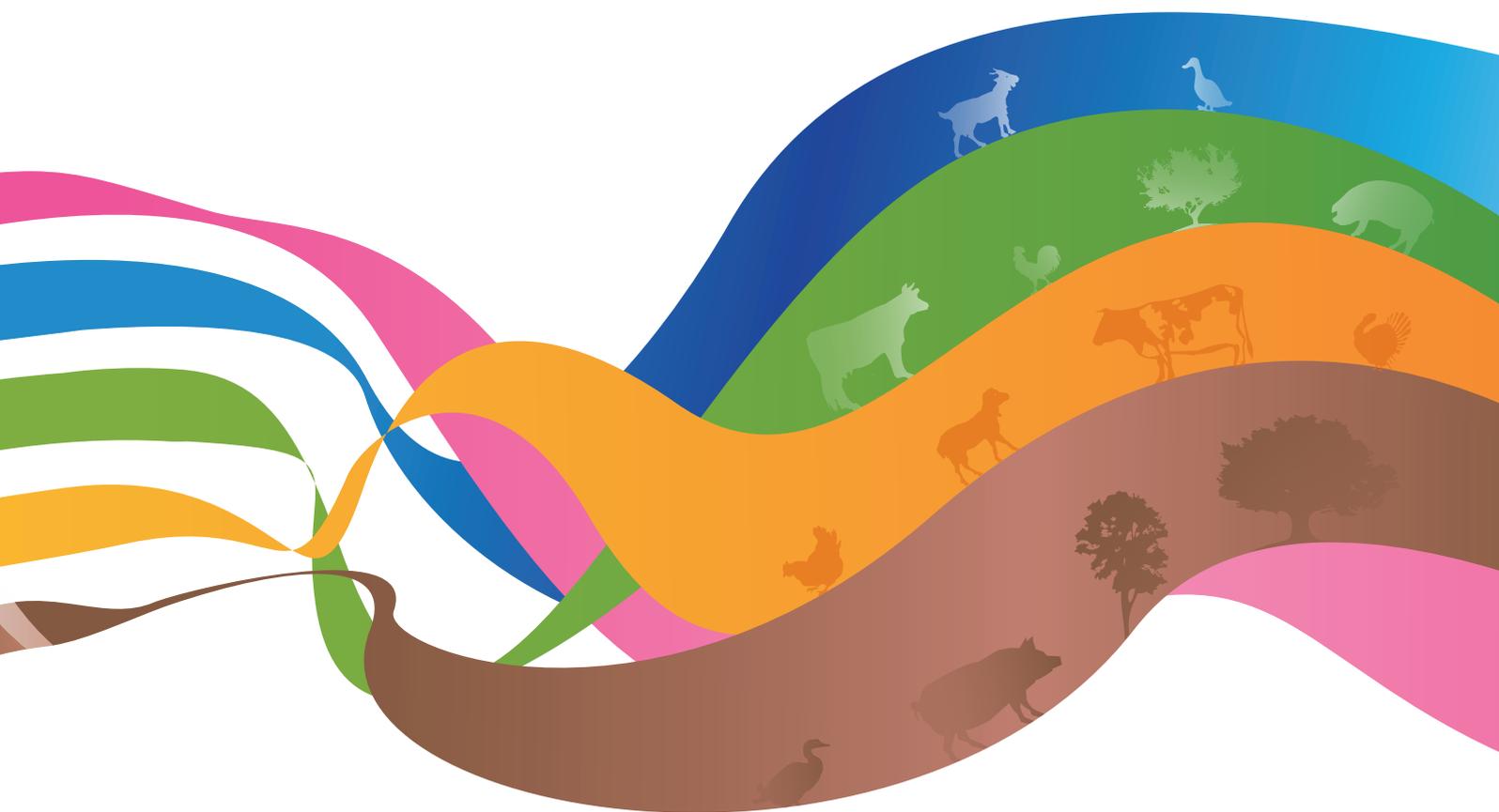




GLOBAL AGENDA FOR SUSTAINABLE LIVESTOCK

THEORY OF ACTION FOR FA2 (RESTORING VALUE TO GRASSLANDS) BASED ON ASSESSMENT OF THE POLICY AND FUNDING ENVIRONMENT



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Summary

The purpose of this report is to

- Review of all documentation of FA2 workshops to identify FA2 member and stakeholder needs and interests, and
- Assess the global policy and funding environment, and existing initiatives relating to FA2 stakeholders' needs and interests, in order to
- Identify the contribution of FA2 to public goods and the potential added-value of FA2, and
- Formulate a theory of change for FA2.

This document is intended as an input into further discussions on FA2's plans moving forward. That is, the suggestions herein are intended to be useful, but not necessarily to be a single package all of which must be taken together. The suggestions have not been costed, and a specific business development plan should be developed after consensus on a general theory of action has been agreed.

Results:

From the review of FA2 documentation, a fundable plan for FA2 requires:

- A limited number of clear, achievable outcomes of global relevance
- Clear identification of the niche and positioning of FA2 in relation to ongoing initiatives related to these outcomes
- Partnerships that can help deliver the outcomes

From the review of international policy trends:

- The economic and environmental values of grasslands are relevant to a number of international policy trends;
- Although there is some documentation and research on grasslands in relation to some of these policy issues, there are gaps in knowledge or lack of systematic research addressing grasslands for many of these policy domains;
- The roles and values of grasslands in relation to these policy issues are often not visible in international policy-relevant documentation;
- Although social and cultural values are also important, FA2 should focus efforts on environmental and economic values of grasslands, considering the effects of social policies on these areas where relevant.

From the review of investment patterns:

- Grasslands are not very visible in existing data or analysis of investment trends;
- Private investments are likely by far the biggest source of investment, and the function of government and ODA expenditures can be to improve the investment environment for private investment;
- For government investments, key issues include whether there is underinvestment in grasslands from government sources, and how to improve the effectiveness of investments?

- Opportunities for increased investments may exist in government expenditures, ODA targeting global environmental public goods, and investments related to certified commodity trade, and possibly in other innovative finance sources, such as PES.

A theory of action for FA2 is built around an overall impact statement: **The environmental and economic value of grasslands are maintained, restored and enhanced, while promoting their social and cultural functions globally**, and three contributing outcomes:

Outcome 1: Grassland values and issues are visible in international policy and finance discussions

Outcome 2: Investments in grasslands are increased from existing and innovative sources.

Outcome 3: The effectiveness of policies and investments in improving economic and environmental outcomes in grasslands are improved.

FA2's role is:

- **Building partnerships** for raising the visibility of grasslands and increasing the consideration of the evidence base on grasslands in international and national policy forums;
- **Supporting analysis** on the basis of existing studies, through new analysis and through support for assessing policy and investment options and impacts;
- **Supporting innovative actions** in relation to investment streams where grassland-based livestock husbandry has high potential but no prior evidence;
- **Communicating evidence** to participants in international and national policy and finance discussion forums.

Specific activities aligned with these 4 roles are suggested around key topics of relevance for international policy and investment, and presented in a logframe format. The final section elaborates some initial activities that could FA2 could implement to instigate activities around each of the proposed outcomes.

Theory of action for FA2 (restoring value to grasslands) based on an assessment of the policy and funding environment

1 Background

Focal Area 2 of the Global Agenda for Sustainable Livestock focuses on restoring value to grasslands. The initial statement of FA2's objective, presented in the Agenda Consensus document was that the group focuses on "Enhancing ecosystem services, productivity and livelihoods through the restoration, optimal management and utilization of grassland(s)". A background paper was drafted for the Brasilia workshop focusing on grasslands and GHG mitigation, but during the workshop it was agreed that the GHG focus was too narrow and that the focus should include the social, cultural and environmental benefits of restoring grasslands (FA2 summary PPT). Subsequently the objective has been rephrased as ***"To maintain, restore and enhance environmental and economic value of grasslands, while promoting their social and cultural functions globally"***.

Areas of activity and specific activities for FA2 have been discussed at several meetings between 2011 and 2014, resulting in identification of 3 'work streams' identified at an FA2 workshop in Montpellier in May 2014. Through these several iterations, there is agreement on some aspects of FA2 proposed activities, but several aspects of what has been discussed are not clearly conceptualized, or at least are not yet clearly expressed in a way that would be enable FA2 members to communicate the value of the activities for engaging stakeholders and for resource mobilization purposes.

The purpose of this assignment is to develop a business plan for FA2. As background inputs into the business plan, the consultant shall

- Review of all documentation of FA2 workshops to identify FA2 member and stakeholder needs and interests, and
- Assess the global policy and funding environment, and existing initiatives relating to FA2 stakeholders' needs and interests, in order to
- Identify the contribution of FA2 to public goods and the potential added-value of FA2, and
- Formulate a theory of change for FA2.

This document covers these tasks, and is intended as an input into further discussions on FA2's plans moving forward. That is, the suggestions herein are intended to be useful, but not necessarily to be a single package all of which must be taken together. Section 4 presents a theory of action (in logframe format) for FA2, and presents some illustrative activities that could FA2 could implement to instigate activities around each of the proposed

outcomes. However, before developing a detailed business plan, consensus on the main outcomes, outputs and activities would be desirable.

2 Review of FA2 documentation

In the initial Agenda Consensus, the focus of FA2 is stated as

“Restoring value to grassland: Enhancing ecosystem services, productivity and livelihoods through the restoration, optimal management and utilization of grassland(s)...” within the broad direction of improved efficiency of natural resource use”.

Consultations subsequent to this initial conceptualization have revised the higher goal (primary objective) of FA2 and elaborated on streams of action to achieve that goal. The results of these discussions are reviewed in this section.

Documentation specific to FA2 discussions includes presentations and workshop reports from:

- Second Multi-stakeholder Platform (MSP) meeting in Phuket, December 2011
- Third MSP meeting in Nairobi, January 2013
- Fourth MSP meeting in Ottawa, October 2013
- FA2 meeting in Montpellier, May 2014.

In addition, there is documentation of other discussions within the Global Agenda from all four MSP meetings (including MSP 1 in Brasilia, May 2011), and documentation of discussions in other Focal Areas, particularly FA1 Closing the Efficiency Gap, which has close links to the topics discussed in FA2.

These discussions have not led to a clear theory of action for FA2. The above documentation is reviewed with a view to clarifying the theory of action that emerges from these discussions by:

- (1) Clarifying the objectives of FA2
- (2) Clarifying activity streams or types of activity proposed
- (3) Clarifying intended outcomes.

2.1 FA2 Objectives

The initial Agenda Consensus¹ stated the focus of FA2 as

“Restoring value to grassland: Enhancing ecosystem services, productivity and livelihoods through the restoration, optimal management and utilization of grassland(s)”

Considering broad global trends as outlined in the general Global Agenda documentation² (e.g. growing future demand for livestock products, large demand of livestock for water, land and nutrients, and possible future impacts of climate change), it was envisaged that these objectives would be pursued within an overall focus on “improved efficiency of natural resource use”.

¹ http://www.livestockdialogue.org/fileadmin/templates/res_livestock/docs/2013_consensus_november.pdf

² <http://www.livestockdialogue.org/httpwwwlivestockdialogueorg/en/>

A background paper for FA2 was prepared as an input into discussions at MSP 1 in Brasilia (May 2011), which focused on "Options to support grassland restoration in the context of climate change mitigation".³ While recognizing the relevance of a broader set of environmental services from grasslands, the background paper specifically explored "the role of mitigation finance, based on soil carbon sequestration, as an entry point for achieving the multiple environmental and socio-economic benefits of grassland restoration."

Discussions at MSP1 focused on the content and operational mechanisms of the Global Agenda. Discussions specific to FA2 were held at MSP 2 and MSP 3. These discussions noted that "While carbon sequestration is a relevant entry point for restoring value of grasslands, this is too narrow, [and] it will be critical to include the social, cultural and environmental benefits of restoring rangelands in general", and at MSP 3 the primary objective of FA2 was redefined as:

"to restore both environmental and economic value to grasslands, while preserving their social and cultural functions, globally."

This reformulated objective was further refined at MSP4 as:

"To maintain, restore and enhance environmental and economic value of grasslands, while promoting their social and cultural functions globally".

This objective continued to be used during the FA2 workshop in Montpellier, May 2014.

This reformulated objective appears to have significant agreement among those involved in FA2. It reflects opinions frequently stated in discussions that:

- Issues relating to grassland-based livestock systems should be addressed in a holistic, multi-disciplinary manner;
- Important values of grasslands include their social and cultural values, which are often undervalued, leading to inappropriate policies and interventions;
- Institutional issues at different scales are common drivers of low values from grasslands and barriers to effective and equitable initiatives to improve the values provided by grasslands.

Interpretation: Consistent with this reformulation of objectives, the scope of discussions at FA2 meetings has been broad, and thus inclusive for the diverse participants at the meetings, each of whom brings their own interpretations of the topic, scope and objective to the discussions. However, the breadth of scope falling within this objective has meant that a results-oriented focus around which joint action by FA2 members and other stakeholders can coalesce is sometimes hard to discern. Indeed, it is also hard to define clearly who the key stakeholders relevant to this objective are.

Implications: As a business plan is developed, it will be necessary to define more specific focuses (e.g. targeted outcomes) within the scope of this agreed objective.

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http://www.livestockdialogue.org/fileadmin/templates/res_livestock/docs/workshop/2012_07_May_Brasilia/background_paper_Brasilia_workshop.pdf

2.2 FA2 activities

Streams of activity for FA2 were elaborated at MSP2 (and summarized in the Phuket Roadmap), MSP3, MSP4 and the FA2 Montpellier meeting. These discussions involved identification of issues to address, the thematic scope of FA2 and stakeholders. The following subsections summarize the main areas of activity defined in each of these discussions

2.2.1 MSP2

At MSP2 a number of issues to address were identified, which can be clustered as follows:

- 1) Sector issues: lack of credit, infrastructure; disease; changing values of communities as pastoralism is in transition; low profitability in the sector;
- 2) Knowledge issues: loss of indigenous knowledge; lack of socio-economic valuation data; need for holistic, not reductionist, approach; undervaluation of social, cultural and environmental benefits; limited understanding / consensus on rangeland ecology in arid and semi-arid regions
- 3) Policy issues: bias of decision-makers; lack of prioritization agenda; 'quick fixes' exclude certain groups; lack of tools to guide decisions; need for incentives for government, private sector and communities to invest in grasslands.

