

Sustainable Landscapes Rating Tool

– assessing jurisdictional policy and governance enabling conditions

Guidance

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1. Sustainable Landscapes and Jurisdictions - Definitions

There is growing recognition of the importance of managing land in a holistic and integrated manner through a sustainable landscape or jurisdictional approach that reduces deforestation, maintains biodiversity and ecosystem services, and improves rural livelihoods, while also enhancing production of food and fiber for the growing global population (Denier et al. 2015, Conservation International, 2015).

A **sustainable landscape approach**, also referred to as integrated land management, brings together multiple stakeholders to promote synergies and minimise trade-offs between economic, social and environmental (including climate) goals (Denier et al. 2015). Based on the recognition that different stakeholders have different experiences and priorities, this approach enables dialogue and negotiation to agree on common goals and coordinate land management across sectors and levels through agreed plans, rules and practices. It promotes inclusive strategies that open spaces for participation of all stakeholders, including those that are vulnerable or marginalised, in the decision-making processes that affect them.

A **jurisdictional approach** recognizes the important role of government in helping to achieve sustainable landscape goals, for example through convening power and legislative and institutional frameworks, and adopts sub-national administrative boundaries.

Sustainable landscapes and jurisdictions provide an alternative to ‘business as usual’ approaches to land use by seeking to both enhance the productivity of crops and resources, while at the same time maintaining forests and other natural habitats and improving rural livelihoods. As such, they can help commodity sourcing and producing companies to meet their sustainability goals, respect their commitments to reducing deforestation in supply chains, and transform their relationship with commonly disadvantaged smallholders by ensuring their fair and equitable treatment. Sustainable landscapes can also provide opportunities for investment firms and banks that seek financial returns, particularly those that are also interested in generating positive social and environmental impacts.

Governments and their partners committed to a sustainable landscape or jurisdictional approach recognize the important contribution that the ‘right kind’ of investor, one with a strong commitment to sustainability, can make in support of their sustainable landscape goals. Preferential sourcing agreements and premiums for sustainable products provide assurances to producers, empowering them to transition to more sustainable productive practices and livelihoods. Investors provide capital to reduce barriers and facilitate transition to more sustainable and productive approaches. Banks can play a positive role by providing credit to facilitate the transition.

The Sustainable Landscape Rating Tool aims to facilitate investment in sustainable landscapes by assessing and communicating the jurisdictional policy and governance enabling conditions.

2. Sustainable Landscapes Rating Tool - Structure and Use

The Sustainable Landscapes Rating Tool enables a rapid assessment of the key conditions for jurisdictional policies and governance that enable sustainable landscapes. The Tool provides a snapshot of a jurisdiction's capacity to establish and ensure effective functioning of policies, plans, strategies, regulations, monitoring systems and multi-stakeholder platforms, which, collectively, have been found to be important in supporting sustainable landscapes.

The Tool applies an objective, evidence-based rating system to each of the identified key conditions. It collects and organizes complex information about policies and governance into a structured and easy-to-understand format.

The Tool consists of criteria for key enabling conditions structured under the following themes: land use planning and management, land and resource tenure, biodiversity and other ecosystem services, stakeholder coordination and participation, and commodity production systems. Each criterion, or enabling condition, is rated based on individual ratings of a series of elements of quality, or indicators. For example, the existence of a land use plan, would be rated on whether the plan has been formally adopted, covers the entire jurisdiction, and has been developed through a participatory process. The Tool provides detailed guidance to rate each indicator as A (high, full, clear), B (medium, partial), C (low, not addressed), or ID (insufficient data) where insufficient information is available (see Figure 1).

The indicators are divided into two groups that complement each other to provide a clearer picture of the landscape in question. Level 1 indicators, those that can be assessed through published evidence, tend to focus on the existence and quality of laws, policies, plans, systems and platforms, while Level 2 indicators, those that need to be assessed through interviews, consider the extent to which laws are implemented and respected. Where information about effectiveness is published, as for example in relation to the functioning of a multi-stakeholder structure, then implementation can be assessed through Level 1 indicators. Guidance is provided on survey methods to strengthen the rigor of Level 2 ratings.

