

Coping with Climate Change in the Pacific Island Region



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Executive Summary

The Fiji REDD+ Strategy includes the execution of 7 pilot REDD+ activity types as follows:

- Improved Forest Management Reduced Impact Logging (IFM-RIL)
- Improved Forest Management Logged to Protected Forest (IFM-LtPF)
- Improved Forest Management Low Carbon to High Carbon Forest (IFM-LCtHC)
- Reducing Emissions from Deforestation Deforestation to Protected Forest (RED-DtPF)
- Reducing Emissions from Deforestation Deforestation to Sustainable Forest Management (RED-DtSFM)
- Afforestation/Reforestation Non-Forest to Protected Forest (AR-NFtPF)
- Afforestation/reforestation Non-Forest to Timber Harvesting (AR-NFtTH)

The purpose of this report is to provide a framework for the selection of pilot site locations. This framework is informed by a number of site selection criteria relevant to the Fiji REDD+ Programme. These criteria fall into the following categories:

- · Pilot project activity types
- Requirements of the financing instrument
- Pilot site priorities of the Fiji REDD+ Programme
- Favourable preconditions
- Generic REDD+ project success criteria

These criteria categories have been used to develop a Pilot Site Selection Tool as follows:

Fiji R	EDD+ Pilot Site Selection Tool				
Recor	d Activity Type:				
Recor	d Potential Site Name:				
	Selection Criteria		Ra	iting	
Obligatory criteria are highlighted in bold italics text and must be green. Optional criteria are highlighted in normal text and can be green, amber, red, or white. Green: Meets criter Amber: Partly meets Red: Does not meet White: Non -applical		y meets t meet o	criteria criteria		
1	Requirements Of Financing Instrument				
	This section covers the different activity types and the corresponding obligatory site activity types (in bold font).	selection	on criter	ria for th	iose
1.1	Able to be undertaken as an inception project for a programme of activities to be rolled out nationally for this activity type				
1.2	IFM-RIL Activity Type				
1.2.1	Reference Scenario: High intensity selective logging is currently occurring or is planned to occur				
1.2.2	Reference activity of planned timber harvest must be legally sanctioned under Fiji forestry law and regulation				
1.3	IFM-LtPF Activity Type				
1.3.1	Forest where high intensity selective logging is currently occurring or is planned to occur				
1.4	IFM-LCtHC Activity Type				
1.4.1	Forests where there is an opportunity to increase the rate of carbon				



	sequestration by means of some additional management activity (e.g. removing			
1.4.2	grazing animals, ceasing periodic burning, wood removal, or clearing) Forests where the standing carbon stocks are either:			
1.4.2	Degrading, or			
	Remaining relatively constant, or			
	Increasing at a slow rate that is lower than the rate of carbon stock			
	increment if better carbon management practices were applied			
1.5	RED-DtPF Activity Type			
1.5.1	Forest where deforestation is occurring or where deforestation is planned			
	(deforestation is the clearance of over 90% of the forest canopy and a			
1.5.2	permanent change in land use to non-forest activity) RED-DtSFM Activity Type			
1.5.2				
1.5.5	Forest where deforestation is occurring or where deforestation is planned (deforestation is the clearance of over 90% of the forest canopy and a			
	permanent change in land use to non-forest activity)			
1.5.4	Forest where sustainable forest management is possible and practicable			
1.6	AR-NFtPF Activity Type			
1.6.1	Non-forest area where it is possible to establish permanent forest			
1.6.2	If CDM Standard:			
	a. Vegetation cover on the land eligible for project must have been below the			
	forest threshold for at least 50 years prior to project start (for afforestation			
	projects) or on 31 December 1989 (for reforestation projects). These criteria			
	need to be proven (e.g. satellite image analysis);			
	b. No tree vegetation is expected to form a forest on the project land in the			
	absence of the project; c. Project start must be January 1, 2000 or later.			
	d. In absence of the project, carbon stocks of the carbon pools not considered			
	in the project are expected to decrease or increase less relative to the			
	project scenario			
1.6.3	If Carbon Fix Standard:			
	a. Description of the historical and the current situation of the project area			
	must be available for the last 50 years AND			
	b. Land not been forest within 10 years prior to the project start OR			
	c. Has been forest within 10 years prior to the project start and evidence is given that absolutely no relation between the project participants and the			
	cause of deforestation exists			
	d. Criteria b. and c. must be proven by the interpretation of satellite images,			
	aerial photographs, official maps or land-use records.			
1.6.4	If VER+ Standard: Same as CDM Standard criteria.			
1.7	AR-NFtTH Activity Type			
1.7.1	Non-forest area where it is possible to establish permanent forest			
1.7.2	Land is able to support on-going plantation forestry			
1.7.3	If CDM, Carbon Fix, or VER+ Standard: same as 1.6 above			
2	Favourable Preconditions			
	This section covers generic site selection criteria for all activity types unless otherwi	se speci	fied	
2.1	Favourable conditions among the landowner community			
2.1.1	Unified landowner community that is free from internal land tenure or land use			
2.1.1	disputes			
2.1.2	Willingness and/or enthusiasm of landowners to participate in the pilot project			
	activity			
2.1.3	The key stakeholders have a history of working constructively with the			
	Department of Forestry			
2.1.4	Small to medium sized group (allowing face-to-face interactions with project			
2.4.5	developers and facilitators)			
2.1.5	Capacity for communication within the group – e.g. transport, telephone			
2.1.6	Interdependent community (people are reliant on one another)			
2.1.7	Relatively well-off (not extremely poor)			
2.1.8	Forests are valued culturally			
2.1.9	Community members likely to be motivated by incentive payments (it is			