Discussions stated the high-level assumption that valuation of ecosystem services would improve grasslands and improved grasslands would improve livestock systems, and a focus was highlighted on practice change involving people and enabling institutions. The summary of discussions stated that these were issues that FA2 wants to work on, but no specific activities were outlined.

2.2.2 MSP3

At MSP3, activity streams and specific types of activity were identified. The activity streams were drawn from a draft Global Agenda of Action, and types of activities were discussed by FA2 members during the meeting.

Activity stream	Types of activity	Stakeholders
Consult and Network	1. Collect, collate and share existing data, info and experience	LIFLOD, Global Roundtable for Sustainable Beef
	2. Communicate, raise awareness and advocate	Canadian Cattlemen's, FAO, LIFLOD, LIFE network? PENHA, WISP, Solididad, WWF, IIED? Natural Capital, Savory Institute, SAVES, SANBI, REGLAP SKCRF, Reconcile
	3. Education for grassland users	Canadian Cattlemen's, FAO, LIFLOD, LIFE network? PENHA, WISP, Solididad, WWF, IIED? Natural Capital, Savory Institute, SAVES, SANBI, REGLAP SKCRF, Reconcile, APSS
	4. Improve information on grassland tenure	International Land Coalition
	1. Analysis of best practice in policies and market mechanisms	FAO to house the BMP/Extension/Policy summary document; LIFLOD, UNCCD to support
	2. Analysis of best practices for integrated landscape management	TCHOA, LIFLOD, Practitioners (Natural Capital, Savory Institute), WISP, Commission for Env Coop (Cnd, USA, Mexico), Rainfed Lsk network (India),

Analyze and Inform		LPFN (landscapes for people food & nature), Pastoralists
	3. Develop indicators and accounting mechanisms to value grasslands	ILRI/ICRAF/CGIAR/TC HOA, SOLIDARIDAD, WCS, LIFLOD, WSPA
	4. Develop MRV methods	FAO, ILRI/ICRAF/HOATC
Guide and Pilot	1. identify lessons and pilot impact of collective rights on restoring grasslands	LIFE, ILRI, LIFLOD
	2. Analyze and pilot interventions for water access to facilitate mobility	APESS, RBM
	3. PPP on insurance and early warning systems for risk management and resilience	SARD, ILRI, Canadian Cattlemen's Assoc., Agricultural GIS (S Af.), SIPSA (West Africa), FEWS (E Afr.), Brazil MoA/EMBRAPA
	4. Support nations to develop and implement NAMAs	FAO, Brazilian Gov, Australia (CFI)
	5. PPP in extension and service delivery	GRSB (GTPS)

In addition to the discussions at MSP3, LIFLOD made a proposal for how the work of LIFLOD could support the work of FA2.⁴ LIFLOD is a network of researchers and NGOs whose aim is to generate knowledge and methods to better understand the interactions between livestock farming and territories to guide policy and practice. LIFLOD members conduct research in a number of sites around the world. It was suggested that LIFLOD could link FA2 to stakeholder debates in a range of specific contexts, provide lessons from LIFLOD activities and comparative analysis to inform FA2, and provide methodological guidance on effective practice change. LIFLOD's proposal stated that the value added to LIFLOD of the GAA is that the GAA exposes the LIFLOD network to international debates, provides opportunities to explore global lessons, to share methods and ideas, and to interact with diverse stakeholders.

Interpretation: *Discussions resulted in 13 proposed types of action on a diverse range of topics. Several actions clearly interested a diverse range of FA2 members and other stakeholders. The actions were clustered around 'activity streams' that could usefully define the functions of FA2. The 'value added' or institutional niche of GAA was raised in the LIFLOD proposal, and is also apparent in the FA2 members listed in relation to each action (e.g. interest in certain topics from actors operating in different countries, relevance to international debates, diverse stakeholders). However, the diversity of proposed topics of interest and types of action makes it hard to envisage clear outcomes to be achieved, and to conceive of how the actions could be supported by the GAA.*

Implications: *The unique niche or role of FA2 needs to be further specified in relation to other ongoing initiatives. Involvement of diverse stakeholders appears to be a key FA2 characteristic. Relevance to international concerns needs to be better specified. Actions as part of an implementable FA2 work plan need to be better focused.*

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http://www.livestockdialogue.org/fileadmin/templates/res_livestock/docs/2013_nairobi/presenations/LifLod_pape_r_Nairobi_GAA_final_11jan__2_.pdf

2.2.3 MSP4

At MSP4, there were two presentations relating to FA2. One presented on October 16th, reports progress in conceptualizing and implementing FA2 work since the previous meeting, and the other presented on October 17th reports on the expectations of participants in the FA2 discussions during MSP4. The differences between these two presentations reflect in part the changing participants in FA2 discussions at each MSP meeting, and in part a joining of the FA2 and LIFLOD agendas in response to the LIFLOD proposal presented at MSP3.

The first presentation states the intention to develop and share global understandings on restoring value to grasslands, to design transition pathways, and to inform local and global action through comparative analysis. A methodological framework is presented in which key questions to be addressed through consultation, networking, analysis, informing, guiding and piloting are: What are the values of grasslands globally? How to assess the values of grasslands? What innovations improve the value of grasslands? What is the role of grasslands in local development? Tangible outputs proposed are

- Global lessons related to monitoring and managing progress towards sustainable grassland systems
- Identification of practices that will enable desired change
- Evidence based messages about the value of grasslands for use in dialogue

This is to be achieved through a global inventory of pilot sites.

The second presentation lists expectations of FA2 participants at MSP4, including:

- Learning from and sharing other's experience, be a knowledge hub
- Addressing low recognition of grassland values by urban population and policy makers
- Need a tool kit for assessment
- Land use rights and policies
- How to develop grassland systems in a sustainable way
- Contribution to social stability

The following tangible outputs were proposed:

- lessons related to monitoring and managing progress towards sustainable grassland livestock systems
- Identification, dissemination, of appropriate practices (e.g. Knowledge systems, policy, incentives, instruments) that will enable desired change
- Gap analysis of the needs of practitioners to identify research priorities and stakeholder needs
- Evidence based messages about the value of grasslands for use in dialogue
- Strategies for the recognition, establishment, protection of rights and property resources, particularly common property

Progress made in specific FA2 activities included the establishment of a web portal on which information relating to a range of topics is presented⁵ and options to improve its functionality were discussed. The need for a future workshop to analyze case studies from around the world was presented.

⁵ <http://www.livestockdialogue.org/focus-areas/restoring-value-to-grasslands/resources/en/>

Both presentations raised some important questions regarding the positioning and functioning of FA2, including:

- How to build on collaborative initiatives?
- Additionality from participation in GAA: what is it and how do we capture it?
- Where are the quick wins?
- Who needs to know what? define our audience

Information sharing:

- Build links and don't duplicate
- How to make information accessible to all?

Networking

- Who attends meetings with FA2 support or in the name of FA2? Who decides representation of the pastoralists, farmers etc. what is the legitimacy?
- Need for an FA2 strategy on what we attend and why and how to circulate results?

Interpretation: *Changing participants at each MSP meeting has presented a challenge to FA2, such that expectations, functions and outputs of FA2 are discussed again, with some change in focus and breadth each time. In the interim, the main driver of progress has been the LIFLOD network's members in FA2. The LIFLOD network focuses on comparative analysis of case studies of rural transformation from around the world. There had been little progress in most other activities suggested at previous meetings.*

A number of key questions around the positioning and functioning of FA2 were raised, but these have still not been comprehensively answered. In particular, the audience of FA2 outputs has not been defined, and the proposed outputs themselves have not yet crystallized, with new potential outputs being suggested at each meeting.

Implications: *There is a need to define the target / audience of FA2 outputs and to develop a theory of change around this. Future activities can build on initiative of currently active FA2 members, but also need to find ways to engage other members and stakeholders.*

2.2.4 FA2 workshop

The FA2 workshop was convened in May 2014 for the purposes of:

- Collating examples of how various stakeholders have managed to improve grassland management for multiple benefits, based on existing pilot studies.
- Identify the principles and lessons learnt from successful examples of grassland management for multiple benefits; identify how we best communicate and translate these into practice change
- Analyse the impact of public policies on both collective and private grassland management, for instance with respect to land tenure and land rights, subsidies, payment for environmental services, etc.
- Identify a set of coordinated actions to be considered for inclusion in the FA2 business plan
- Develop and agree the Terms of Reference for a consultant to formulate a business plan for FA2.

A large number of cases were shared and discussed under the topics of enabling institutions, capacity building, supporting practice change and resource management. The main substantive results of discussions are presented in the following table:

Topic	Lessons	Gaps and suggestions
Enabling institutions	<ul style="list-style-type: none"> • Structured planning approach is needed. • Evidenced based success or failure information is needed. • Need context-specific financing mechanism for sustainable pasture management, including PES • Money would be available; therefore action of GASL must follow compliances (consumer, international industry, policies). • Disseminate examples which have a big impact on sustainable livestock production or grassland. • Governments must put in place and implement "green frameworks", (certificates, environmental taxes etc) 	<ul style="list-style-type: none"> • Assessment of applicability of solutions within another context projects is missing • Systematic framework (table, matrix) with several issues/points (columns) that can be filled out by pilot sites leaders. Help for others: table to be used within project context but also to be used as indication for others. • Many other projects visited or not by us can provide best practices successfully implemented, tables needed to disseminate information. • Contribution of sustainable pasture management (including livestock) has not yet been formulated. Ex. Grass-based livestock is less destroying climate than feedlots • Alternative assessments for good practices of sustainable pasture management is missing. • Pilot sites shows only negative impacts, are not enough integrated and do not really show effects on social, economic and ecologic aspects. • Develop pilot sites where efficiency levels nutrient cycling (soil, water, fodder, GHG) can be assessed under different conditions. Comparable evidence based information. • For global relevance: <ul style="list-style-type: none"> ○ Outcomes must be evidenced based ○ Network is required ○ Set priorities – path forward one by one
Supporting practice change	<ul style="list-style-type: none"> • Common land can be managed well & Private land ownership does not guarantee sustainable systems • Mobility is a key issue in sustainable use of grasslands, and relates to land tenure • Frame / Context is key (understanding development trajectories including tenure) • Decentralization of land and water management is delivering benefits, most successfully with wider level landscape planning. • It is important to maintain or develop inter sectoral linkages. • Need to stimulate demand for 	<ul style="list-style-type: none"> • Science on economic evidence of better livestock keeping practices • Poor representation of systems that compensate good practices • ICT for helping livestock keepers on resources, information.. <p><i>Collaborative approaches to influence practice change</i></p> <ul style="list-style-type: none"> • Focus is on policy makers to create awareness of land users for rangelands • Develop a general understanding of the different development trajectories/scenarios. Depending upon the historical contexts, both regulatory and incentive based systems seem to work for better governance of resources and

	<p>products from sustainable systems. (we have seen the power of market demand, but need to link that to system in order to see benefits).</p> <ul style="list-style-type: none"> • Multiples actors / MSIs have a role to play in the development of systems e.g. donors, scientists, ngos, producers, in addressing changing demands. • Public policy is often the most effective tool in effecting change. • Increased communications has radically improved ease of access to support tools for producers, which can be used along the chain. 	<p>mobilizing change.</p> <ul style="list-style-type: none"> • An analysis of trajectories of changing contexts • develop understanding of the different trajectories through Conferences, publications.... Influence other groups on land, governance, sustainability... Civil society forums, International land forums, Private sector organizations • Support science for systems research on positive outcomes from improved livestock keeping, including the non-traditional such as climate mitigation and adaptation.... Or also appreciate extensive livestock systems <p>Need to define Who should be there? What linkages? How to organize?</p>
Capacity building	<ul style="list-style-type: none"> • Sedentary & mobile systems require fundamentally different approaches – different capacity building needs, methods, ... • There is much work to be done to develop approaches for capacity building for collective decision-making • PES capacity is poor, and will require major capacity building • Goals/objectives of policymakers need to align with the goals/objectives of producers • Donors should fund planning, not implementation • Silvopastoral systems are promising, yet neglected in some areas 	<ul style="list-style-type: none"> • Considering illiteracy, need supplementary education, alternative materials, regional/national commitments; Translation of materials, regional/national commitments • Compilation & leveraging or formation of local knowledge networks • Few cases of successful management; Literature review, surveys, databases • Targeting products to markets; • Formal education for farmers, including marketing <p><i>What is required to make the answers to these questions globally relevant?</i></p> <ul style="list-style-type: none"> - Grassland policy/pastoralism in Middle East: Farmers, extension, government, scientists needed for global engagement - Sedentary & mobile systems require fundamentally different approaches – different capacity building needs, methods, ...
Resource management		<p>Documentation:</p> <ul style="list-style-type: none"> • Case studies of good practice (techniques, extension / support methods...) • For policy makers, practitioners, educational use... • Activities: (i) prepare matrix of cases with common criteria (ii) select case studies... <p>Share Knowledge:</p> <ul style="list-style-type: none"> • Share good practice through web-site format • Standard template format, members contribute and can access • Who can manage the site and process? <p>Filling Gaps</p>

		<ul style="list-style-type: none"> • Scoping of sustainability assessment tools <ul style="list-style-type: none"> – Ecological: environmental services – Economic: Analysis methods – Social: social impact assessments • What tools are there? What do they cover? How are they used?
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Further discussions were held on the types of activity that FA2 might conduct, broadly divided into documentation and coordinated on the ground activities (testing / piloting and cross site comparison). Three work streams were identified, which may be broadly mapped onto the former conceptual framework around activity streams, but with a different focus from previously identified activities:

Previous activity streams	Workstreams from Montpellier	Previous activities not included in the workstreams
Consult and Network	Document and standardise information	Focus on non-market benefits of restoration
Analyze and Inform	Design/test an integrated assessment framework	Indicators for non-market benefits from restoration Carbon accounting
Guide and Pilot	document / test capacity building needs and approaches	Tenure Environmental services Extension

Work stream leaders were identified and tasked with elaborating activities under each work stream by the next MSP meeting. In July 2014 the 3 work stream leaders were asked to elaborate their theory of action. A response was received regarding 'document and standardize information'. This work stream aims to create a matrix accessible on the web that presents basic information activities that restore value to grasslands across the world in order to enable sharing of good practices and lessons with decision-makers. No response was received from the other work stream leaders.

2.3 FA2 intended outcomes

In FA2 discussions, tangible outputs were often discussed, but specific outcomes (i.e. changes occurring as a result of FA2 activities) were rarely documented from discussions. For example, presentations at MSP4 mention two statements that could be interpreted as outcomes ("Grow our global understanding and identify shared views" and "transition pathways to the future designed"), but it is difficult to map the range of activities and outputs discussed at MSP4 or in other meetings onto these two outcomes.

