agriculture, logging
Woodland	Community Wildlife Areas, Private, Customary/Communal	Charcoal, grazing, agriculture Charcoal, grazing, agriculture Charcoal, agriculture

Box 4: 'REDD project types' in the ROSE studies

This can be defined as a combination of ecosystem type, region (in some cases) the land tenure and institutional basis, and the main deforestation and degradation (DD) drivers. For example, in the case of Tanzania, an important REDD project type was miombo woodland under Community Based Forest Management in the Morogoro, Tabora and Manyanara Regions, and where charcoal and farming were the main DD drivers; and in Ghana a project type was wet evergreen high forest in protection Forest Reserves in the Western Region under threat from tree and food crops, especially cocoa. In the case of Uganda, a further classification, at least for the high forest, was whether it was 'well' or 'low' stocked, e.g., low-stocked tropical high forest under Collaborative Forest Management with illegal logging as the main DD driver..

Accessing the ROSE reports:

http://www.katoombagroup.org/documents/events/event35/REDDOpportunityScopingExercise-Tanzania.pdf

http://www.katoombagroup.org/documents/events/event31/REDDOpportunityScopingExercise-Uganda.pdf

http://www.katoombagroup.org/documents/events/event36/ROSEGhana.pdf *(provisional)*

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