	11: 11				
	something they would normally seek)				
2.1.10	Community has capacity to manage finances and benefits arising from the project				
	or has access to capacity building in financial management and benefit distribution				
2.1.11	Community has capacity to govern a REDD+ project within existing governance				
	structures, or has access to capacity building in project governance				
2.1.12	Capacity to design and enforce 'rules' locally				
2.1.13	Rules can be set locally that help deal with conflicts				
2.1.14	Forest tenure is not overly complex (e.g. such as overlapping or contested forest				
	rights)				
2.1.15	Capacity to exclude outsiders (exclusion rights)				
2.2	Absence of competing land uses in relation to the project scenario				
2.2.1	AR-NFtPF Project: No existing income from reference scenario activities (e.g.				
	where the land is currently unproductive or fallow)				
2.2.2	AR-NFtTH Project: No existing income from reference scenario activities (e.g.				
2.3	where the land is currently unproductive or fallow) Availability of pre-existing data				
2.3.1	IFM-RIL Project: Timber harvesting data available in reference scenario (high				
2.3.1	intensity selective logging) and/or project scenario (sustainable forest				
	management) in the project area or nearby reference area				
2.3.2	IFM-LtPF Project: Timber harvesting data available in reference scenario (e.g. high				
	intensity selective logging) in the project area or nearby reference area				
2.3.3	IFM-LCtHC Project: Data available from the project area or reference area on				
	rates of biomass increment either				
	 In the reference activity (e.g. weedy areas that are subject to fuel wood extraction, grazing, and occasional burning), or 				
	In the project activity (e.g. where forest growth data exist in a control area				
	that has been managed in the past to control reference activities)				
2.3.4	RED-DtSFM Project: Data on deforestation rates available from the project area or				
	reference area, and/or data on SFM harvest rates from the project area or				
	reference area				
2.3.5	RED-DtPF Project: Data on deforestation rates available from the project area or				
2.3.6	reference area AR-NFtPF Project: Data on the rate of biomass increment in forest succession in a				
2.3.0	reference area near to the project area				
2.3.7	AR-NFtTH Project: Data on the rate of biomass increment in plantation forest				
	equivalent to the project activity in a reference area near to the project area				
3	Generic Success Criteria				
	This section covers generic site selection criteria for all activity types unless otherwis	se speci	fied		
3.1	Physical characteristics more likely to contribute to success				
3.1.1	Minimum total area of several hundred hectares (including aggregation of				
	smaller land parcels of equivalent character)				
3.1.2	Well defined, easily monitored boundaries				
3.1.3	High value of co-benefits in the project scenario (e.g. biodiversity, timber,				
3.5	ecosystem services) Other considerations for REDD+				
3.5.1	Project scenario will pass additionality test (i.e. insufficient economic conditions				
3.3.1	to change the reference activity to the project activity without carbon finance)				
3.5.2	Ability to control displacement of emissions to other areas controlled by the				
	landowner group (activity shifting / leakage)				
4	Total Score				
4.1	Obligatory criteria required				
4.2	Obligatory criteria met				
4.3	Optional criteria subtotal				
4.4	Weighting Scores (multiply optional criteria totals by numbers indicated)	X5	Х3	Х3	
4.5	Total Weightings (record result of calculation 4.3 and 4.4)				
4.6	Total Score (add first two columns and subtract the third to get total)				
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Background & TOR

The Fiji REDD+ Strategy includes the execution of 6 pilot REDD+ activity types as follows:¹

- Improved Forest Management Reduced Impact Logging (IFM-RIL)
- Improved Forest Management Logged to Protected Forest (IFM-LtPF)
- Improved Forest Management Low Carbon to High Carbon Forest (IFM-LCtHC)
- Reducing Emissions from Deforestation Deforestation to Protected Forest (RED-DtPF)
- Reducing Emissions from Deforestation Deforestation to Sustainable Forest Management (RED-DtSFM)
- Afforestation/Reforestation (A/R)

The purpose of this report is to assist in the identification and planning of REDD+ pilot sites as per the Terms of Reference for this consultancy. The task required for this piece of work was to:

- i) Support the Fiji Forestry Department in identifying suitable pilot sites, keeping in mind the following considerations:
 - The set of criteria for identifying suitable site should draw from the requirements stated in the REDD+ Policy and identified in the Fiji REDD+ Scoping report;
 - b. Pilot sites should match the top priority activity types as determined in the draft Fiji REDD+ Strategy.
- ii) Facilitate a consultation process to:
 - c. Elaborate to stakeholders the process and requirements for establishing a REDD+ project (sub-national level)
 - d. Identify activities to establish the pilot sites
 - e. Develop a workplan for the implementation of the pilot sites with the following considerations:
 - Feasibility with regards to timeframe of the project (will be part of criteria)
 - Complementarities with pilot sites developed by other REDD+ projects
 - f. Encourage a participatory and interactive workshop process

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¹ Activity types will be explained in more detail in the REDD+ Activity Types Guidelines – a subset of the National REDD+ Guidelines under development.

Identifying Suitable Pilot Sites

The selection criteria for the identification of suitable pilot sites, and the setting of priorities in terms of the sequencing of pilot activities needs to take into consideration the following elements:

- a. General site selection requirements for different activity types.
- b. Specific eligibility criteria of the financing instrument for each activity type.
- c. Pilot site priorities determined at the Fiji REDD+ Strategy Workshop in November 2010.
- d. Practical considerations to lower costs and meet time frame requirements.
- e. REDD+ project success criteria from the international literature.

Each of these site selection criteria act as a series of filters to assist the decision making process.



Pilot Project Activity Types

The REDD+ activity types identified in the Fiji REDD+ Strategy are as follows:

Fiji REDD+ Activity Types ²								
Activity Code	Activity Name	Reference Activity	Project Activity	Pilot Site Requirements				
IFM-LtPF	Improved Forest Management – Logged to Protected Forest	Timber Harvesting	Protected Forest ³	Forest currently being logged or where logging is planned				
IFM-LCtHC	Improved Forest Management – Low Carbon to High Carbon Forest	Low Carbon Forest	High Carbon Forest	Forest in a condition of arrested succession with potential for greater biomass increment rates				
IFM-RIL	Improved Forest Management – Reduced Impact Logging	High Impact Logging	Lower Impact Logging	Forest currently subject to high impact logging or where high impact logging is planned				
RED-DtSFM	Reducing Emissions from Deforestation – Deforestation to Sustainable Forest Management	Deforestation	Sustainable Forest Management Timber Harvesting	Area subject to deforestation or planned deforestation involving a permanent change in land use				
RED-DtPF	Reducing Emissions from Deforestation — Deforestation to Protected Forest	Deforestation	Protected Forest	Area subject to deforestation or planned deforestation involving a permanent change in land use				
AR-NFtPF	Afforestation / Reforestation – Non-Forest to Protected Forest	Non-Forest Land Use	Protected Forest	Non-forest with the potential to support forest				
AR-NFtTH	Afforestation / Reforestation – Non-Forest to Harvested Forest Cycle	Non-Forest Land Use	Forest Established for Timber Harvesting	Non-forest with the potential to support productive timber plantations				

² These activity names and codes are based on emerging international forest carbon market nomenclature (particularly the Verified Carbon Standard - VCS) dealing with 'forest remaining as forest' carbon management activities.

³ 'Protected Forest' here means halting or avoiding activities that would reduce carbon stocks and managing a forest to maintain high and/or increasing carbon stocks.