Interpretation: *To some extent, the lack of clear outcome statements is because of the diversity of specific issues and trends in grassland locations around the world and the diverse interests and focus of those involved in the FA2 meetings. In particular, what appears to be lacking is a clear statement of where FA2 as a working group operating at global level can have impacts that members and stakeholders in each country cannot.*

2.4 Implications for FA2 business plan

There appears to be consensus among FA2 members on the statement of the higher objective of the group. However, to date, planning in FA2 has been hampered by:

- No clear statement of achievable outcomes
- No clear analysis of the target group of FA2 outputs
- No clear statement of the specific niche of FA2 or its global value.

FA2 faces a number of challenges, including:

- Diversity of grassland systems and the challenges and opportunities faced
- Diverse backgrounds of FA2 members, locations and topics of work, and specialities (which is also an potential strength for FA2)
- Changing participants at each global meeting
- Many FA2 participants focus in their work on quite specific practice changes, and these are reflected in FA2 discussions, but the links with global initiatives that could support practice change.

To date, the LIFLOD network members have been a driver of activity within FA2, which is a strength, but care should also be taken that FA2 does not duplicate what LIFLOD is already doing, and a broad membership of diverse stakeholders should be maintained to provide FA2 with the networks required to achieve outcomes at global level.

Developing a workable plan for FA2 would require:

- Clarifying the global value and niche of FA2
- Clarifying a focused number of achievable outcomes of global relevance
- Identifying partnerships that can help deliver those outcomes
- Identifying the link between the above elements and potential donor interest to ensure continued financial support for FA2 activities.

An approach to clarifying these elements is made through an assessment of the global policy and funding environment presented in the following section.

3 Assessment of global policy and funding environment

3.1 Global policy trends

Policies are made and implemented at various levels, from local, through sub-national to national and international. This section reviews significant trends in international policy concerns, some of which are reflected in trends in national policies, with more significant variation in their appearance at sub-national level. Since the expected relevance of FA2 is at global level, the analysis focuses on international policy dimensions. Since grasslands are present on all continents, are managed in a variety of ways and provide a range of environmental services, there would be many ways to characterize the relevant international policy environment. Here, we use the post-2015 Sustainable Development Goals as a framing device to discuss policy issues relevant to grasslands.

Internationally, the Millennium Development Goals (MDGs) have been a key initiative in focusing international attention on ending extreme poverty and hunger and other aspects of deprivation. They provided a set of goals around which developed and developing country governments and heads of multilateral institutions agreed to harmonize and align aid

delivery.⁶ The MDGs have explicitly formed the basis for national development planning in many countries, with support in part from various UN agencies and other international actors. Discussions have begun on the identification of sustainable development goals (SDGs) after 2015. No document has been finalized. However, a proposal has been prepared by the Open Working Group of the UN.⁷ It is likely that the SDGs will form a framework around which governments, NGOs and the international community focus and coordinate their development efforts between 2015 and 2030. The table below presents the full list of 17 SDGs. All of these SDGs are clearly relevant to some, if not most, grassland-based livestock production systems. The focus of FA2 on increasing environmental and economic values of grassland is clearly relevant to SDGs 1, 2, 8, 12, 13 and 15, which are highlighted in bold typeface in Table 1. Significant areas of social policy potentially relevant in grasslands are also reflected in SDGs 3, 4, 5, 10 and 16. Policy trends and issues in each of these areas and their possible relationship to the FA2 goal and topics are reviewed in the following sub-sections.

Table 1: Proposed Sustainable Development Goals 2015-2030
<p>Goal 1. End poverty in all its forms everywhere</p> <p>Goal 2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p> <p>Goal 3. Ensure healthy lives and promote well-being for all at all ages</p> <p>Goal 4. Ensure inclusive and equitable quality education and promote life-long learning opportunities for all</p> <p>Goal 5. Achieve gender equality and empower all women and girls</p> <p>Goal 6. Ensure availability and sustainable management of water and sanitation for all</p> <p>Goal 7. Ensure access to affordable, reliable, sustainable, and modern energy for all</p> <p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <p>Goal 10. Reduce inequality within and among countries</p> <p>Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>Goal 12. Ensure sustainable consumption and production patterns</p> <p>Goal 13. Take urgent action to combat climate change and its impacts*</p> <p><i>*Acknowledging that the UNFCCC is the primary international, intergovernmental forum for negotiating the global response to climate change.</i></p> <p>Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p>Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> <p>Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> <p>Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>

⁶ Paris Declaration

⁷ <http://sustainabledevelopment.un.org/focussdgs.html>

3.1.1 SDG1: End poverty in all its forms everywhere

When the MDGs were developed, the popular conception was that most poor people live in poor countries. Recent estimates suggest that about 75% of the world's 1.3 billion poor people live in middle-income countries, such as India, China, Nigeria, Pakistan and Indonesia, and only a quarter live in low-income countries, mostly in Africa.⁸ This recent trend ought to have implications for how governments and aid agencies target and address poverty in the coming years. Recent research, drawing on 3 waves of surveys with the same respondents in 7 developing countries finds that between 20% and 60% of households that escape poverty later return to poverty.⁹ While education and creation of employment opportunities have positive impacts on poverty alleviation, natural disasters, illness and conflict can cause a return to poverty. Although income poverty is still a key focus of poverty policy, the multi-dimensional nature of poverty is increasingly recognized, with health, education and other indicators of living standards commonly being taken as indicators of poverty.¹⁰

There is also increasing recognition that climate variability, climate-related disasters and longer-term climate change may increase the incidence of poverty and add to the difficulty and costs of achieving the SDG poverty eradication goal.¹¹ The evidence that agricultural growth, and in particular growth in the livestock sector, makes large contributions to poverty alleviation due to multiplier effects in the economy, is increasingly well-known.¹²

There is relatively little recent empirical evidence on the relevance of these trends for livestock keepers in grassland systems:

- Poverty in grassland-based livestock systems: Owing in part to differences in terminology for grasslands, rangelands, drylands etc, and in part to lack of easily accessible data, there has been little research on poverty incidence in grassland-based livestock systems. Statements from the 1990s are still the most widely referred to in the current literature. The most comprehensive study¹³ uses data from 2000. Relatively little is known about poverty dynamics in grassland-based livestock systems in the last 15 years.
- Climate change and poverty alleviation in grassland-based livestock systems: Although scientists widely recognize that grassland ecosystems are vulnerable to the effects of climate variability and change, there has been little global analysis, and although the number of country and local case studies is increasing,¹⁴ a number of key knowledge gaps remain,¹⁵ and for many countries there is little available analysis.
- Agricultural growth, non-agricultural growth, poverty alleviation and climate resilience: Some research suggests that livestock keepers' resilience to climate change is strengthened by on- and off-farm diversification,¹⁶ and these strategies

⁸ <http://www.ids.ac.uk/files/dmfile/IFBottomBillionMDGsweb.pdf>

⁹ <http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8835.pdf>

¹⁰ http://www.econstor.eu/bitstream/10419/48297/1/3_alkire.pdf

¹¹ <http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8862.pdf>; www.odi.org/poverty-disasters-2030

¹² <http://www.econstor.eu/bitstream/10419/54152/1/63651336X.pdf>;

<http://www.fao.org/docrep/015/i2744e/i2744e00.pdf>, p 63ff

¹³ Thornton et al 2002 <http://www.ilri.org/InfoServ/Webpub/fulldocs/InvestAnim/Book2/>

¹⁴ <http://www.srmjournals.org/toc/rala/30/3>

¹⁵ <http://www.sciencedirect.com/science/article/pii/S0308521X09000584>

¹⁶ [http://www.botanik.uni-](http://www.botanik.uni-koeln.de/fileadmin/botanik/Gruppen/linstaedter/open_source_pdfs/Martinetal2013_GEC.pdf)

[koeln.de/fileadmin/botanik/Gruppen/linstaedter/open_source_pdfs/Martinetal2013_GEC.pdf](http://www.botanik.uni-koeln.de/fileadmin/botanik/Gruppen/linstaedter/open_source_pdfs/Martinetal2013_GEC.pdf)

that have also been discussed in a development-oriented context.¹⁷ While in the FA2 context, 'trajectories of change' have been discussed, some of which include the effects of some people shifting out of the sector, the potentially positive aspects of diversification and exit from livestock husbandry on economic returns and environmental services in grasslands have not been examined.

3.1.2 SDG 2: Food security and sustainable agriculture and SDG 12: Sustainable production and consumption

Livestock are expected to make increasing contributions to national and global food provision. Demand from the global food system is rising, particularly for livestock products in low- and middle-income countries.¹⁸ With an expected growth of the world population from 7.2 billion to 9.6 billion in 2050, growing incomes and urbanization, the demand for animal-source foods is expected to increase. Compared to consumption levels in 2000, it is projected that by 2030 demand for pork and eggs will increase by 65-70%; for beef, dairy products and mutton by 80-100%; and demand for poultry meat may increase by 170%. There is expected to be regional variation in these trends, with growth demand particularly strong for poultry products in South Asia (mainly driven by trends in India), for beef and dairy products in East Asia (mainly accounted for by trends in China) and strong growth for all product types across Africa. The highest growth in total and per-capita consumption of animal-source foods is projected to occur in low and lower middle income countries.

There are a number of policy concerns related to these trends. Firstly, from the supply side, there is a growing interest in 'sustainable intensification', as reflected in interest in production techniques that increase productivity, and production systems that improve resource use efficiency while increasing productivity. In general, 'sustainable intensification' may refer to intensification of inputs or intensification of outputs (including environmental, social and cultural outputs) of livestock production. Differences in where the emphasis is placed underlie an ongoing discussion on What is sustainable intensification?¹⁹

'Sustainable intensification' is increasingly defined as a concept that looks beyond production.²⁰ Poverty-reducing agricultural intensification involves the development of supply chains around smallholders, which requires complementary investments in all links of the supply chain. Where private investors do not make these supply chain investments (e.g. due to transaction costs or investment risks), public investments may be justified, along with policy-making, regulation and provision of services that improves the investment environment for the private sector.²¹ Beyond production, there is increasing attention to investments throughout the supply chain that can increase the commercial orientation of livestock keepers, and to innovations in value chains that can increase the engagement of smallholders in emerging markets for livestock products. The barriers faced by smallholders in accessing markets are one area of attention (e.g. low input quality, poor product quality and sanitation, low bargaining power, marketing transaction costs), and livestock development projects are increasingly attempting to address these constraints. This

¹⁷ E.g. Dyer K, 2012, Pastoralism in the Horn of Africa: Diverse livelihood pathways, Future Agricultures Consortium CAADP Policy Brief No 6, FAC, Brighton

¹⁸ Robinson & Pozzi 2011

¹⁹ <http://www.fcrn.org.uk/fcrn/publications/sustainable-intensification-agriculture>

²⁰

<http://www3.imperial.ac.uk/africanagriculturaldevelopment/themontpellierpanel/themontpellierpanelreport2013>

²¹ <http://www.fao.org/docrep/015/i2744e/i2744e00.pdf>

understanding of livestock development approaches is clearly reflected, for example, in the CAADP investment plans of African countries,²² as well as livestock development plans in a number of middle-income countries with dynamic livestock sectors. Many countries with extensive grasslands are net importers of livestock products, suggesting that they are not internationally competitive in terms of capacity (supply chain investments, resource constraints, institutional weaknesses or quality standards) or costs.²³

The importance of livestock for health and nutrition of livestock keepers is clear.²⁴ However, the relative impacts of policies and programmes to promote sustainable intensification in extensive grazing systems on livestock keepers' food security status as opposed to aggregate livestock product supply has not been examined. The argument that the value of livestock for livestock keepers are their multifunctionality will be familiar to FA2 members, but the implications of this observation for meeting food security needs are not clear, and will likely vary by context and along with the transformation of livestock systems.

Secondly, there is more recent serious interest in examining the implications of consumption and diets for production trends. Given that production of small ruminants on grassland resources is more resource efficient than production of other types of red meat, grassland-based livestock husbandry is recognized as a grain-saving approach to protein supply. A recent modelling study by FAO (FAO 2013) examined whether grassland-based livestock production can meet expected growth in demand for livestock products, and found that it can do so only if there is a reduction in per capita meat consumption, and a corresponding increase in consumption of plant-, poultry- and fish-based protein. Demand-side interventions to reduce the environmental impacts of diets have also been discussed in relation to other issues, such as GHG emissions.²⁵

As global demand for livestock products grows, business will be the main way in which food needs are met. Production and supply chain management standards and protocols – often promoted through coalitions of industry and civil society – are emerging as one set of tools to regulate the environmental impact of livestock production.²⁶ A broad range of measures are available also to governments to reduce the environmental impact of agricultural production.²⁷

Thirdly, the role of on- and off-farm diversification for improved livelihoods is another issue commonly encountered in specific countries, but not significantly on the agenda of those concerned with grassland management. Yet, livelihood diversification can potentially radically alter (both positively and negatively) the conditions under which producers manage grasslands and household livestock enterprises.

Fourthly, one related policy approach to addressing growth and environmental impacts that is gaining increasing traction worldwide is encapsulated in the concept of the "green economy" and a number of countries have been incorporating related aspects in the national sustainable development, low-emissions development or green economy development

²² <http://www.nepad-caadp.net/>

²³ <http://www.fao.org/docrep/015/i2744e/i2744e00.pdf>

²⁴ <http://www.animalfrontiers.org/content/3/1/6.full>

²⁵ Smith et al 2014

²⁶ See e.g. <http://grsbeef.org/>

²⁷ <http://www.unep.org/greeneconomy/Portals/88/GETReport/pdf/Chapitre%2020Agriculture.pdf>

strategies.²⁸ While many of these refer to other sectors, agriculture and its environmental impacts is also included in the relevant strategies and plans of a number of countries.²⁹ OECD is developing a set of indicators for 'green growth', a draft of which includes indicators relating to the natural resource base and the resource intensity of production.³⁰ The efficiency of natural resources use in the livestock sector is a unifying theme for the GAA. FA1 focuses on 'closing the efficiency gap', and FA3 focuses on reducing waste and pollutants from livestock production. It has often been argued that livestock production makes the most efficient use of resources available in physical environments that are marginal for agricultural production, and thus grassland-based livestock production contributes to the resource use efficiency objectives of a green economy.³¹ This view, which will be familiar to many FA2 members, does not have significant traction in policy circles, and may seem to run against the mainstream policy direction focusing on 'sustainable intensification' and commercialization of livestock production.