Ratings are aggregated by compiling a simple average of all indicators in the criterion for which an ABC assessment has been made (including Level 1 and Level 2 indicators), not using weighting to prioritise any indicators. The aggregations include + or – indications if the average is above or below the mid-point (eg. A-, B+, B- and C+).

Criteria – enabling conditions	Indicators – elements of quality	Guidance on Rating (A, B, C or ID Insufficient Data)			Level 1- Public information 2- From interviews	Rating A, B, C, or ID (Insufficient Data)	Justification and Evidence Justify the rating (A, B, C, ID) given for each indicator Provide links to supporting evidence in the form of policies, strategies, plans, maps, reports etc. Explain clearly where rating is based on national and/or sub-national frameworks. Identify which national or subnational law/institution/practice is the subject of the rating. Users may explain trends or expected changes to rating, providing supporting evidence such as reports and plans.
		A (High)	B (Medium)	C (Low)			
1. Land use planning and management							
1.1 Land use plan/zoning	1.1.1 Formally adopted	Adopted by law and regulations require that it is respected.	Agreed by government and stakeholders but not fully legally adopted.	Does not yet exist. May be in development.	1		
	1.1.2 Covers entire jurisdiction	Covers entire jurisdiction land area	Covers 50% or more of jurisdiction land area	Covers less than 50% of jurisdiction land area	1		
	1.1.3 Developed through a participatory process	Consultations were held with all groups of stakeholders in the jurisdiction (including all levels and relevant departments of government, relevant private sector organizations, large and small producers, NGOs,	Consultations have been conducted with some but not all groups of stakeholders about the land use plan/zoning and/or not meeting all other conditions for A.	There is no evidence of consultations with stakeholders about the land use plan/zoning.	1		Guidance (please delete): Users should provide a reference for the analysis of stakeholder groups used for the rating and evidence of stakeholder groups that were invited to and participated in consultations. Evidence that stakeholder input influenced the plan/zoning may include a written statement or minutes of a meeting explaining of how stakeholder input was <u>taken into account</u> or other relevant documentation.

Figure 1. Example of guidance on rating contained within the Tool

The results of the assessment using the Tool are presented in two formats: a summary and a detailed assessment. The summary uses color-coding to present the ratings for each indicator and provide an overview at a glance (see Figure 2). The detailed assessment provides a justification for each indicator rating with links to supporting evidence, explains the relative importance of national and sub-national laws and policies, and provides information about past trends and expected progress (see Figure 1).

Jurisdiction: San Martin	Country: Peru	Date assessed: Feb 2016	Assessed by: CCBA How assessed: literature review, interviews		
Main export commodities: coffee, cocoa, palm oil					
Government pledges/commitments to sustainability: New York Declaration on Forests, Rio Branco Declaration					
National Ratings: Forest 500 (2016) - 4/5 including 5/5 for policies and 3/5 for transparency. Transparency International Corruption Perception Index (2016) – 35, 101/176. World Bank Ease of Doing Business (2017) – 54/190 including 103/190 for starting a business, 37/190 for registering property, 16/190 for getting credit, 86/190 for trading across borders. Economist Intelligence Unit (2017)					
Sub-national Ratings: none available					
A – high, full, clear	B – medium, partial	C – low, not addressed	ID – insufficient data	Level 1 Public information	Level 2 From interviews
1. Land use planning and management			B		
1.1 Land use plan/zoning			B ²		
1) Formally adopted			B		
2) Covers entire jurisdiction			B		
3) Developed through a participatory process			B		
1.2 Social and environmental impact assessments and plans to mitigate risks			B+		
1) Required by government regulations			A		
2) Address impacts on indigenous peoples, local communities and vulnerable people			A		
3) Address impacts on biodiversity and other ecosystem service values			A		
4) Subject to public consultation			B		
5) Publicly accessible			C		
6) Conducted in practice for all land use activities					B

Figure 2. Example summary presentation for San Martin, Peru

The Tool and the template for a summary version of the assessment are available for download at www.climate-standards/sustainable-landscapes-rating-tool/. The Tool can be used flexibly, allowing users to remove or add indicators depending on their needs. This functionality is currently provided by allowing investors to remove and add indicators by deleting or inserting rows in the Word document worksheet. A web-based version of the Tool is under development that will enhance flexibility and facilitate generation of a summary from the detailed assessment worksheet.