Requirements Of The Financing Instrument

The end-game in a REDD+ implementation activity is:

- a. A transaction involving the receipt of financial benefits, as an incentive payment for
- b. A change in forest/land management practices, resulting in
- c. A measurable reduction in emissions from sources or the enhancement of removals by sinks
- d. Where this quantitative change in carbon stocks is a consequence of the incentive payment.

SELECTING THE FINANCING INSTRUMENT

The source of finance will impose certain criteria upon participants. For this reason the Fiji REDD+ Programme will need to determine the source of finance for each pilot project prior to designing the project activities and selecting sites. In turn, determining the source of finance for pilot projects will need to take into consideration the type of financing structure to be adopted by the national REDD+ financing programme.

The Draft Fiji REDD+ Carbon Financing Guidelines states:

- 1.1 Fiji will adopt a 'no regrets' approach to carbon financing to enable it to take best advantage of the full spread of carbon financing instruments available. This will be undertaken by means of a national REDD+ financing instrument (e.g. the 'Fiji Forest Carbon Programme'⁴) designed to support landowner participation at low cost and high benefit with the option for landowners to opt into the programme or remain independent from it.
- 1.2 This national REDD+ financing instrument will be governed by the REDD+ Steering Committee and potentially run by the Fiji Forest Carbon Facility⁵ (FFCF: a management agency established under and reporting to the REDD+ Steering Committee).
- 1.3 The Fiji Forest Carbon Programme will be designed to accommodate different scales and types of international carbon financing (national, programmatic, project scale; grant, market types) and will provide a link between international sources of REDD+ carbon finance and REDD+ implementation activities on the ground.

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⁴ The term: 'Fiji Forest Carbon Programme' is used here merely as an indicative name and in no way pre-empts the naming of a national forest carbon financing programme.

⁵ The term 'Fiji Forest Carbon Facility' and its associated function is contained in the Fiji REDD+ Strategy and is envisaged as a management agency responsible for the facilitation of REDD+ implementation activities associated with a government run programme. Such terminology and/or functionality remains open for consideration by the Fiji REDD+ Steering Committee and associated stakeholders.

The SPC/GIZ Pacific-German Regional Program on Coping with Climate Change in the Pacific Island Region (CCCPIR) seeks to complete at least one REDD+ performance-based incentive payment transaction by the end of 2012. This timing constraint necessitates engaging a financing instrument that is already available to Fiji at the present time.

The REDD+ implementation financing instruments currently available to Fiji include:

- Bilateral partner direct payment
- Multilateral Bank direct payment
- Voluntary carbon market carbon credit issuance

Fiji currently has a bilateral REDD+ <u>readiness</u> financing arrangement with the Government of Germany. Fiji does not have an arrangement with a bilateral partner for performance-based incentive payments. It is possible that the Governments of Norway and/or Australia may be in a position to offer ad hoc performance-based incentive payments for the implementation of REDD+ pilot activities, but this would first require a connection between the Fiji REDD+ Programme and these countries that has not yet been established.

The World Bank Forest Carbon Partnership Facility (FCPF) provides performance-based incentive payments in the form of Emission Reductions (ERs) to participant countries that have moved through the FCPF REDD+ Readiness programme. Fiji is not a participant country to the FCPF and therefore is unlikely to be eligible for REDD+ payments from this instrument.

The international voluntary carbon market is available as a REDD+ financing instrument through different possible voluntary standards, with particular reference to the following:

- Verified Carbon Standard (VCS) (REDD, IFM methodologies currently available)
- Carbon Fix Standard (afforestation/reforestation only)
- ISO 14064-2 Standard (a flexible standard that is not as methodologically prescriptive as the VCS or Carbon Fix)
- Climate Community and Biodiversity Standard (will only certify/quality assure community and biodiversity co-benefits of projects).

Given the time constraints (end of 2012) for completing an incentive payment transaction for a REDD+ implementation activity it may be appropriate for the Fiji REDD+ Programme to consider engaging the international voluntary carbon market as the financing instrument for its pilot projects. This has the advantage that it will not require building new REDD+ diplomatic relationships with potential bilateral partners, or negotiating an entry point into the World Bank Forest Carbon Partnership Facility. Furthermore, pilot projects could be designed to enable them to be migrated into a different financing arrangement in the future, particularly if the timing of incentive payments is restricted to avoid lengthy (e.g. decadal) forward sale contracts.

VOLUNTARY CARBON MARKET

The voluntary carbon market presents an opportunity to undertake a REDD+ pilot project in a way that does not compromise the opportunity to design and develop a national scheme (e.g. tentatively labeled the 'Fiji Forest Carbon Programme' or the 'Fiji Forest Carbon Facility'). Furthermore, it is possible for pilot projects to be designed in such a way that they facilitate the design of a national forest carbon-financing programme whereby participants



in the pilot projects have the option of opting into the national programme in a way that does not penalize them for early action.

The voluntary carbon market functions by means of independent voluntary carbon standards, that quality-assure the design, MRV, and crediting aspects of carbon projects. Each voluntary carbon standard comprises a different carbon-financing instrument and will have different eligibility and methodological criteria for carbon projects.

Selecting A Suitable Voluntary Market Standard

There are currently several different voluntary carbon standards available (Hamilton et al 2009) including⁶:

- American Carbon Registry Standard
- Climate Action Reserve Protocols
- The CarbonFix Standard
- Clean Development Mechanism (CDM)
- Chicago Climate Exchange Offsets Program
- Climate, Community, and Biodiversity Standard
- EPA Climate Leaders Offset Guidance
- Greenhouse Gas Services Standard
- Gold Standard
- Australian National Carbon Offset Standard
- ISO14064-2 Standard
- Plan Vivo
- Social Carbon
- TUV NORD Climate Change Standard
- VER+ Standard
- · Verified Carbon Standard
- Supplier specific standards

Voluntary carbon standards that are suitable for REDD+ activities in Fiji include those that cater for forest sector projects, that are geographically available in Fiji, and that provide for the targeted activity types sought by the Fiji REDD+ Programme (i.e. those listed at the beginning of this document). Some standards that cater for forest sector projects will only certify afforestation/reforestation activity types (e.g. Carbon Fix, CDM), whereas others (e.g. Verified Carbon Standard, ISO14064-2) cater for a wider set of activity types including improved forest management (IFM) and reducing emissions from deforestation and degradation (REDD).