3.1.3 SDG 13: Combat climate change and its impacts

GHG mitigation in grasslands was addressed extensively in a background paper prepared for MSP1.³² The paper noted the significant potential for carbon sequestration in soils and woody biomass and for reducing the intensity of livestock emissions, and noted that in many situations there is potential for synergy with the achievement of other environmental and economic objectives in grassland-based livestock husbandry. UN FAO has more recently produced analysis quantifying the technical potential for GHG mitigation in livestock and grassland systems.³³

One of the obstacles to monetizing the GHG benefits of improved grassland management was the lack of an approved GHG quantification procedure. In 2014, carbon accounting methodologies were approved for use in international voluntary carbon markets,³⁴ and in the Chinese domestic carbon market. However, these advances have coincided with the overall decline of global carbon markets. Attention has shifted to the relevance of Nationally Appropriate Mitigation Actions as an alternative mechanism for incentivizing improved grassland management. Recognized within the UNFCCC framework, NAMAs are one of the main mechanisms through which developing countries may expect to receive support from developed countries. The latter have committed to provide \$100 bn per year by 2020 for climate action in developing countries. The Green Climate Fund – the main financial vehicle for channelling this support – is due to begin receiving funding in 2015. A number of countries have already expressed interest in developing NAMAs relating to livestock and grassland management, but only Brazil has begun to implement its NAMA, using domestic funds.³⁵

²⁸ <http://sustainabledevelopment.un.org/content/documents/738GE%20Publication.pdf>

²⁹ <http://www.fao.org/docrep/017/i3237e/i3237e.pdf>

³⁰ OECD 2013

³¹ McGrath 2014 WISP Green Economy Report

³²

http://www.livestockdialogue.org/fileadmin/templates/res_livestock/docs/workshop/2012_07_May_Brasilia/background_paper_Brasilia_workshop.pdf

³³ Gerber et al 2013

³⁴ FAO VCS methodology, ACR methodology

³⁵ NAMA paper

Impacts of livestock production on deforestation are a particular area of global policy concern. Research suggests that livestock production and crop production for livestock feed are drivers of deforestation in many countries.³⁶ Global discussions on Reducing Emissions from Deforestation and Forest Degradation, conducted within the UNFCCC, have proposed an international architecture for related activities, pursuant to which there is increasing attention to developing workable approaches to addressing the drivers of deforestation, including livestock and crop production.³⁷ Aside from extensive analysis in Brazil, in many areas of the world, there is at present very limited empirical evidence on practical approaches in the livestock sector, appropriate arrangements for cross-sector collaboration in land use planning and implementation of interventions, and the related costs of these interventions.

In other discussions within the UNFCCC, after many years of no discussion, agriculture was high on the agenda in 2013. The result of one discussion held within the SBSTA was to prioritize attention to climate change adaptation, rather than mitigation. Given the dependence of grassland-based livestock systems on natural resources, and the sensitivity of grasslands to climate variables, it can be expected that climate change impacts on grasslands are likely to be strong (both positively and negatively). There has been little global analysis, and although the number of country and local case studies is increasing,³⁸ a number of key knowledge gaps remain.³⁹

3.1.4 SDG 15: Promote sustainable use of terrestrial ecosystems

Within the UNFCCC, there has been many years' discussion on reducing emissions from deforestation and forest degradation. One main driver of this is the concern to preserve biodiverse forest habitats.⁴⁰ In the latest round of UNFCCC negotiations, significant progress was made in decisions on finance, safeguards, monitoring, verification, institutional arrangements and addressing the drivers of deforestation.⁴¹ Recent research on drivers of deforestation and forest degradation suggest that commercial agriculture (including extensive livestock production) is the main driver of deforestation in Latin America; livestock grazing is a significant driver of forest degradation in many countries in Africa; and finds that 29% of national REDD strategies seek to address livestock and rangeland management.⁴² Addressing livestock production as a driver of deforestation will relate to a number of policy issues raised above, such as production efficiency and productivity and financial returns to livestock production.

Beyond forests, the economic costs of land degradation have also received increased attention.⁴³ UNCCD has advocated for a zero net land degradation objective by 2030. The concept of zero net land degradation refers to decreasing or at least keeping stable the area of degraded lands. This will only be feasible if the rate of degradation is lower than the rate

³⁶

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/66151/Drivers_of_deforestation_and_forest_degradation.pdf

³⁷ https://www.forestcarbonpartnership.org/sites/fcp/files/DriversOfDeforestation.pdf_N_S.pdf

³⁸ <http://www.srmjournals.org/toc/rala/30/3>

³⁹ <http://www.sciencedirect.com/science/article/pii/S0308521X09000584>

⁴⁰ <http://www.cbmjournal.com/content/5/1/7>

⁴¹ <http://www.wri.org/blog/2013/12/warsaw-climate-meeting-makes-progress-forests-redd>

⁴² Kissinger et al 2012

⁴³ <http://www.ifpri.org/sites/default/files/publications/ib68.pdf>

of land restoration.⁴⁴ No specific mechanism to enforce this has been developed, but related wording has been included in the draft SDGs.

Specifically focusing on biodiversity, there is increasing recognition of the importance of agricultural production and management for biodiversity conservation. On the one hand, this is because agriculture is a significant driver of deforestation and land conversion. On the other hand, there is increasing recognition of the interdependence of natural and agricultural ecosystems.⁴⁵ A number of traditionally 'nature'-focused conservation organizations now have active programmes on agriculture, including grasslands.⁴⁶

3.1.5 Social policies, grasslands and the SDGs

Outcomes related to the SDGs described above will not be determined only by resource management practices and economic factors. A broader set of social policies are directly relevant to outcomes of the SDGs in grasslands. Here, we highlight three areas of broad relevance in grasslands across the world.

(1) Land tenure: Land tenure legislation and policies are an important feature of grassland management systems. Several features of tenure systems affect environmental, economic and social outcomes in grassland areas, including whether access is legally recognized or not; whether tenure is collective or private, exclusive or non-exclusive; whether there is stability in land tenure relationships or not, and so on, depending on particular context. There is no universally recommended land tenure system for sustainable grassland management. The functions of institutions affecting access, management and ownership may be more important than the legal forms themselves.⁴⁷ And policies in other related areas (e.g. credit, employment, education, markets, trade, conservation) often have major implications for the environmental, economic and social outcomes related to particular tenure systems. Expropriation of land is also an issue. Land grabbing for agricultural production is an increasingly high-profile concern, and one report suggests that grassland accounts for more than a quarter of reported overseas farmland investment cases.⁴⁸ Domestic investments and infrastructure development are probably also leading causes of land expropriation. The International Land Coalition is supporting related initiatives in rangeland areas,⁴⁹ and UN FAO has been promoting voluntary guidelines on responsible governance of land tenure, to ensure that secure and equitable access to land supports national development goals.⁵⁰

(2) Employment policies: In many areas in both developed and developing countries, on- and off-farm employment opportunities have major impacts on grassland management practices. In some countries, off-farm employment is the main source of investment in grassland and livestock management, and changes in off-farm employment will clearly have implications for labour productivity and management practices on-farm. On-farm diversification is also an important economic strategy for sustainable land use and income generation in grassland areas. Policies supporting the development of off-farm employment

⁴⁴ <http://www.sciencedirect.com/science/article/pii/S0140196314000275>

⁴⁵ <http://www.teebweb.org/publication/the-economics-of-ecosystems-and-biodiversity-teeb-for-agriculture-food-concept-note/>

⁴⁶ E.g. <http://www.worldwildlife.org/industries/sustainable-agriculture>;
<http://www.nature.org/ourinitiatives/urgentissues/global-agriculture/index.htm>

⁴⁷ <http://www.sciencedirect.com/science/article/pii/S0264837713001889>

⁴⁸ DB Research 2012

⁴⁹ <http://landportal.info/resource/global/rangelands-observatory>

⁵⁰ http://www.fao.org/fileadmin/user_upload/nr/land_tenure/pdf/VG_tenure_brochure_EN.pdf

opportunities, and policies and programmes to ensure access of people from grassland areas to employment are thus relevant to grassland management. While these policy areas are a focus in some national contexts, they have rarely been examined in relation to grassland management in particular.

(3) Social protection and assistance policies: Until recently, it was assumed that social protection policies ran counter to economic growth. However, there is now consensus that such policies can promote growth, and social assistance programmes (e.g. cash transfers) are increasing in developing countries. In Africa alone, the number of such programmes increased from 25 in 2000 to 249 in 2009.⁵¹ These programmes include those based on universal coverage (as opposed to earlier poverty-targeted schemes), as well as targeted schemes and conditional cash transfers. There is increasing awareness that integrating transfer schemes with other support (e.g. skills training, micro-finance, food security measures) can increase their development impact. Such schemes have also been implemented in grassland areas, and a body of evidence on their impacts is developing.⁵² Given the widespread savings function of livestock, social assistance programmes are likely to be of direct relevance for livestock and grassland management decisions, but to date there has been little systematic analysis for grasslands.

3.1.6 Summary of international policy trends

From the preceding review, three key issues can be highlighted:

- The economic and environmental values of grasslands are relevant to a number of SDGs and related international policy trends;
- SDGs relating to other economic and social policy domains (e.g. health, education, employment and inclusive development, peace etc) are also relevant to grasslands;
- Although there is some documentation and research on grasslands in relation to some of these policy issues, there are gaps in knowledge or lack of systematic research addressing grasslands for many of these policy domains;
- The roles and values of grasslands in relation to these policy issues is often not visible in international policy-relevant documentation.
- One main function of the SDGs is to orient investment by the international community, governments and other actors towards achieving specific objectives by 2030. There appear to be needs for addressing the visibility of grasslands in policy debates, increasing awareness of policy-relevant investment needs and opportunities relating to grasslands, and orienting policies and investment in appropriate ways.

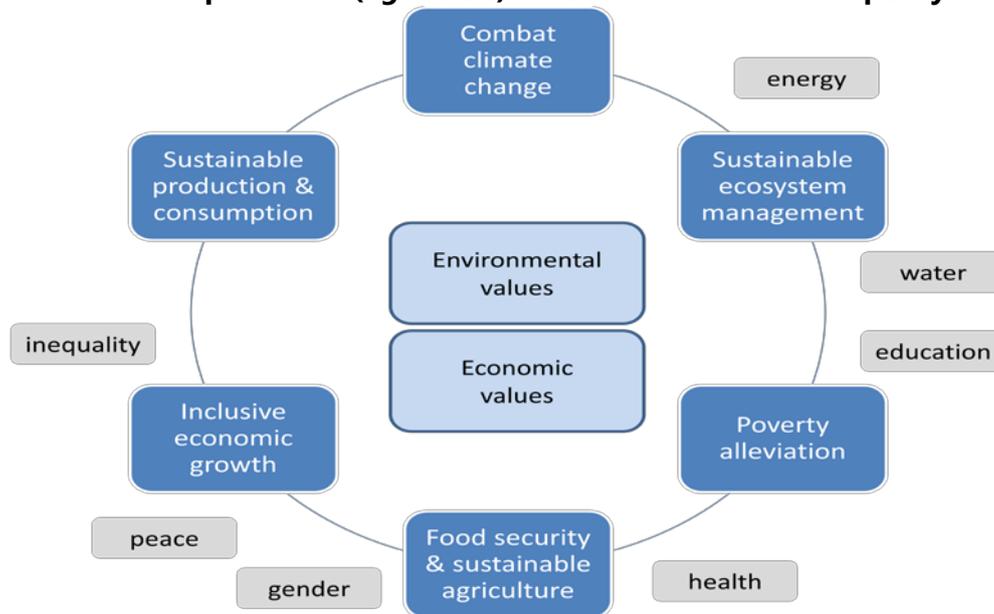
This brief review highlights that a range of policy domains are relevant in grassland areas. On the one hand, FA2 discussions have already indicated that grasslands should be treated holistically, and cultural and social values of grasslands have been included in the FA2 statement of objectives. On the other hand, this presents a risk for FA2 if the group's activities relate to broadly dispersed policy domains and diverse stakeholders and FA2 members are not able to focus their efforts on achieving particular outcomes. Therefore, it is suggested that FA2 activities focus on achieving environmental and economic outcomes, while also considering social and cultural policy areas that affect these outcomes, rather than

⁵¹ <http://www.oecd-ilibrary.org/docserver/download/4313111ec010.pdf?expires=1409499189&id=id&accname=guest&checksum=5E6778A7A367EC23882A8543B5286F7C>

⁵² E.g. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2423772

focusing on achieving social and cultural outcomes in themselves. Figure 1 illustrates the relationship between the main FA2 impact areas (light blue) and the related SDGs (dark blue indicating stronger focus within FA2 and grey indicating less focus). This recommendation is not made with the intention of down-playing the importance of either social policies or social and cultural values of grasslands, but for the practical needs of mobilizing FA2 activity around focused outcomes.