The Tool is designed for rapid assessment. Although its evidence-based objective rating system is designed to be used consistently through external or self-assessment processes, some local knowledge is usually required to locate relevant evidence. For a pilot assessment conducted in San Martin (Peru), an external assessor compiled an initial rating of nearly all indicators during one week in September 2016, conducting interviews with local experts to identify the relevant evidence. These ratings were improved upon and validated through the organisation of a one-day multi-stakeholder workshop in the jurisdiction in January 2017. More information on the workshop and the results of the San Martin assessment are available in English and Spanish at www.climate-standards/sustainable-landscapes-rating-tool/

3. Scope and Limitations – Combining with Other Tools

The Tool is designed for application to sub-national jurisdictions. It was designed for use at State or Province level, one level below national, but could be used at lower levels where there is important variation in policy and governance conditions affecting sustainable landscapes.

Given the key role of forests for climate change mitigation and for other ecosystem services, cultural practices and livelihoods, the Tool has initially been developed primarily for forested landscapes in developing countries. However, the flexible approach with which the Tool has been created allows for the removal or addition of sections and/or criteria to make it applicable for different types of landscapes such as grasslands or those with no indigenous peoples.

The information about policy and governance conditions provided by the Sustainable Landscapes Rating Tool is important but not sufficient for a full appraisal of the opportunities and risks for sustainable landscapes. It is designed to be used in tandem with other Tools and platforms that assess a jurisdiction's progress towards sustainable landscapes goals in terms of outcomes, such as status and track record on deforestation rates, economic growth, crop productivity, human development, and social inclusion. Further development of the Tool will facilitate combined use with three such tools:

- Conservation International's Landscape Accounting Framework
- Earth Innovation Institute's Produce-Protect Platform
- Verified Carbon Standard's Landscape Standard.

4. Users

i. *Landscape actors*

Landscape actors include government divisions and agencies across sectors and levels, producer organisations (including those representing smallholders), other private sector organisations involved in land use activities, social and environmental non-governmental organisations, and civil society organisations (including those representing the interests of indigenous peoples and local communities). These groups can use the Tool to:

- Communicate externally about the status of key enabling conditions to attract investment and other support
- Benchmark progress on establishing enabling conditions against internationally-recognized criteria
- Build support among diverse stakeholders and facilitate planning to address gaps.

Actors within the landscape can apply the Tool through a self-assessment process. Using all of the Tool's indicators and providing justifications and evidence for the rating builds the credibility of the process and of the results. Using such an internationally-recognized set of criteria and indicators demonstrates transparency and builds support and trust, both with external investors and among internal stakeholders. Additionally, the Tool allows for the structured collection and communication of complex information which external investors may find hard to discover through other means. The process of self-assessment can promote internal dialogue and agreement on plans to address any weaknesses. Users are encouraged to provide additional information and evidence about trends and expected future changes in ratings to further explain the status of policy and governance conditions.

ii. *External investors*

Investors may include investment funds seeking financial returns and sustainability impacts, banks seeking reliable investments, commodity sourcing companies seeking sustainable products (e.g. zero-deforestation commodities), bi-lateral and multi-lateral development agencies seeking to facilitate transition to green growth with low-emissions sustainable development, and non-governmental organizations seeking to invest in various sustainable landscape goals. These actors can enhance their investment decisions by using the Tool to:

- Identify jurisdictions likely to help them meet sustainability goals
- De-risk investments by providing a due diligence framework to unpack and understand key policy, legal, governance and other enabling conditions
- Identify priorities for policy and governance support that will help to facilitate transition to green growth.