The most suitable standards for the activity types listed in the Fiji REDD+ Strategy are the Verified Carbon Standard (VCS) and the ISO14064-2 standard. The Climate Community and Biodiversity Standard (CCB) is also relevant to activity types involving indigenous forests, but

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⁶ Not all of these voluntary carbon market standards support forest projects (e.g. the Gold Standard will only certify energy projects). Of those for which forest projects are an eligible activity, some will only certify afforestation/reforestation project types (e.g. The Carbonfix).

this standard will only certify and quality assure the biodiversity and community co-benefits of a project, and only when the carbon benefits have been certified by another standard (e.g. VCS or ISO14064-2).

The VCS can be considered world's best practice for REDD+ and is a useful standard to consider using for the development of Fiji REDD+ pilot projects. The VCS also has disadvantages:

- Project proponents must either use a project methodology that has already been approved by the VCS or develop a new methodology to suit the circumstances of the pilot project.
- VCS methodologies can be quite expensive to undertake due to the amount of empirical work required and because of the non-forest carbon accounting required under the VCS that some other standards do not require.
- If you need to develop a new methodology as part of project development then under the VCS that methodology would need to be double approved prior to its use in a project, with this double approval process taking up a lot of time and costing approximately US\$40,000.

Another option is to develop a project using the VCS for methodological guidance but certifying the project under the ISO14064-2 standard. ISO certified credits may command slightly lower carbon prices than VCS credits (VCUs), but this higher price needs to be weighed against the following:

- 1. The higher cost of producing VCS credits
- 2. The need for flexibility in the Fiji REDD+ Strategy context where it is necessary to develop pilot projects that will be compatible with a national programme that may be financed by a national-scale instrument arising from the UNFCCC.

The advantage of the ISO14064-2 path to market is that it is more flexible than the VCS but is also a robust standard. The ISO14064-2 path may also enable a project to be designed that would be more compatible with a future government-run programme designed to enable landowners to participate at lower cost and lower project development complexity.

Another option with the ISO14064-2 path is to develop a project so that it could be migrated to a VCS standard at a future date. This could happen by either seeking ex post credits (credits issued only after the carbon benefits have been demonstrated) or short run ex ante credits (e.g. forward sold in 10 year batches or less). As such, should it become apparent that greater returns to landowners could be gained by upgrading to the VCS (or other) standard, this would remain an option.

It is recommended therefore, that the Fiji REDD+ Programme develop pilot projects using the VCS for methodological guidance (by using approved VCS methodologies where available), and uses the ISO14064-2 standard to quality assure the projects and create the credits.

As of May 2011 the VCS had approved the following methodologies relevant to the Fiji REDD+ Programme⁷:

Code	Methodology Name
VM0003 IFM-ERA	Improved Forest Management - Extension of Rotation Age ⁸
VM0005 IFM-LPtHP	Improved Forest Management – Low Productive to High Productive Forest ⁹
VM0006 REDD	Carbon Accounting In Project Activities for Mosaic REDD ¹⁰
VM0007 REDD	REDD Methodology Modules ¹¹
VM0009 REDD	Avoided Mosaic Deforestation of Tropical Forests ¹²
VM0010 IFM-LtPF	Improved Forest Management – Logged to Protected Forest (variant 1) ¹³
VM0011 IFM-LtPF	Improved Forest Management – Logged to Protected Forest (variant 2) ¹⁴

It is important to note that the ISO14064-2 standard (unlike the VCS) does not issue carbon credits. Any credit issuance would need to be undertaken by another entity. One entity that does issue ISO certified credits is the Markit Environmental Registry. This registry is designed for the voluntary carbon market and supports the ISO path to market for ex post or ex ante credits. Here credits are issued following a successful validation (audit) of an ISO14064-2 project. In the case of ex ante credits, Markit Environmental Registry issues 'Pending Issuance Units' (PIUs) which can then be converted into Verified Emission Reductions (VERs) through time after the ex ante time period has been completed (i.e. when ex ante becomes ex post). This option enables the seller to sell ex ante credits (PIUs) to a buyer (at the PIU price which is lower than the VER price), and then through time the buyer can convert the PIUs to VERs and on-sell them at the higher VER price.¹⁵

Given the flexibility of the ISO14064-2 standard but the recommendation to follow the VCS methodological guidance it will be useful to align the site selection process with the VCS eligibility criteria for the pilot projects. The VCS/ISO eligibility and methodological criteria will be elaborated for each of the pilot project activity types below.

¹⁵ Helen Robinson, Global Managing Director, Environmental Markets, for Markit Group Ltd 2010 personal communication.



⁷ Verified Carbon Standard 2011a. Approved VCS methodology elements. Available at: http://www.v-c-s.org/vcsmethodologies.html (accessed 17 May 2011).

⁸ Ecotrust 2010.

⁹ Face The Future 2010.

¹⁰ Terra Global Capital 2010.

¹¹ Avoided Deforestation Partners 2010.

¹² Wildlife Works 2010.

¹³ Green Collar 2010.

¹⁴ Carbon Planet 2011.

IFM-RIL Activity Type Site Selection Criteria

Converting high intensity selective logging to low intensity sustainable forest management requires a site where either high intensity selective logging is currently occurring and would change to sustainable forest management under the pilot project, or there is an intention to undertake high intensity selective logging (as a business-as-usual activity) but undertaking the pilot project would change this planned timber harvest activity to sustainable forest management¹⁶.

The pilot site for this activity therefore needs to be a site where high intensity selective logging is currently occurring or is planned to occur.

The reference activity of planned timber harvest must be legally sanctioned under Fiji forestry law and regulation.

IFM-LtPF Activity Type Site Selection Criteria

Converting selective logging to protected forest requires a site that meets the same site selection criteria as IFM-RIL above.

IFM-LCtHC Activity Type Site Selection Criteria

Converting low carbon forest to high carbon forest is an activity type that does not involve timber harvesting in the reference scenario (otherwise it would be an IFM-RIL or IFM LtPF activity type). Eligible forest for this activity type will include forests that are currently being managed whereby there is an opportunity to increase the rate of carbon sequestration (enhanced removals) by means of some additional management activity.

An example of eligible forest under this activity type would be degraded forest that is not currently being managed for timber harvesting, and standing carbon stocks are either:

- Degrading, or
- Remaining relatively constant, or
- Increasing at a slow rate that is lower than the rate of carbon stock increment if better carbon management practices were applied.

The IFM-LCtHC activity type described here (and described in more detail in the REDD+ Activity Types Guidelines) corresponds most closely with the VCS activity type called Improved Forest Management - Converting Low Productive to High Productive Forest (IFM-LPtHP – VCS VM0005 v 01)¹⁷.

¹⁷ Face the Future 2010.

¹⁶ VCS 2008. Guidance for Agriculture Forestry and Other Land Uses. Verified Carbon Standard. Available at: http://www.v-

RED-DtPF Activity Type Site Selection Criteria

Reducing emissions from deforestation by converting deforestation to protected forest is an activity type requiring a site where deforestation is either currently occurring or where planned deforestation would occur without the project.