Figure 1: FA2 focal impact areas (light blue) in relation to SDG-based policy domains



3.2 Investment trends

One potential impact pathway for FA2 at international level is to influence the decisions of investors in grassland-based livestock husbandry. There has been no systematic study of investment in grassland-based livestock husbandry worldwide, or at country level. On the basis of limited previous systematic analysis, here we consider trends affecting investment from three generic sources of investment:

- Private sector, including domestically by livestock keepers and overseas investment
- Governments
- ODA and multilateral investments

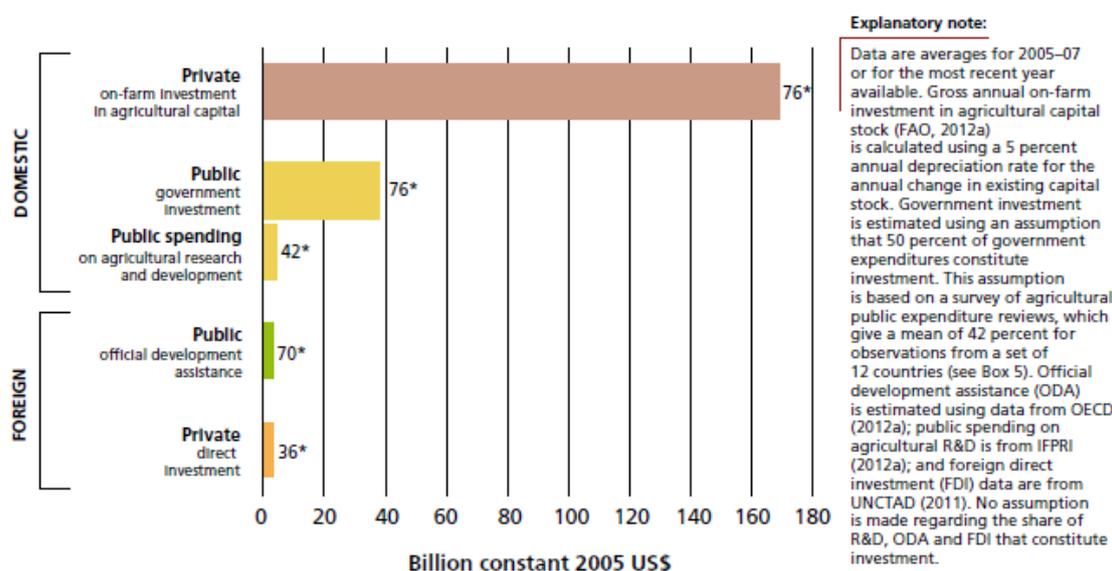
Figure 2 gives an indication of the relative scale of each source of investment for agriculture as a whole. We also consider finance flows related to four topics:

- Agribusiness development
- Climate change adaptation
- Climate change mitigation
- Biodiversity and payments for environmental services

Key datasets on agricultural investment are FAOSTAT data on agricultural capital stock for private investment; the IFPRI SPEED dataset for developing country public investments; UNCTAD FDI data for international private investments; and the OECD-DAC database for international public investments. None of these datasets is designed to allow specific analysis of investments related to grasslands. A further dataset on project-level ODA (aiddata.org) is

also analyzed. The sections that follow present evidence on financial flows where available, and discuss the main issues related to each type of finance.

Figure 2: Sources of investment in agriculture in selected low- and middle-income countries



Source: FAO SOWA 2012.

3.2.1 Private sector investment

There is no comprehensive database or existing study on the scale of private investment in grassland-based livestock husbandry (or livestock generally).⁵³ Although official data are lacking, it is highly likely that livestock keeping households are by far the largest investors in livestock in grassland areas. FAO (2012) estimates that for agriculture as a whole, private investment by farmers is three times larger than investments by all other sources. The savings function of livestock is well known. Livestock are often a preferred investment for participants in micro-credit schemes, and off-farm income sources are a significant source of investment in livestock operations in many countries with significant grassland areas (e.g. in southern Africa and Central Asia). However, there is less evidence on the prevalence of investments by livestock keepers in interventions that increase livestock productivity or conserve or restore grasslands. Some suggest that small holders face a number of constraints preventing such investments, such as market access, land tenure, animal health and access to credit.⁵⁴ The situation may be different, however, in developed countries and in countries with a growing livestock export sector (e.g. Latin America, South Asia).

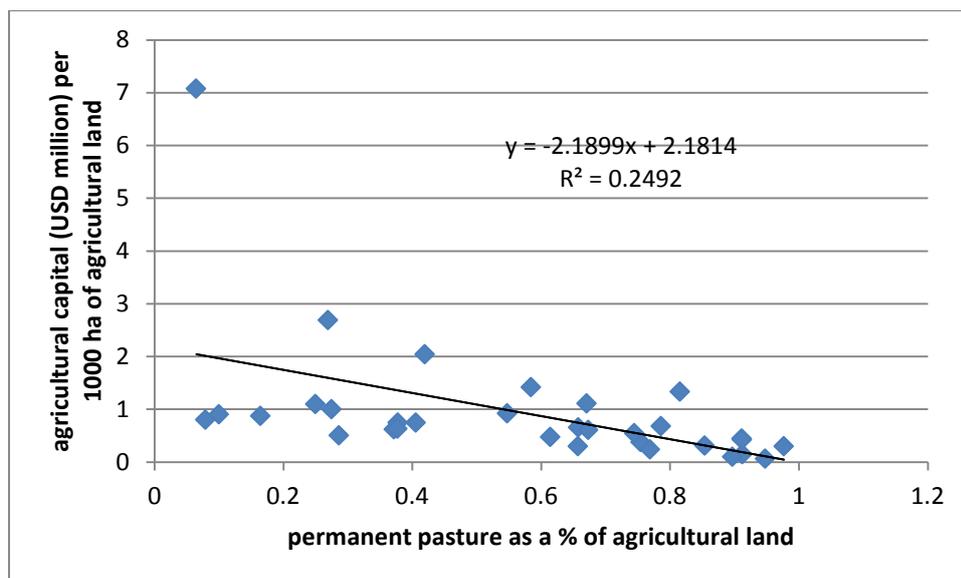
Some indication of the scale of investment can be obtained from the FAOSTAT data on accumulation of capital stock (which includes capital stocks of livestock and livestock facilities). Figure 3 show that for low income countries, there is a statistically significant ($p < 0.01$) negative linear relationship between the proportion of grassland in total agricultural

⁵³ FAO AGAL is currently undertaking a preliminary study for the livestock sector in developing countries.

⁵⁴ <http://www.fao.org/docrep/015/i2744e/i2744e00.pdf>

land and agricultural capital stocks per unit area of agricultural land. For high income countries, there is a non-significant negative relationship. This analysis is crude, and further research would be required to assess whether this relationship represents 'underinvestment' in grassland-based livestock husbandry and to identify determinants of investment.

Figure 3: Relationship between net capital stocks per unit area and proportion of grasslands in agricultural land for low income countries



Livestock production has significant potential for value added, and is likely therefore also to be attractive for agribusiness investment, including foreign direct investments. There is no comprehensive database on global agribusiness investments that enables identification of investments in grassland-based livestock husbandry and its closely related sectors (e.g. processing). UNCTAD data on inward FDI to all sectors is only available for a small number of countries. UNCTAD FDI data show that between 2005 and 2008, FDI to agriculture is less than 1% of total FDI, and around 5% went to the food, beverage and tobacco sector; most FDI in the sector went to high and middle-income countries (Table 5). Some, but by no means all, FDI in agriculture is investment in farmland for the management of farm operations, and 'land grabbing' has attracted significant attention. One report on foreign investment in farmland suggests that only a minority of such investments have been for livestock production, but that grassland accounts for more than a quarter of reported overseas farmland investment cases, presumably implying intended conversion of grassland to arable land or other agricultural uses.⁵⁵ Investments by agriculture funds are not included in FDI. The scale of these funds has been growing,⁵⁶ but the relevance of this for grassland-based livestock husbandry is not known.

Table 5: Average annual FDI in agriculture, 2005-2008

⁵⁵ DB Research 2012

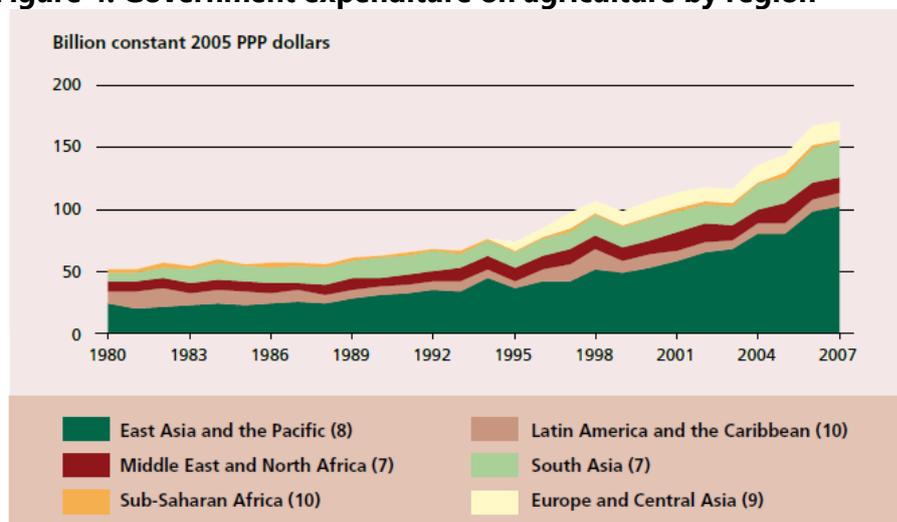
⁵⁶ http://www.fao.org/fileadmin/user_upload/ags/publications/investment_funds.pdf

	(Current US\$, billions)	
Transition economies (13)	0.3	0.8
High-income countries* (7)	0.1	0.5
Upper-middle-income countries* (13)	1.4	3.7
Lower-middle-income countries* (7)	0.2	0.3
Low-income countries* (4)	0.1	0.2
Total (44)	2.1	5.4

Source: FAO (2012)

Increasing the returns to households' investments in improved livestock and grassland management operations is at the core of the stated objective of FA2. The role of corporate investments in supporting profitable household operations is also potentially important in many grassland contexts. Among international organizations, there is consensus that government and ODA investment in the sector should mainly serve to build an enabling environment for households' and firms' investment decisions. At present, there is little systematic empirical analysis of levels and determinants of investment in grassland-based livestock husbandry, or of specific constraints to investment. Bearing in mind the relationship shown in Figure 3, further research may be warranted to better understand investment levels and influencing factors in grassland areas.

Figure 4: Government expenditure on agriculture by region



Source: FAO (2012)

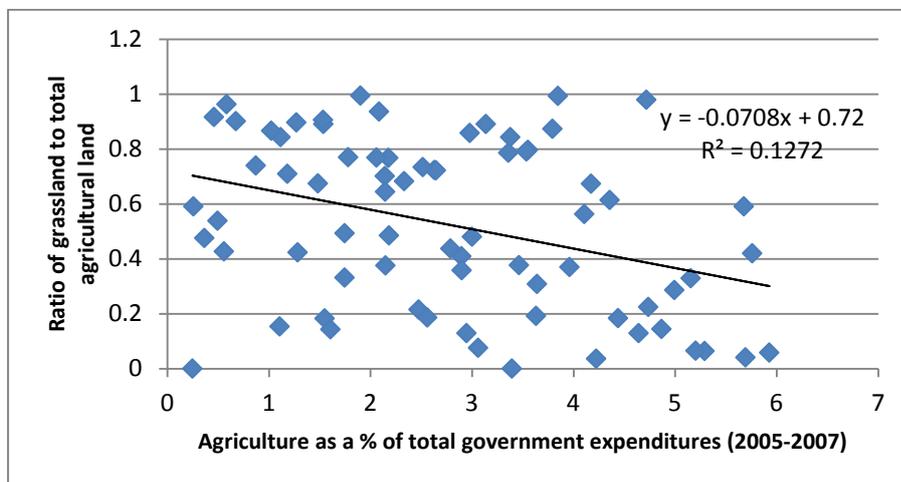
3.2.2 Government investment

In developing countries as a whole, government spending on agriculture has been increasing, but primarily due to increased allocations in China and India (Figure 4). China, for example, now spends \$87 billion per year in support to agriculture. In the grassland sector, analysis estimating that until the late 1990s annual government investment in grassland was on average just \$0.50 per ha, was politically useful in subsequent initiatives to gain support from the Ministry of Finance to increase investments.

There has been no comprehensive assessment of government investments in grassland-based livestock husbandry (or in the livestock sector as a whole). There is a general perception⁵⁷ that grasslands are marginalized in government investment policies, and that urban bias contributes to poorly designed investments, or to investment that benefits larger-scale producers at the expense of smallholders. Even in recent years, livestock has been weakly considered in government investment plans in many developing countries.⁵⁸

The IFPRI SPEED database contains relevant data (total government expenditure on agriculture and agriculture expenditures as a % of total expenditures for more than 100 countries). Data were abstracted for agriculture expenditures (2005-2007), and assessed for any relationship with the proportion of agricultural area that is permanent grassland. For 32 high income countries, there is no significant relationship. But for 73 low and middle income countries, there is a statistically significant negative linear relationship between the proportion of agriculture in total government expenditures and the proportion of agricultural land that is grassland (Figure 5). No relationship was found with absolute expenditures per unit area of agricultural land. Again, further research would be required to establish whether this represents 'underinvestment' in grasslands, and to identify determinants of government spending. FAO (2012) notes that public spending on agriculture is lowest in countries where agriculture is a high proportion of GDP. Beyond general 'urban bias', political factors (e.g. populist rather than long-term policies, weak farmer lobbies), national budgeting processes, lack of data and weak capacities within agriculture ministries, are all factors contributing to low government investment priority for agricultural in general in developing countries.⁵⁹

Figure 5: Relationship between agriculture expenditures as a share of total government expenditures and grassland as a proportion of total agricultural land



The pattern of investments in grassland-based livestock husbandry is likely to reflect overall trends in livestock sector development in developing countries. For example, generic advice on development of livestock investment plans as part of the CAADP process in Sub-Saharan Africa defines priority areas for investment in creating natural resource use policies, improving rural infrastructure and market access, enhancing animal health services and

⁵⁷ See various FAO documents

⁵⁸ <http://www.nepad-caadp.net/pdf/Action%20plan%20for%20development%20of%20livestock>.

⁵⁹ <http://siteresources.worldbank.org/INTRESPUBEXPANAAGR/Resources/Whyafricangovernmentsunderinvest.pdf>

livestock related research activities.⁶⁰ By contrast, livestock sector policies in China, a country with relatively developed markets, focus on increasing productivity, increasing the scale of livestock operations, improving food safety throughout the supply chain, developing the feed industry, and public investments in grassland conservation.⁶¹

In addition to the politics of and capacities for investment in agriculture, multilateral agencies have recently begun to highlight the importance of improving the evidence the base for government investment planning⁶² and improving the effectiveness of investments.⁶³

Governments (sometimes assisted by ODA) are also major providers of social investments (health care, education), price subsidies (e.g. fuel, energy) and social assistance (e.g. transfer payments for certain categories of citizen). In general, social insurance in developing countries has been declining, but there has been an increase in the prevalence and coverage of social assistance programmes.⁶⁴ Government expenditure on social programmes varies significantly between countries, reflecting national policy processes. The implications for inhabitants of grassland regions have not been examined in detail.

3.2.3 Development assistance

Aggregate data on official development assistance (ODA) flows is available from the OECD-DAC database. The data provide figures for investments in livestock and veterinary services, and agricultural land, but investments in grassland areas are not distinguishable from other investments in the agriculture sector. Overall, despite the contribution of livestock to agricultural GDP in many developing countries, ODA investments categorized as 'livestock' and 'agricultural land management' are a very small proportion of total agriculture ODA flows, averaging about US\$ 189 million per year in recent years (Figure 6). Around 70% of ODA to agriculture is given as grants.