Investors can use the Tool in two ways: for initial screening to compare across jurisdictions, and for in-depth risk assessment. The Tool has been designed for flexible and adaptive use, allowing investors to identify, select, and add to the key criteria that are important for their priorities for initial screening. The Tool can also be used for a more comprehensive assessment, including Level 2 indicators on implementation and effectiveness as relevant.

5. Theory of Change – How the Tool Enhances Sustainable Landscapes

In response to growing global interest in sustainability, international organizations are increasingly seeking opportunities to invest in and support activities in developing countries that meet their sustainability goals but often lack information about the landscape context. They know that government policies and governance can greatly influence sustainability outcomes, but often lack awareness of the key conditions they should assess, and lack access to the relevant information about conditions in a particular landscape. The Sustainable Landscapes Rating Tool enables a structured and easy-to-understand credible and comparable assessment of jurisdictional policy and governance enabling conditions. This information helps to de-risk investments, thereby facilitating increased investment in activities that support sustainable landscapes (pathway A in Figure 3).

Private sector investors, including investment funds, banks and commodity-sourcing companies are seeking investment returns and sustainability of production with reduced risks. Public sector and non-governmental organizations are seeking sustainability or green growth outcomes and may be interested in investing in strengthening the enabling conditions. All these investments provide incentives for sub-national governments and their partners to agree on and implement action to strengthen policy and governance conditions (B).

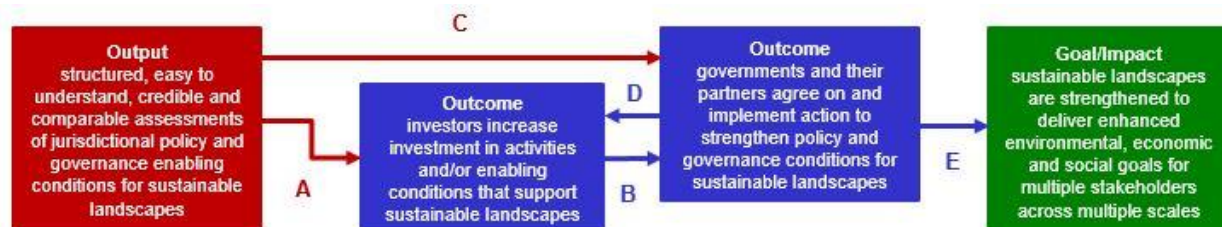


Figure 3. Theory of change for the Sustainable Landscapes Rating Tool

Alternatively, landscape actors can use the Tool directly (C) in order to increase investment (D) or to build support from internal stakeholders or to improve their capacity to deliver on their sustainable landscape goals. Whatever combination of these factors motivates the assessment, the same factors will also provide an incentive to agree on and implement action to strengthen policies and governance for sustainable landscapes. In turn, improved policies and governance will lead to enhanced sustainability of the landscape, delivering multiple environmental, economic and social goals for multiple stakeholders across multiple scales (E).

6. Process of Developing the Tool

The Tool was developed by the Climate, Community & Biodiversity Alliance (CCBA) including Conservation International, Rainforest Alliance and Wildlife Conservation Society and partners including EcoAgriculture Partners and Global Canopy Programme. A concept was discussed with potential users at round tables held in London in June 2016 and Washington DC in July 2016. An initial version of the Tool was developed by a working group of representatives from the partner organizations and a trial was conducted by CCBA in San Martin in Peru in September 2016, conducting interviews to locate evidence. Feedback from the trial was used to develop a first draft in November 2016 which was circulated widely for review. The San Martin rating was revised and validated in a one day workshop in Tarapoto, San Martin, on 25 January 2017. Feedback from reviewers and from participants in the workshop in Tarapoto and in a workshop organized by CCBA and partners in Brussels in March 2017 were used to develop Version 1.0 of the Tool published on 1 June 2017. More information on the development process and earlier versions of the Tool is available at www.climate-standards/sustainable-landscapes-rating-tool/

References

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