In situations where deforestation is currently occurring, the site for a carbon project would need to include legal sanction to continue to deforest over a larger area that already completed. This may come in the form of an agricultural license or lease over an area of forest where there is an expectation and legal sanction to deforest the entire area within the license or lease.

In situations where planned deforestation would occur without the project there may be no deforestation currently occurring but there would still be legal sanction to deforest by means of legal sanction to deforest the area (e.g. an agricultural license or lease over an area of forest.

If explicit legal sanction to deforest does not yet exist (e.g. by means of an agricultural license of lease) but where the landowners and/or the land managers have the intention to deforest it is up to the landowner and/or land manager to provide evidence to convince the Fiji Forest Carbon Programme and the carbon market standard that such intention is real and not simply a claimed intention created in response to an opportunity to generate carbon revenues.

RED-DtSFM Activity Type Site Selection Criteria

Reducing emissions from deforestation by converting deforestation to sustainable forest management requires a site that meets the same site selection criteria as RED-DtPF above.

AR Activity Type Site Selection Criteria

Enhancing removals through afforestation/reforestation (AR) consists of establishing, increasing or restoring vegetative cover through the planting, sowing or human-assisted natural regeneration of woody vegetation to increase carbon (C) stocks in woody biomass.

Afforestation/reforestation activities can include the establishment of new permanent forest where there is an intention to harvest timber in future from the project area, or where there is no intention for future biomass removal.

Where projects involve plantings with the intention of future timber harvest the carbon benefit calculation takes into account emissions associated with that future harvest and where this harvest liability is managed either by means of a requirement for the forest owner to buy back credits to an equivalent volume of harvest emissions, or where credits are issued for only the mean carbon stock increment of the land assuming an on-going cycle of harvest and replanting through time.

Afforestation/reforestation projects require a site that is not classified as 'forest land' under the Fiji definition of forest land. Examples of eligible land for an A/R project type include:



- Grassland
- Land dominated by herbaceous weedy vegetation
- Land dominated by woody species but where such land does not meet the Fiji definition of 'forest land.'

The project development pathway for the IFM and REDD activity types described above each use the Verified Carbon Standard for methodological guidance but with the intention of gaining certification under the ISO14064-2 Standard. The option of using the VCS for methodological guidance is not as straight forward for AR projects because the VCS has no approved methodologies for AR activity types, and refers project proponents to the CDM methodological elements¹⁸.

According to the most recent version of the 'VCS AFOLU Requirements' (version 3.0 2011) eligible afforestation/reforestation activities "are those that increase carbon sequestration and/or reduce GHG emissions by establishing, increasing or restoring vegetative cover (forest or non forest) through the planting, sowing or human-assisted natural regeneration of woody vegetation. Eligible ARR¹⁹ projects may include timber harvesting in their management plan. The project area shall not be cleared of native ecosystems within the 10 year period prior to the project start date..."

In the 2009 VCS Guidance for AFOLU Projects the methodologies for reference and project carbon accounting for AR projects need to "follow either the IPCC 2006 Inventory Guidelines on the topic or approved A/R CDM methodologies."

Clean Development Mechanism (CDM)

Under the Clean Development Mechanism (CDM) the following conditions and information are relevant for all A/R methodologies and are applicable in addition to the conditions listed in the CDM methodology summaries:

- Vegetation cover on the land eligible for project must have been below the forest threshold for at least 50 years prior to project start (for afforestation projects) or on 31 December 1989 (for reforestation projects). These criteria need to be proven (e.g. satellite image analysis);
- No tree vegetation is expected to form a forest on the project land in the absence of the project;
- Project start must be January 1, 2000 or later.
- In absence of the project, carbon stocks of the carbon pools not considered in the project are expected to decrease or increase less relative to the project scenario.

A/R methodologies can be distinguished as large-scale and small-scale. Small-scale A/R methodologies provide simplified approaches for project setup and monitoring. Small-scale A/R projects must fulfill the following conditions:

1. Net anthropogenic GHG removals by sinks must be less than 16,000 tonnes of CO per year; and

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¹⁹ In the VCS system ARR refers to 'afforestation, reforestation and revegetation.'



¹⁸ Verified Carbon Standard 2011b.

2. The projects must be developed or implemented by low-income communities and individuals as determined by the host Party.

If the A/R project does not meet these criteria a large-scale methodology has to be applied²⁰.

CarbonFix Standard

The CarbonFix Standard specializes in AR activities and elaborates the following eligibility criteria for Afforestation/Reforestation projects²¹:

- 1. A description of the historical and the current situation of the project area must be given for the last 50 years. This description must include the development of its socio-economic situation, its changes in land-uses and changes of property rights.
- 2. Planting area is only eligible, if the land:
 - a. Is not a forest at the date of the project start AND
 - b. Will result in the creation of a forest AND
 - c. Has not been forest within 10 years prior to the project start OR

Has been forest within 10 years prior to the project start and evidence is given that absolutely no relation between the project participants and the cause of deforestation exists.

Criterion 2.c. must be proven by the interpretation of satellite images, aerial photographs, official maps or land-use records.

- 3. Planting area is not eligible, if the land
 - a. Was deforested to generate CO2-certificates OR
 - b. Is wetland OR
 - c. Is situated on ground that is permafrost OR
 - d. Is agricultural farming land and threatens through the conversion to forest the food security of the local population.
- 4. Evidence must be given, that in case any agricultural or silvopasture activities are taking place on the project area, they contribute to the aim of creating a forest.

VER+

The VER+ standard uses the Joint Implementation of the Kyoto Protocol as the basis of all of its activity types and eligibility criteria but allows projects to take place in any country rather than merely UNFCCC Annex I countries (developed countries)²².

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²⁰ UNFCCC 2010.

²¹ CarbonFix 2010.

²² VER+ 2011.

The general guidelines for eligibility under the VER+ Standard for forest sector projects are set out in the general guidelines for eligibility under the Joint Implementation of the Kyoto Protocol, which in turn are set out in Articles 3.3 and 3.4 of the Kyoto Protocol²³:

Article 3.3 of the Kyoto Protocol restricts carbon project activities to those resulting in "net changes in greenhouse gas emissions by sources and removals by sinks resulting from direct human-induced land-use change and forestry activities, limited to afforestation, reforestation ... since 1990."²⁴

Article 3.4 of the Protocol addresses changes in forest carbon stocks that have occurred since 1990 in comparison with the level of carbon stocks in 1990.