Figure 6: ODA investments in agriculture, agricultural land and livestock

⁶⁰ <http://www.nepad-caadp.net/pdf/Action%20plan%20for%20development%20of%20livestock>.

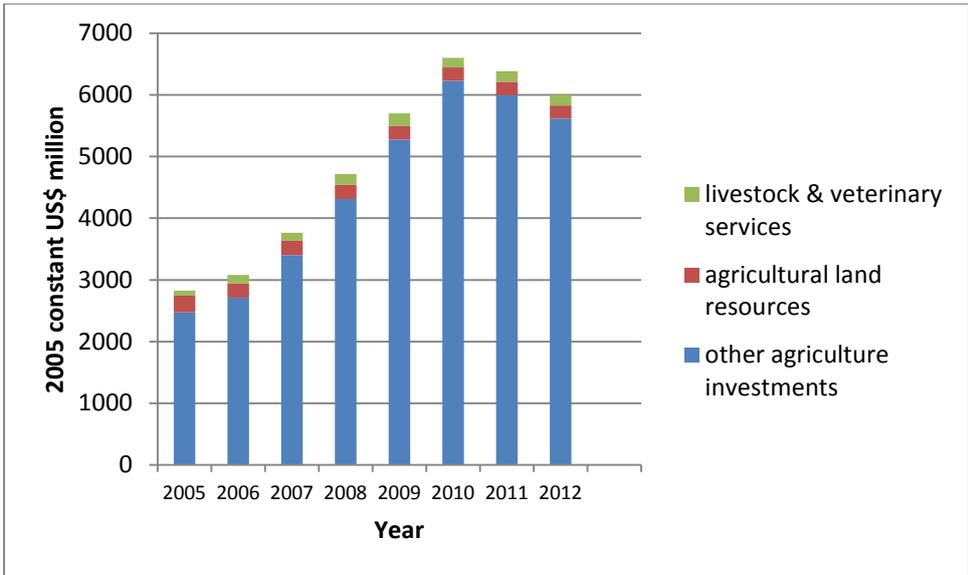
⁶¹ <http://wenku.baidu.com/view/35788e17f18583d049645950.html>

⁶² <http://www.fao.org/docrep/019/i3724e/i3724e.pdf>

⁶³ <http://theidlgroup.com/documents/LivestockLivelihoodsandInstitutionsintheIGADregion.pdf>

⁶⁴

[http://www.unrisd.org/80256B3C005BCCF9/httpNetITFramePDF?ReadForm&parentunid=973B0F57CA78D834C12576DB003BE255&parentdoctype=paper&netitpath=80256B3C005BCCF9/\(httpAuxPages\)/973B0F57CA78D834C12576DB003BE255/\\$file/Barrientos-pp.pdf](http://www.unrisd.org/80256B3C005BCCF9/httpNetITFramePDF?ReadForm&parentunid=973B0F57CA78D834C12576DB003BE255&parentdoctype=paper&netitpath=80256B3C005BCCF9/(httpAuxPages)/973B0F57CA78D834C12576DB003BE255/$file/Barrientos-pp.pdf)



Note: www.aiddata.org data may be more complete prior to 2011, so the main point of this figure is the relative proportion of investments rather than the apparent trend after 2010.

Donors are encouraged to report the contribution of specific projects to global environmental public goods. Table 6 shows the marking of ODA to the 'agriculture' category, and Table 7 shows the marking of ODA to projects categorized as 'livestock'. Compared to general agricultural assistance, ODA to livestock is more likely to be marked as having global environmental objectives as a primary or significant objective. For agriculture investments in general, about a third of agricultural aid was identified as having environmental purposes. Just under a quarter had intended adaptation benefits, and just over 10% of agricultural aid was expected to benefit biodiversity, climate change mitigation or desertification. However, adaptation benefits are only the principal purpose of about 6% of funding, and biodiversity and climate change mitigation for about 2% of funding. Desertification is a principal objective of less than 1% of agricultural aid. For livestock projects, more than half of aid has intended benefits for biodiversity and climate change adaptation, and around one third for climate change mitigation and desertification.

Table 6: Environmental marking of ODA to agriculture (US\$ million, %)

	biodiversity	adaptation	mitigation	desertification	environment
Principal	141	403	136	24	404
Significant	659	1094	660	612	1732
not targeted	3433	2737	3460	3749	2553
not screened	2071	2067	2048.6	1921	1616
% principal or significant	12.7%	23.8%	12.6%	10.1%	33.9%

Note: the marking system enables multiple markings for the same project

Table 7: Environmental marking of ODA to livestock (US\$ million, %)

	biodiversity	adaptation	mitigation	desertification	environment
principal	1.05	21.00	0	2.75	20.96
significant	40.98	27.55	25.28	19.92	29.04
not targeted	27.77	21.25	44.52	47.16	20.18
not screened	8.09	8.09	8.09	8.06	7.71
% principal or significant	53.9%	62.3%	32.5%	29.1%	64.2%

Note: the marking system enables multiple markings for the same project

As a caveat to this, it should be noted that many projects relevant to grassland areas are not marked with 'livestock' as the primary thematic category. To examine grassland-specific investments at a project level, a database of project-level ODA flows from 1996 to 2011 (www.aiddata.org) was accessed. The database was searched for all projects with reference to 'grassland', 'rangeland', 'pasture', 'pastoralis*' and livestock, and projects initiated between 2000 and 2010 analyzed. There were 230 projects with entries corresponding to 'grassland', 'rangeland' or 'pasture', and 282 that mentioned 'pastoralis*' in the title or description. After removing repetitions, a combined list of 510 grassland and pastoralist projects as identified. By contrast, there were 3143 projects marked 'livestock', not all of which target grassland-based livestock husbandry.

Figure 7: Annual ODA to livestock, pastoralists and grasslands (USD million, 2005 constant)

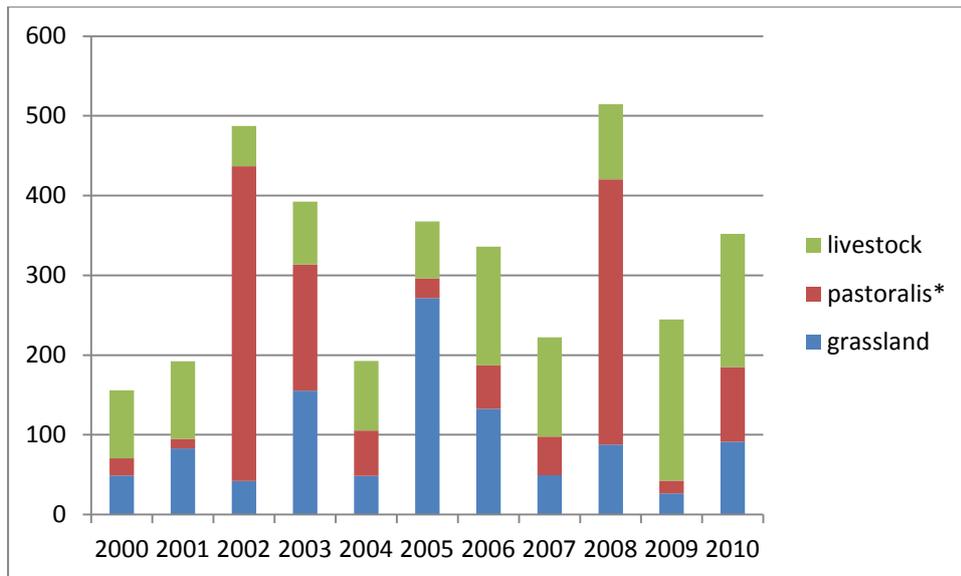


Figure 7 shows that ODA commitments to grassland and pastoralist related projects has exceeded commitments to general 'livestock' projects in 7 out of 11 years between 2000 and 2010. The geographical distribution of grassland and pastoralist focused projects is shown in Figure 8. Pastoralist projects dominate investments in Sub-Saharan Africa, while grasslands, rangelands and / or pasture focused projects are more common in other regions. Analysis by country has not been conducted. Research shows that a number of factors influence ODA flows to countries, including both recipient country characteristics (e.g. poverty levels, corruption levels, conflict levels) as well as donor country characteristics (e.g. trade interests, links with other donors).⁶⁵

Multilateral donors support about 4 times more funding to grassland and pastoralists than bilateral agencies (Figure 9). The top multilateral and bilateral donors are shown in Table 8. Among bilateral projects targeting grasslands or pastoralists, about one third have global environmental goods as their intended benefit (Table 9). About one fifth intend to preserve biodiversity and prevent desertification, but less than 10% are marked as related to international climate objectives. Multilateral projects are not marked for their global environmental goods.

Figure 8: geographical distribution of grassland and pastoralist ODA projects

⁶⁵ See e.g. various references in http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2436660

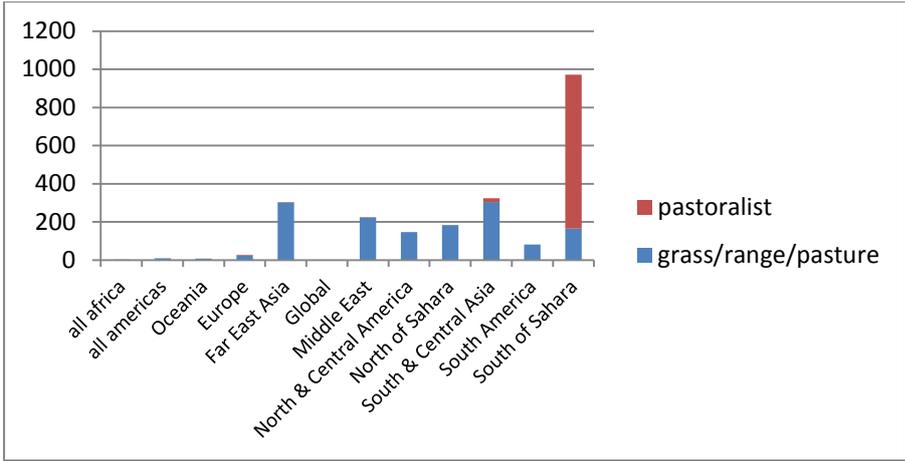


Figure 9: Total ODA commitments (2000-2010) to grasslands & pastoralists by donor type

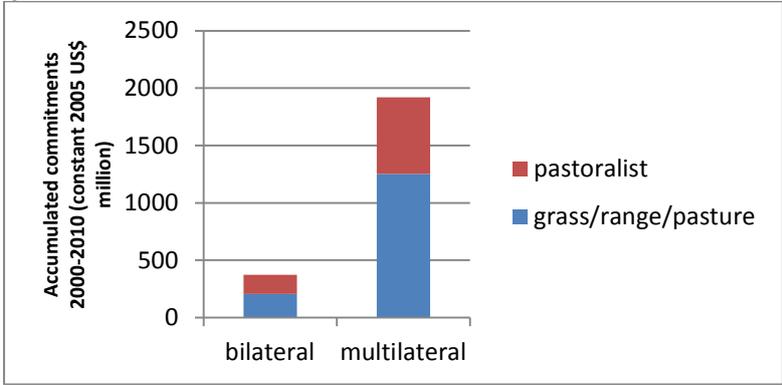


Table 8: Top 5 multilateral and bilateral donors to grasslands & pastoralists (2000-2010)

Multilateral agency	Total funding US\$ million constant (2000-2010)	Bilateral agency	Total funding US\$ million constant (2000-2010)
World Bank Group	1261.1	Canada	109.8
IFAD	338.5	USA	65.9
GEF	147.9	United Kingdom	32.1
IADB	133.1	Norway	24.9
UNDP	95.8	Denmark	15.1

Table 9: Environmental marking of bilateral ODA to grasslands and pastoralists" (US\$ million, %)

	biodiversity	climate	desertification	environment
Principal or significant	59.63	25.08	61.29	106.44
not screened or not targeted	302.25	337.85	292.14	267.07
% principal or significant	19.1%	9.5%	21.8%	28.5%

Note: the marking system enables multiple markings for the same project

Within the 510 'grassland' and 'pastoralist' projects, there were 113 projects (totalling US\$ 98 million) that focused on social provisioning (e.g. health, education, social welfare etc), representing about 4% of the total commitments in the 510 projects. In addition to these projects, there would be other social welfare projects in grassland areas which the search terms were unable to pick up from the aiddata.org database.

From this review, a few general observations include:

- Multilateral agencies are by far the biggest donors to grasslands & pastoralists in developing countries;
- In ODA to grasslands and pastoralists, less than one third is marked with global environmental goals, of which the greatest proportion is desertification (ca. 20%), followed by biodiversity (<20%) and climate (<10%). Compared to livestock projects, the proportion of ODA marked with each type of benefit is much lower; compared to agriculture projects, the proportions marked with biodiversity and desertification benefits are higher, but the proportion marked with climate benefits is much lower.
- No previous in-depth analysis has been conducted of ODA trends in relation to grasslands, but the aiddata.org database provides an opportunity to do so.

3.2.4 Agribusiness development

There is a perception that, particularly since the 2007-2008 food price spikes, foreign investment in agriculture has increased. The limited available data on FDI trends suggests that much more investment goes to the food, beverage and tobacco sector than to agricultural production, and that most is in high and middle income countries. Most available analysis of FDI has focused on the issue of land grabbing. There has been little systematic analysis of other forms of FDI (e.g. equity investments) in the livestock sector. Furthermore, although FDI and large firms attract attention, most private agribusiness investment is likely to be by domestic investors, and small and medium enterprises are the core of agribusiness

sectors in many developing countries.⁶⁶ Commercial bank lending to agriculture in developing countries is a small proportion of total lending. Some commentators suggest, therefore, that FDI is a potential source of investment to fill investment gaps.⁶⁷ More generally, others focus on how public investments can create a better enabling environment for agribusiness investment in general.

A study on the enabling environment for agribusiness in developing countries⁶⁸ concludes the following: in addition to macro-level political and economic policies, agribusiness and agro-industrial investment requires efficient land markets and tenure systems; access to appropriate finance and risk management products; regulatory policies conducive to access to international markets; human resources, technologies and infrastructure. The relative importance of these factors varies between countries.

While it is often assumed that agribusiness development provides opportunities for smallholder growth, this is not always the case. In the livestock sector, for example, vertical integration models are often adopted which limit opportunities for smallholder involvement. In agriculture as a whole, more research on inclusive business models is required,⁶⁹ and this is also relevant to grassland-based livestock husbandry.