Accordingly, any afforestation/reforestation pilot project seeking to use the VER+ standard would need to be conducted on land that was not defined as 'forest land' (under the Fiji definition of 'forest land'²⁵) as of 31 December 1989. Similarly, an improved forest management project seeking certification under VER+ would need to measure changes in forest carbon stocks for forest lands that were forest lands (according to the Fiji definition of 'forest land') on 31 December 1989 and compare these forest carbon stocks with the estimate of forest carbon stocks in 1990.

The VER+ Standard is most relevant to A/R project types because IFM project types are covered under the VCS / ISO certification path.

Pilot Site Priorities

The Fiji REDD+ Strategy Workshop undertaken in November 2010²⁶ identified the two highest priority pilot project activity types in the following order

- 1. Improved Forest Management Reduced Impact Logging (IFM-RIL)
- 2. Afforestation/Reforestation (A/R) converting Non-Forest to Protected Forest (ARNFtPF).

The IFM-RIL activity type will involve the conversion of high intensity logging of indigenous forest to sustainable forest management. The A/R activity type will involve the conversion of grassland (talisiga) to permanent indigenous forest with no intent to harvest. It was envisaged that the A/R activity type would involve a project undertaken by Fiji Pine Ltd using areas already held within the Fiji Pine lease area but involving a renegotiation of the lease arrangement with the affected landowners.

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²³ JI Rulebook 2011.

²⁴ UN 1998.

²⁵ If the Fiji Department of Forestry has not yet defined its own interpretation of the term 'Forest Land' it will need to do so in preparation for REDD+ implementation.

²⁶ Weaver et al 2011.

This leaves the following activity types for pilot projects (in no particular order):

- Improved Forest Management Logged to Protected Forest (IFM-LtPF)
- Improved Forest Management Low Carbon to High Carbon Forest (IFM-LStHC)
- Reducing Emissions from Deforestation Deforestation to Protected Forest (RED-DtPF)
- Reducing Emissions from Deforestation Deforestation to Sustainable Forest Management (RED-DtSFM)
- Afforestation/reforestation Non-Forest to Timber Harvesting (AR-NFtTH)

Each activity type has specific eligibility and methodological requirements that influence the site selection criteria for such projects.

Favourable Preconditions

The purpose of pilot projects is to test REDD+ activities and to model them for future participants either as individual projects or as part of a national programme of activities. They also function as an exercise in learning by doing. For these reasons it is advisable that such pilot project sites are selected that are logistically straightforward and relatively free of avoidable complications.

Favourable preconditions for pilot projects (in general) include:

- Unified landowner community that is free from internal land tenure or land use disputes.
- Willingness and/or enthusiasm of landowners to participate in the pilot project activity.
- The key stakeholders have a history of working constructively with the Department of Forestry.
- Project scale is sufficient to meet economy of scale and transaction cost barriers.
- Absence of competing land uses in relation to the project scenario.
- Pre-existence of reference and/or project scenario data.

PRE-EXISTING DATA

All forest carbon projects involve a comparison between:

- a. The reference emissions level (REL) under business-as-usual reference scenario and
- b. The project emissions level under the project scenario.

The cost and time resources required to undertake a pilot project can be significantly reduced if data already exists for either the reference scenario or project scenario activities. An example of a situation where reference scenario data already exists would be where a harvesting plan already exists for a forest and where the project would instead protect that forest from timber harvesting. Each different activity type will have different opportunities for existing data sets as elaborated below.



Improved Forest Management

Reduced Impact Logging (IFM-RIL)

A carbon project that converted high intensity selective logging to low intensity sustainable forest management would be less costly to undertake and take less time to complete if timber harvesting data already existed for the reference scenario timber harvesting or project scenario timber harvesting or both. Such data may sometimes be sourced from adjacent lands where either reference scenario or project scenario activities have been undertaken in the past.

Logged to Protected Forest (IFM-LtPF)

The cost and time of project development for an IFM-LtPF project can be greatly reduced if reference activity data already exist. An example of the reference activity is the logging that would have taken place without the project (e.g. high intensity selective logging). Project areas where there is already a harvesting plan in place (as part of a forestry concession or forestry lease) will be easier to develop as carbon projects compared with project areas where there is no current harvesting plan. The timber-harvesting plan is necessary to calculate the reference emissions level (REL) for the project. If such a harvesting plan is not already in place then the project development for the carbon project will need to include the development of a timber-harvesting plan.

Low Carbon to High Carbon Forest (IFM-LCtHC)

Converting low carbon to high carbon forest is an activity that changes forest management to enable more rapid sequestration than under the reference scenario (business-as-usual). An example of this would be the removal of herbaceous weeds and activities that slow down or arrest forest succession. Any potential project area where there is already data on rates of biomass increment either in the reference activity (e.g. weedy areas that are subject to fuel wood extraction, grazing, and occasional burning), or in the project activity (e.g. where forest growth data exist in a control area that has been managed in the past to control reference activities).

Reducing Emissions From Deforestation

Deforestation to Sustainable Forest Management (RED-DtSFM)

A carbon project that converted land management from deforestation to sustainable forest management would be less costly to undertake and take less time to complete if there were already examples of reference activity (i.e. deforestation) in an area near to the project area or on part of the project area. Areas near to the project area with equivalent characteristics can be included in a 'reference area' as part of project development calculations. Reference areas provide a source of data for what would likely happen in the project area if the project did not go ahead, because in the reference area the reference activity (deforestation) is proceeding or has occurred in the recent past.



Deforestation to Protected Forest (RED-DtPF)

The same favourable preconditions apply to the RED-DtPF activity type as in the RED-DtSFM activity type above, except that no data on sustainable forest management timber harvest rates in the project area or reference area are needed because sustainable forest management is not undertaken in the project scenario.

Afforestation / Reforestation

Non-Forest to Protected Forest (AR-NFtPF)

A 'carbon farming' project that converted an area of non-forest (e.g. grassland) to forest by removing impediments to forest succession (e.g. removing grazing animals) and/or enrichment planting would be easier to undertake if there were no existing income from reference scenario activities (e.g. if the land were currently unproductive or fallow). This would simply lower any opportunity costs associated with undertaking the project activity and make the forest carbon project more attractive to the landowner. Such a project would be even more attractive to the landowner if there was not a realistic option for plantation forestry on the same land (e.g. if it were too steep or of low productive capacity for plantation timber management).

The existence of pre-existing data for this activity type might include data on the rate of biomass increment in forest succession in a reference area near to the project area.

Non-Forest to Harvested Forest Cycle (AR-NFtTH)

A forest carbon project involving the conversion of non-forest to plantation forestry would be easier to undertake if the land were currently not in productive use and yet was suitable for plantation forestry activity. Here the reference scenario income would be close to zero whereas the carbon project income stream would include timber and carbon revenues.

Generic REDD+ Project Success Criteria

A recent publication by CIFOR entitled 'Realising REDD+' encompasses an international overview of REDD+ in practice.²⁷ Two chapters from this publication²⁸ are particularly relevant to developing selection criteria for pilot sites given the goal of maximizing the chances of project success. Informing these criteria is not only experience in REDD+ activities but also community based sustainable forestry management, which has a much longer history running back several decades.

Live & Learn Environmental Education prepared a check-list of success criteria derived from the 'Realising REDD+' publication. This checklist is presented below:

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 $^{^{\}rm 28}$ Agrawal and Angelsen 2009; Brandon and Wells 2009.



²⁷ Angelsen 2009.

1. Physical characteristics

- a. Medium to large forests
- b. Well-defined, easily monitored boundaries
- c. High value of the resource

2. Features of the target community

- a. Small to medium sized group (allowing face-to-face interactions)
- b. Capacity for communication within the group e.g. transport, telephone
- c. Interdependent (people are reliant on one another)
- d. Homogenous (people belong to a single group)
- e. Relatively well-off (not extremely poor)
- f. No sudden increases in resource demands (e.g. rapid need for more fuel or housing)
- g. Forests are valued culturally
- h. Past experience with forest management
- i. Community members likely to be motivated by payment incentives (it is something they would normally seek)

3. Features of the institutional arrangements

- a. Tenure security
- b. Tenure is not overly complex (e.g. such as overlapping or contested forest rights)
- c. Capacity to exclude outsiders (exclusion rights)
- d. Capacity to design and enforce 'rules' locally
- e. Rules can be set locally that help deal with conflicts

4. Contextual factors

- a. Stability of the population demographics
- b. Stability of market conditions
- c. Stability of policy conditions
- 5. Other considerations for REDD+
 - a. Additionality (e.g. forest under threat)
 - b. Leakage (causing deforestation/degradation to move elsewhere)
 - c. Alignment with national strategy requirements
 - d. Government support to reduce collective action costs
- 6. Practical considerations for facilitating entity
 - a. Suitable for a 'protected area' type project
 - b. Accessibility cost / time
 - c. Communication can we reach them from Suva?
 - d. Pre-existing 'relevant' and positive relationships

Pilot Site Selection Tool

A Pilot Site Selection Tool was developed that presents a synthesis of the salient features of the various themes covered in this report, and places them into a checklist to assist decisions on the selection of pilot sites for REDD+ pilot projects in Fiji. Some criteria are deemed obligatory and must be met by the pilot site for it to be eligible for undertaking a pilot activity. Other criteria are optional but if present will increase the likelihood of success of a REDD+ project.

The 'Pilot Site Selection Tool' is presented in Appendix 1.



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APPENDIX 1 PILOT SITE SELECTION TOOL

Reco	d Activity Type:					
Reco	rd Potential Site Name:					
Obligatory criteria are highlighted in <i>bold italics</i> text and must be green. Amber: Partly m Red: Does not m				ating	ıg	
				Green: Meets criteria Amber: Partly meets crite Red: Does not meet criter White: Non -applicable		
1	Requirements Of Financing Instrument					
	This section covers the different activity types and the corresponding obligatory site activity types (in bold font).	e selectio	on crite	ria for th	iose	
1.1	Able to be undertaken as an inception project for a programme of activities to be rolled out nationally for this activity type					
1.2	IFM-RIL Activity Type					
1.2.1	Reference Scenario: High intensity selective logging is currently occurring or is planned to occur					
1.2.2	Reference activity of planned timber harvest must be legally sanctioned under Fiji forestry law and regulation					
1.3	IFM-LtPF Activity Type					
1.3.1	Forest where high intensity selective logging is currently occurring or is planned to occur					
1.4	IFM-LCtHC Activity Type					
1.4.1	Forests where there is an opportunity to increase the rate of carbon sequestration by means of some additional management activity (e.g. removing grazing animals, ceasing periodic burning, wood removal, or clearing)					
1.4.2	Forests where the standing carbon stocks are either: Degrading, or Remaining relatively constant, or Increasing at a slow rate that is lower than the rate of carbon stock					
1 Г	increment if better carbon management practices were applied					
1.5 1.5.1	RED-DtPF Activity Type Forest where deforestation is occurring or where deforestation is planned (deforestation is the clearance of over 90% of the forest canopy and a					
1.5.2	permanent change in land use to non-forest activity) RED-DtSFM Activity Type					
1.5.3	Forest where deforestation is occurring or where deforestation is planned (deforestation is the clearance of over 90% of the forest canopy and a permanent change in land use to non-forest activity)					
1.5.4	Forest where sustainable forest management is possible and practicable					
1.6	AR-NFtPF Activity Type					
1.6.1	Non-forest area where it is possible to establish permanent forest					
1.6.2	 If CDM Standard: a. Vegetation cover on the land eligible for project must have been below the forest threshold for at least 50 years prior to project start (for afforestation projects) or on 31 December 1989 (for reforestation projects). These criteria need to be proven (e.g. satellite image analysis); b. No tree vegetation is expected to form a forest on the project land in the absence of the project; c. Project that must be language 1, 2000 or later. 					
	 c. Project start must be January 1, 2000 or later. d. In absence of the project, carbon stocks of the carbon pools not considered in the project are expected to decrease or increase less relative to the project scenario 					