Annual global trade in meat is around USD 120 billion. Private or voluntary standards have been increasingly adopted in the livestock sector,⁷⁰ and are likely to be shaping investment opportunities and constraints in grassland-based livestock husbandry. Certifications are also being developed by several developing countries (e.g. Uruguay, Namibia) to improve market access and higher value niches in developed country markets. During this assignment, no figure could be identified for the value of sustainability-certified meat traded.

3.2.5 Climate change adaptation and mitigation finance

The relevance of ODA for climate change adaptation and mitigation in grassland-based livestock husbandry was highlighted in section 3.2.4 above. In summary,⁷¹

- **Total climate-related aid** per year over 2010-2012 reached **USD 21.5 billion**; 58% targets mitigation only, 25% targets adaptation only, and 18% targets mitigation and adaptation together.

Adaptation-related ODA:

- **Total bilateral adaptation-related aid commitments** by OECD-DAC members was **USD 9.3 billion** per year in 2010-12, representing 7.1% of total ODA;
- **Of total adaptation-related aid commitments, 29% (USD 2.7bn) explicitly targets adaptation as a *principal objective***, while 71% (USD 6.6bn) targets adaptation as a *significant objective*, indicating that adaptation is mainstreamed into activities that were primarily motivated by other development objectives.

⁶⁶ http://www.fao.org/fileadmin/templates/est/INTERNATIONAL-TRADE/FDIs/Trends_publication_12_November_2012.pdf; http://eudevdays.eu/sites/default/files/brochure_en.pdf

⁶⁷ http://www.fao.org/fileadmin/templates/est/INTERNATIONAL-TRADE/FDIs/Trends_publication_12_November_2012.pdf

⁶⁸ <http://www.fao.org/docrep/017/i3121e/i3121e00.pdf>

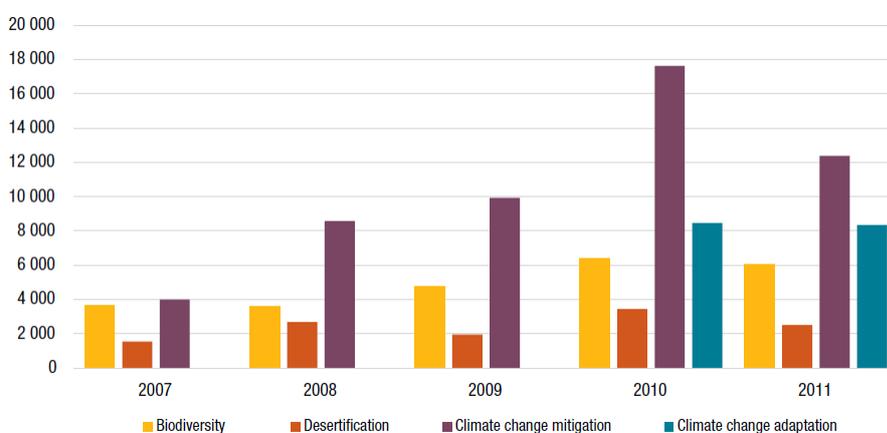
⁶⁹ http://www.fao.org/fileadmin/templates/est/INTERNATIONAL-TRADE/FDIs/Trends_publication_12_November_2012.pdf

⁷⁰ http://www.fao.org/fileadmin/user_upload/livestockgov/documents/Microsoft%20Word%20-%20FAO%20survey%20on%20Private%20voluntary%20standards.pdf

⁷¹

- Adaptation-related aid is **concentrated in a few sectors and activity types**: environment-related capacity-building; water; agriculture, forestry, fishing and rural development; disaster risk reduction and response.
- Almost one fifth of adaptation related aid flows through international organizations; a significant proportion of adaptation-related ODA is categorized as 'general environment protection', which implies that it is targeted to policy formulation, research and education and capacity building.
- **Least developed countries and other low-income countries** receive 25% of total adaptation-related aid, of which two thirds goes to LDCs in Sub-Saharan Africa.
- **Grants** comprise **69% of all adaptation-related aid commitments**.

Figure 10: Trends in environment-related ODA commitments, 2007-2011 (USD million)



Source: OECD 2013

Mitigation-related ODA:

- **Total bilateral mitigation-related aid commitments** was USD 16.1 billion in 2010-2011, having risen three-fold since 2006, representing about 12% of total ODA;
- 69% of mitigation-related aid went to activities where mitigation was the *principal* objective.
- In contrast to adaptation, 13% of mitigation aid goes to LDCs and other LICs, and 65% to middle income countries, where the largest mitigation opportunities lie.
- **Key economic infrastructure sectors - energy, transport and water - receive over half of total mitigation-related aid** over 2006-11, and *general environmental protection* and *forestry* sectors are important in terms of support to capacity-building and technical assistance activities
- 58% of mitigation-related aid commitments are loans
- Around 75% of mitigation related aid is provided by Japan, Germany, France, the EU and Norway, for whom mitigation represents more than 10% of their total ODA
- Although forestry is only 6% of mitigation-related aid, 75% of ODA to forestry is marked as mitigation-related.

ODA is only one source of climate-related finance.⁷² It is estimated that in 2012, total global climate finance was USD 359 billion, of which 62% was invested by the private sector, and 38% by the public sector. Of the public sector investment, ODA is only one portion. Other public investments flow through development finance institutions, multilateral investment banks, and multilateral or national climate funds. In the private sector, most investment is by mitigation project developers, companies and households, and a small proportion by commercial financial institutions. Of North-South flows of public funds, about 19% was in agriculture, forestry, land use and livestock, but as a proportion of total climate finance, agriculture is relatively negligible. Some climate funds focus on the land use sectors, e.g. Amazon Fund and the PPCR.

3.2.6 Biodiversity finance

UNEP has estimated that global biodiversity financing needs are between USD 150 and 440 billion per year. Current estimates of financing levels for biodiversity and ecosystem services are about USD 52 billion.⁷³ The following is a breakdown of the estimated finance sources:

- Bilateral ODA marked with biodiversity benefits totalled about USD 6.5 billion in 2010
- Government budgets for biodiversity are estimated at USD 25.6 billion
- Agricultural subsidies in the EU and USA designed to support biodiversity total about USD 7.8 billion
- Greening commodities: markets for certified products are estimated at about USD 6.6 billion.
- Biodiversity offsets are estimated at USD 3.2 billion
- Philanthropic funding at USD 1.6 billion.

It is estimated that about 78% of this finance is generated in developed countries, and 22% in developing countries, and that 59% is spent in developed countries and 41% in developing countries.

There are broadly two types of biodiversity funding:

- 1) Dedicated support to biodiversity, and
- 2) Finance mobilized to support conservation and sustainable use in relevant sectors.

For dedicated biodiversity funding, there has been some global analysis of targeting,⁷⁴ but this is not specific to grasslands. Compared to the risk of biodiversity loss, developing countries receive a very small proportion of total funding.

The latter is thought to be the major potential future source of funding through innovative financial mechanisms including payments for ecosystem services (PES), biodiversity offsetting, green taxation, markets for green products, certification of products and production sites, and integrated funding for biodiversity and climate change adaptation. These mechanisms can increase contributions from both public and private funding sources (e.g. businesses) to supplement public funding. Of existing biodiversity offset markets, the vast majority is in North America, with some small growth in Australia. The vast majority of certified forests and agricultural production are in North America and Europe.

⁷² Global Landscape of Climate Finance 2013

⁷³ http://www.globalcanopy.org/sites/default/files/LittleBiodiversityFinanceBook_3rd%20edition.pdf

⁷⁴ www.pnas.org/cgi/doi/10.1073/pnas.1221370110

Payments for environmental services are frequently mentioned as a potential tool for increasing the value of grasslands. A review was recently completed of 50 PES schemes in grazing lands.⁷⁵ The review found that large scale programs are mostly publicly funded programs in North America, the EU and China. Most private funded programs are small in area (<10,000 ha). The transaction costs of establishing such schemes may be a constraint on their further expansion. Of the specified environmental services demanded, the largest specified service was biodiversity, but most schemes did not specify the services demanded or specified multiple services. Few systematic evaluations of these schemes have been made. The review analyzed that in many developing country contexts, where there are market imperfections, land tenure issues and broader development needs of land users, conditional payments for environmental services may be less relevant than more general investments in production systems and livelihoods. In addition, analysis of payments for carbon sequestration services projects in developing countries suggests that the critical driver of financial feasibility of such schemes is the profitability of the livestock production system itself, not the value of environmental services compensated.

3.2.7 Summary

- Private investment by households and firms is likely to be by far the largest source of investment in grassland-based livestock husbandry. While some general analysis of factors affecting private finance is available, there has been no systematic analysis for grasslands. Analysis of FAO data on capital stocks suggests a negative relationship with the proportion of grasslands in total agricultural land for low-income countries, but not high income countries. Further systematic research on levels and determinants of private investment in grassland areas may be justified.
- Government investment in agriculture can play critical roles in shaping the investment environment for households and firms, and on a global scale is several times larger than official ODA flows. Analysis of the IFPRI SPEED database suggests lower total agricultural investment per ha in low and middle income countries with a large proportion of grasslands. Low priority to livestock in CAADP investment planning, and donor emphasis on improving the evidence base for livestock investments suggest that further research may be required to determine whether there is underinvestment in grassland-based livestock husbandry from government sources, and to better understand factors influencing government investments in grasslands.
- ODA spending on grassland-based livestock husbandry averaged around USD 185 million between 2007 and 2010. Less than one third of this aid is marked as intending to deliver global environmental public goods, including desertification, biodiversity and climate benefits. The proportion of grassland focused ODA marked with global environmental goods is much lower than the proportion of livestock projects within environmental markings, but compared to agricultural projects in general, there are higher proportions with biodiversity and desertification benefits, but a lower proportion with climate benefits. In general ODA for adaptation targets low income countries, while a significant proportion of the growing ODA for mitigation targets middle income countries. ODA mitigation finance has been increasing rapidly in recent years.

⁷⁵ ADB 2014

- Agribusiness and agro-industrial sector investments are most likely growing, and global markets for certified goods / goods that follow voluntary standards are growing, but more research is needed to better understand the relevance to and impacts on grassland-based livestock husbandry.
- In general, grasslands are not visible in existing investment analysis. For ODA, datasets exist that could increase the visibility. Further investigation would be required to identify suitable data sets on other investment sources.

4 Proposed theory of change for FA2

4.1 Summary of situation analysis

From the review of FA2 documentation, the following key points are derived. A fundable plan for FA2 requires:

- A limited number of clear, achievable outcomes of global relevance
- Clear identification of the niche and positioning of FA2 in relation to ongoing initiatives related to these outcomes
- Partnerships that can help deliver the outcomes

From the review of international policy trends, the following key points are derived:

- The economic and environmental values of grasslands are relevant to a number of SDGs and related international policy trends;
- Although social and cultural values of grasslands are important, FA2 should focus its efforts on environmental and economic values of grasslands, considering the effects of social policies on these impact areas where relevant.
- Although there is some documentation and research on grasslands in relation to some of these policy issues, there are gaps in knowledge or lack of systematic research addressing grasslands for many of these policy domains;
- The roles and values of grasslands in relation to these policy issues are often not visible in international policy-relevant documentation.

From the review of investment patterns, the following key points are derived:

- Grasslands are not very visible in existing data or analysis of investment trends;
- Private investments are likely by far the biggest source of investment, and the function of government and ODA expenditures can be to improve the investment environment for private investment;
- For government investments, key issues include whether there is underinvestment in grasslands from government sources, and how to improve the effectiveness of investments?
- Opportunities for increased investments may exist in government expenditures, ODA targeting global environmental public goods (e.g. mitigation), and investments related to certified commodity trade, and possibly in other innovative finance sources, such as PES.

4.2 General theory of change for FA2

Table 10 presents a suggested general theory of change for FA2. This is elaborated in a logframe format in Table 11.

4.2.1 Impact statement

The overall objective remains unchanged from the existing statement, but is now phrased as an impact statement:

“The environmental and economic value of grasslands are maintained, restored and enhanced, while promoting their social and cultural functions globally”.

The analysis of international policy trends concluded that policies in a range of policy domains (including environment, economic, social and cultural) are relevant in

grasslands. However, it was recommended that FA2 should focus its efforts on achieving impacts in relation to the environmental and economic values of grasslands, considering the effects of social policies on these impact areas where relevant. Focusing on the environmental and economic impact areas would help focus FA2's activities, but does not preclude FA2's work from addressing measures related to the social and cultural values of grasslands.

4.2.2 Outcomes

The aforementioned impact will be achieved through three outcomes, justifications for which are as follows:

Outcome 1: Grassland values and issues are visible in international policy and finance discussions. This outcome is posited on the hypothesis that increased and more effective international and national investments will not be made unless the values of grasslands, the specific issues affecting grasslands, and the relevance of grassland-based livestock husbandry for key international policy domains is made visible through analytical reviews of existing knowledge, new analysis and communication of available evidence.

Outcome 2: Investments in grasslands are increased from existing and innovative sources. This outcome is posited on the hypothesis that better analysis of investment constraints and opportunities in relation to ongoing policy processes can support increased investment from existing and emerging investment sources.

Outcome 3: The effectiveness of policies and investments in improving economic and environmental outcomes in grasslands are improved. This outcome is posited on the hypothesis that improved assessment methods, policy and investment programme evaluation, and sharing of lessons from assessments can support improved policy and investment decision-making.

4.2.3 FA2 positioning

Recognizing that grasslands are relevant to policy domains outside the scope of grassland management practitioners, and that grasslands are often not visible in these policy domains, the activities leading to these outcomes are based on an identification of a niche for FA2 in working with partners engaged in policy spaces that are **not** focused on grasslands to make evidence on grassland-related investments, policies and practices available to international and national decision-makers that can inform policy and investment decision-making affecting grasslands.

There are several sources of evidence and opinion on grassland and pastoralist issues, including research (both scientific and applied), livestock keepers' voices, policy makers, extension workers and other stakeholders. FA2 should aim to draw on all these sources of evidence, providing inclusive opportunities as appropriate.