1.6.3	If Carbon Fix Standard:			
	a. Description of the historical and the current situation of the project area			
	must be available for the last 50 years AND			
	 b. Land not been forest within 10 years prior to the project start OR c. Has been forest within 10 years prior to the project start and evidence is 			
	c. Has been forest within 10 years prior to the project start and evidence is given that absolutely no relation between the project participants and the			
	cause of deforestation exists			
	d. Criteria b. and c. must be proven by the interpretation of satellite images,			
	aerial photographs, official maps or land-use records.			
1.6.4	If VER+ Standard: Same as CDM Standard criteria.			
1.7	AR-NFtTH Activity Type			
1.7.1	Non-forest area where it is possible to establish permanent forest			
1.7.2	Land is able to support on-going plantation forestry			
1.7.3	If CDM, Carbon Fix, or VER+ Standard: same as 1.6 above			
2				
	Favourable Preconditions		· C· 1	
	This section covers generic site selection criteria for all activity types unless otherwi	se spec	ified	ı
2.1	Favourable conditions among the landowner community			
2.1.1	Unified landowner community that is free from internal land tenure or land use			
	disputes			
2.1.2	Willingness and/or enthusiasm of landowners to participate in the pilot project			
212	The key stakeholders have a history of weaking constructively with the			
2.1.3	The key stakeholders have a history of working constructively with the Department of Forestry			
2.1.4	Small to medium sized group (allowing face-to-face interactions with project			
2.1.4	developers and facilitators)			
2.1.5	Capacity for communication within the group – e.g. transport, telephone			
2.1.6	Interdependent community (people are reliant on one another)			
2.1.7	Relatively well-off (not extremely poor)			
2.1.7				
	Forests are valued culturally			
2.1.9	Community members likely to be motivated by incentive payments (it is			
2.1.10	something they would normally seek) Community has capacity to manage finances and benefits arising from the project			
2.1.10	or has access to capacity building in financial management and benefit			
	distribution			
2.1.11	Community has capacity to govern a REDD+ project within existing governance			
	structures, or has access to capacity building in project governance			
2.1.12	Capacity to design and enforce 'rules' locally			
2.1.13	Rules can be set locally that help deal with conflicts			
2.1.14	Forest tenure is not overly complex (e.g. such as overlapping or contested forest			
	rights)			
2.1.15	Capacity to exclude outsiders (exclusion rights)			
2.2	Absence of competing land uses in relation to the project scenario			
2.2.1	AR-NFtPF Project: No existing income from reference scenario activities (e.g.			
	where the land is currently unproductive or fallow)			
2.2.2	AR-NFtTH Project: No existing income from reference scenario activities (e.g.			
	where the land is currently unproductive or fallow)			
2.3	Availability of pre-existing data			
2.3.1	IFM-RIL Project: Timber harvesting data available in reference scenario (high			
	intensity selective logging) and/or project scenario (sustainable forest			
	management) in the project area or nearby reference area			
2.3.2	IFM-LtPF Project: Timber harvesting data available in reference scenario (e.g. high			
2.3.3	intensity selective logging) in the project area or nearby reference area IFM-LCtHC Project: Data available from the project area or reference area on			
2.3.3	rates of biomass increment either			
	In the reference activity (e.g. weedy areas that are subject to fuel wood			
	extraction, grazing, and occasional burning), or			
	 In the project activity (e.g. where forest growth data exist in a control area 			
	that has been managed in the past to control reference activities)			
2.3.4	RED-DtSFM Project: Data on deforestation rates available from the project area or			
-				



	reference area, and/or data on SFM harvest rates from the project area or				
	reference area				
2.3.5	RED-DtPF Project: Data on deforestation rates available from the project area or				
	reference area				
2.3.6	AR-NFtPF Project: Data on the rate of biomass increment in forest succession in a				
	reference area near to the project area				
2.3.7	AR-NFtTH Project: Data on the rate of biomass increment in plantation forest				
	equivalent to the project activity in a reference area near to the project area				
3	Generic Success Criteria				
	This section covers generic site selection criteria for all activity types unless otherwi	se spec	fied		
3.1	Physical characteristics more likely to contribute to success				
3.1.1	Minimum total area of several hundred hectares (including aggregation of				
	smaller land parcels of equivalent character)				
3.1.2	Well defined, easily monitored boundaries				
3.1.3	High value of co-benefits in the project scenario (e.g. biodiversity, timber,				
	ecosystem services)				
3.5	Other considerations for REDD+				
3.5.1	Project scenario will pass additionality test (i.e. insufficient economic conditions				
	to change the reference activity to the project activity without carbon finance)				
3.5.2	Ability to control displacement of emissions to other areas controlled by the				
	landowner group (activity shifting / leakage)				
4	Total Score				
4.1	Obligatory criteria required				
4.2	Obligatory criteria met				
4.3	Optional criteria subtotal				
4.4	Weighting Scores (multiply optional criteria totals by numbers indicated)	X5	Х3	Х3	
4.5	Total Weightings (record result of calculation 4.3 and 4.4)				
4.6	Total Score (add first two columns and subtract the third to get total)				
	1				

Minimum Requirements List For This Activity Type:



Prilot Site Selection Tool Instructions Step 1: Minimum Requirements 1.1 Print out a copy of the Pilot Site Selection Tool Check-list from Appendix 1 for each activity type (7 copies to match the seven activity types). If printing, use double-sided printing to generate four sides of paper for the Check-List, or if double sided printing is not available print an additional page so that there are four pages to work with. 1.2 Record the code for the pilot site at the top of the Check-List. 1.3 For each activity type place a tick in the coloured right hand columns of the Check-List for all obligatory site selection criteria from Section 1 only (Requirements of the Financing Instrument) (highlighted in bold italics font in Section 1 of the Check-List).

This will determine the Minimum Requirements for the selection of potential sites for this activity type.

- Record the Minimum Requirements for each activity type in the Minimum Requirements List below the Check-List (and continue onto the next page if necessary assuming double sided printing).
- 1.5 Use these Minimum Requirements to select a number of potential pilot sites from lands available from around the country where each potential site meets the obligatory criteria.

Step 2: Optional Requirements

- 2.1 Print out copies of the marked (ticked) Check-List for each activity type (complete with Minimum Requirements List) matching the number of Potential Pilot Sites where obligatory criteria have already been met.
- 2.2 Record the name of each Potential Pilot Site on the copy of the Check-List.
- 2.3 Evaluate each Potential Pilot Site according to the site selection criteria listed in Section 2 (Favourable Preconditions) and Section 3 (Generic Success Criteria) of the Check-List.
- 2.4 Record the results of each Potential Pilot Site evaluation by placing a tick in the boxes in the coloured right hand columns of the Check-List.
- 2.5 For each Potential Pilot Site count the number of obligatory criteria required (from Sections 1-3 of the Check-List) for this activity type and record in line 4.1
- 2.6 For each Potential Pilot Site count the number of obligatory criteria met by that site.
- 2.7 If the number of obligatory criteria required is greater than the number of obligatory criteria met the Potential Pilot Site fails and the process can go no further.
- 2.8 If (and only if) the Potential Pilot Site passes the First Decision Test count the number of ticks in each of the columns for each of the optional criteria. Record the total number of ticks for each of the columns in line 4.3.
- 2.9 Multiply each optional criteria subtotal by the numbers indicated for each column (green = x5; amber = x3; red x3) and record each in line 4.5.
- 2.10 Add the green and amber totals and then subtract the red total to get the final score and record in line 4.6.
- 2.11 Compare total scores for each of the Potential Pilot Sites and use this as the basis for making a transparent criteria-based decision.