In terms of thematic focus, although individual country circumstances, issues and priorities are varied, activities need to be thematically focused. On the basis of the preceding analysis of policy trends and investment issues, the following topics are suggested as key topics for concerted action through FA2:

Table 10: Summary of proposed theory of action for FA2

		Stakeholders will...		
		Engage with grasslands in international policy and finance discussions	Increase investments in grasslands	Improve the effectiveness of policies and investments in grasslands
FA2 will...	Build partnerships for	FA2 engagement with international policy and finance discussion forums	FA2 support to <ul style="list-style-type: none"> • country level investment analysis • REDD policy options • NAMAs 	FA2 support to policy evidence and sharing good practices
	Support new analysis on	<ul style="list-style-type: none"> • Global investments in grasslands • Sustainable intensification in grasslands • Grasslands & climate resilient development 	<ul style="list-style-type: none"> • investment constraints & options in grasslands at country level • options for addressing livestock as a driver in REDD policies 	Review of assessment & evaluation methods Reviews of good practice in changing policy and investment priorities & grassland management practices Policy evaluations Evaluate impacts of market standards
	Support innovative action for		developing & piloting NAMAs	
	Communicate evidence on	<ul style="list-style-type: none"> • grasslands & the SDGs • grasslands & sustainable intensification • grasslands & climate resilient development • grasslands & REDD • grasslands & NAMAs • grasslands & zero net 		<ul style="list-style-type: none"> • Policy assessment methods • Good practices • Policy evaluation lessons

		degradation •Investment in grasslands etc		
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- **Current investment levels:** Better understanding of existing investment levels from different sources in grasslands is required. Private investment is most likely the largest source, but existing investments and constraints on investment in practices that deliver economic and environmental benefits is under-documented. Government investments can have major impacts on private investments, but current levels of investment and their determining factors are not well documented for grasslands. ODA is small on a global scale, but can have important contributions to enabling conditions and global public goods, but bilateral and multilateral investment trends have never been analyzed for grasslands. Better understanding of policy processes affecting investment levels would assist in identifying opportunities and strategies for increasing investments in grasslands.
- **International finance for global climate benefits:** The proportion of ODA allocated to climate objectives has been increasing in recent years, and should further increase in the years up to 2020. Currently, ODA to grasslands marked with climate benefits is much lower than for livestock and agriculture as a whole. There are opportunities to increase climate-related investments in grasslands by providing better evidence on the relevance of grasslands to climate change adaptation and mitigation, and identifying good practice in policies, programmes and grassland management. Investment streams to target include adaptation finance, finance for REDD and mitigation finance for NAMAs. The justification for stressing mitigation finance rather than adaptation finance is that (a) mitigation finance is growing much faster than adaptation finance, but (b) there is almost no current investment in grasslands from mitigation finance, despite (c) the high potential for GHG mitigation in grassland-based livestock husbandry in ways that support achievement of other policy goals for grasslands (e.g. conservation, productivity increases, reversing degradation, poverty alleviation etc). This suggests opportunities for increasing investment for mitigation finance should be greater than achieving increases in adaptation finance, where grasslands are probably already better positioned. While highlighting the relevance of mitigation finance, the interface with agricultural development ('sustainable intensification'), and other global goods (e.g. zero net degradation, biodiversity conservation) should also be borne in mind.
- **Evidence on policy and investment programme effectiveness:** Monitoring and assessment of policy impacts (positive and negative) can provide decision makers and other stakeholders with evidence for improving the effectiveness of policies and investments. Assessments and evaluations can identify and provide the evidence for good practices. Impacts can be multidimensional, and assessment methods can be more or less robust, so a review of assessment and evaluation methods can inform subsequent policy assessment and evaluation activities. ***Many of the activities and topics discussed in FA2 to date fit within this topic area.*** E.g., sharing information on good practices, developing assessment frameworks, promoting good practice in capacity building.

- **Market standards:** Voluntary market and commodity standards are emerging as a tool to promote improved economic and environmental outcomes in both developed and developing countries. Assessment of economic and environmental values of market standards can inform international and national decision-makers on how such standards can be better supported.

4.2.4 FA2 activities

The main types of activity the FA2 positioning implies are

- **Building partnerships** for raising the visibility of grasslands and increasing the consideration of the evidence base on grasslands in international and national policy forums;
- **Supporting analysis** on the basis of existing studies, through new analysis and through support for assessing policy and investment options and impacts;
- **Supporting innovative actions** in relation to investment streams where grassland-based livestock husbandry has high potential but no prior evidence;
- **Communicating evidence** to participants in international and national policy and finance discussion forums.

Each of these types of activity are elaborated for the outcomes in the sections that follow, and presented in a logframe (Table 11).

4.2.4.1 Building partnerships

Partnerships for policy engagement: The main policy and finance forums are those related to the 3 Rio Conventions and those related to development and environmental finance. Ongoing initiatives that FA2 could seek to link with include:

- **Climate change adaptation:** UNFCCC is the main international forum for discussion of adaptation. IIED and the Climate Centre of the Red Cross are active in organizing parallel discussions. The most recent SBSTA discussions on agriculture focused on agriculture, but there is no current decision on follow-up to the 2013 discussions. There are a large number of initiatives in climate change adaptation, mainly donor-related in one way or another. There are two general approaches: ecosystem-based adaptation tends to be promoted more by conservation-related organizations (e.g. WWF, CI, IUCN, UNEP) and a database is hosted by UNFCCC,⁷⁶ as part of the Nairobi work programme while more development oriented approaches are promoted by others (e.g. UNDP, CDKN, IIED etc). The World Bank Institute has a specific programme on climate-smart agriculture.⁷⁷ In specific countries there are a number of initiatives on adaptation, mostly linking research, extension and policy, particularly in more developed countries of North America and

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https://unfccc.int/adaptation/nairobi_work_programme/knowledge_resources_and_publications/items/6227.php

⁷⁷ <http://wbi.worldbank.org/wbi/about/topics/climate-change>

Oceania.⁷⁸ Most countries are in some kind of adaptation planning process, and many countries with grasslands are or have developed some plan or strategy related to adaptation in grasslands. Key actors in developing good practice vary by regions. In southern Africa and Central Asia, GIZ has been active in supporting regional and national partners. The EU has funded some grassland focused activities in Eastern Europe, and so on. OECD-DAC has a task team working on adaptation.⁷⁹ **Further scoping would be necessary to identify appropriate partnerships that can bring evidence to relevant international forums.**

- **Zero-net degradation:** Zero-net degradation is being promoted by UNCCD. There is a grouping of support for related initiatives based around the Global Soil Week,⁸⁰ whose partners include UN FAO, UNEP, the EC and BMZ (Germany).
- **ODA (development finance):** IFAD and the World Bank are the largest funders of grassland related ODA, and often bilateral investments (e.g. from Switzerland or other donors) are linked to large multilateral investments. Their funding priorities are in line with national priorities. Related issues are addressed in OECD-DAC (which works to understand and improve development finance), the Financing for Development Office of UN DESA (which works on mobilization of finance), and by the major regional development banks.
- **Conservation finance:** A number of organizations have an interest in improving the mobilization and targeting of conservation finance (e.g. WWF, TNC, IUCN, UNEP FI, Conservation Finance Alliance). The IUCN Temperate Grasslands Conservation Initiative is working on this issue in temperate grasslands.⁸¹ TEEB (The Economics of Ecosystems and Biodiversity) works to demonstrate the value of ecosystems and to encourage policy-making that recognizes and accounts for their ecosystem services and biodiversity, and has recently begun a series of studies on links between food production systems interact and natural resources, that might have close links with interests of FA2.⁸²

Partnerships for increasing investments:

- **Partnerships for country level investment assessments:** Ongoing programmes supporting country-level investment and policy assessments include programmes run by the Global Mechanism of the UNCCD,⁸³ and FAO MAFAP project.⁸⁴ From a biodiversity

⁷⁸ E.g. <http://www.climatechange.gov.au/reducing-carbon/grants/nrm-climate-change-impacts-and-adaptation-research>; http://www.usda.gov/oce/climate_change/hubs/USDAHubsFactsheet.pdf

⁷⁹ <http://www.oecd.org/dac/environment-development/dac-epoctaskteam.htm>

⁸⁰ <http://globalsoilweek.org/>

⁸¹

http://www.iucn.org/about/work/programmes/gpap_home/gpap_biodiversity/gpap_wcpabiodiv/gpap_grasslands/

⁸² <http://www.teebweb.org/publication/the-economics-of-ecosystems-and-biodiversity-teeb-for-agriculture-food-concept-note/>

⁸³ <http://global-mechanism.org/our-services/developing-financing-strategies-for-slm>

⁸⁴ <http://www.fao.org/mafap/home/en/>

perspective, UNDP is piloting investment assessment methods in selected countries.⁸⁵ Within particular regions there are organizations and countries with an interest in policy and investment analysis. For example, farmers' unions in Namibia have expressed interest in undertaking an assessment of government support to rangeland management and livestock development. The Rangeland Observatory is a non-governmental initiative monitoring land investments.⁸⁶

- **Partnerships for REDD assessment:** Regarding REDD+, the latest UNFCCC decisions⁸⁷ encourages developing countries to work to address drivers of deforestation and degradation. The two main actors supporting countries to prepare REDD strategies and policies are the Forest Carbon Partnership Facility of the World Bank⁸⁸ and the REDD early movers, implemented by KfW and GIZ.⁸⁹ CIFOR is the main center of global REDD research, but has no basis in livestock research. Other stakeholders (e.g. donors, regional organizations) tend to vary by country, but in general Norway is the biggest donor interested in land use related to deforestation, and Germany, the UK and USAID have large funding for REDD.
- **Partnerships for NAMAs:** For NAMAs, there are a number of individual country initiatives (e.g. Mongolia, Uruguay, Kyrgyzstan, Costa Rica, Brazil, Ethiopia). Within FAO, the MICCA project is providing general capacity building on NAMA development, though the technical skills lie within AGAL. CCAFS is supporting work on livestock NAMAs in East Africa (most likely Kenya), with main funding to ILRI, and International Partnership on Mitigation and MRV has also been looking at livestock and mitigation in Latin America.⁹⁰
The FAO may be a suitable agency to convene interested countries.

Partnerships for policy & investment effectiveness:

- Interest in learning from the effectiveness of policies, investment programmes and practices appears to be quite dispersed, depending on country contexts. For some regions, there are regional agencies supporting learning from policy and investment initiatives (e.g. NEPAD for SSA, regional development banks), and multilateral agencies with large investment programmes in certain regions (e.g. IFAD and World Bank in Central Asia) also have an interest in learning from policy and programme-relevant evaluations. The World Bank also has a programme to support countries to learn from evaluations.⁹¹ DfID invests significantly in research for development, including impact evaluations.⁹² International discussions on effectiveness of development aid take place in

⁸⁵ <http://www.biodiversityfinance.net/>

⁸⁶ <http://landportal.info/resource/global/rangelands-observatory>

⁸⁷ <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=43>

⁸⁸ <https://www.forestcarbonpartnership.org/>

⁸⁹ <http://theredddesk.org/markets-standards/germanys-redd-early-movers-programme>

⁹⁰ <http://mitigationpartnership.net/about-partnership>

⁹¹

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDEVIMPEVAINI/0,,contentMDK:23415887~pagePK:64168445~piPK:64168309~theSitePK:3998212,00.html>

⁹² <http://r4d.dfid.gov.uk/>

forums related to the Busan partnership on development effectiveness, in which OECD donors are all engaged.⁹³ There is currently no main institution with a focus on learning from policy in grasslands, though some institutions in many countries have relevant experience and interests.

- For market standards, in addition to civil society standards (e.g. organic, sustainable beef...), a number of countries are or have developed related standards (e.g. Uruguay, Namibia) in addition to other existing standards. There are several trade and industry bodies interested in these standards. Some are already convening around initiatives such as the Global Roundtable on Sustainable Beef, though some industry bodies and governments stay away from such platforms.

4.2.4.2 Supporting analysis

Analysis for policy engagement: The analysis envisaged consists of analytical synthesis of available evidence on grasslands and their relation to key international policy agendas (e.g. SDGs), and new analysis on selected topics related to increasing investment and policy and investment effectiveness (e.g. analysis of current investments in grasslands, 'sustainable intensification' and grasslands, climate resilient development and grasslands). Analytical papers and policy briefs can be developed by consultants, where necessary identified through calls for proposals.

Analysis for increasing investments: Country level investment analysis would be conducted at the request of national stakeholders by technical consultants. FA2 would play a resource-mobilization, coordination and dissemination role. Analysis related to REDD+ policy options are envisaged to include reviews of the extensive existing research in Brazil (by a consultant) and analysis in selected other countries where livestock and grazing contribute to deforestation of policy and technical options to address forest management and livestock development needs. This can be conducted through a competitive call for proposals from competent and interested consortiums. This work should be linked with national policy processes and international processes supported by UN REDD and in the UNFCCC.

Analysis for policy and investment effectiveness:

- **Assessment and evaluation approaches:** Initiatives related to assessment approaches include the FAO's work on sustainability assessment (SAFA),⁹⁴ and general work on policy influence through evaluation.⁹⁵ It is envisaged that two reviews are conducted. The first would review available evidence on good practice in policies and investments in grasslands, and identify good practices for further documentation and dissemination. The second would review assessment and evaluation approaches to provide interested

⁹³ <http://www.oecd.org/derec/>

⁹⁴ <http://www.fao.org/nr/sustainability/sustainability-assessments-safa/en/>

⁹⁵ E.g. <http://www.3ieimpact.org/>; <http://www.odi.org/programmes/rapid>

stakeholders with guidance on conducting policy and investment programme evaluations.

- **Policy evaluations:** Selected countries could be selected for conducting policy evaluations where there are likely to be globally relevant lessons or where there are particular opportunities for policy impact. These could be identified either through FA2 member networks or through competitive calls for proposals.
- **Learning from market standards:** A program for supporting learning through evaluations of market standards and certifications could be developed together with international initiatives (e.g. GRSB) and national certification agencies (e.g. Meat Board of Namibia).

4.2.4.3 Supporting innovative action

See preceding section on partnerships for NAMAs. FAO AGAL may be a suitable agency for hosting learning events, which may need to be supported by technical consultants.

4.2.4.4 Communicating evidence

FA2 can make grasslands visible in international policy and finance forums through reviews and summaries of existing knowledge, new analysis and dissemination of lessons from practice. Mediums for communicating evidence include participation in international forums; convening workshops; dissemination of analysis and policy briefs; and elaboration of a web-based dissemination platform.

Dissemination of good practice through website formats has been much discussed in FA2. Related websites are maintained by several FAO divisions.⁹⁶ Other FA2 members may also be willing to host websites. More thought needs to go into the functionality of website design and the format in which information is presented in order that it meet its intended purposes.⁹⁷ Other potential partners include WISP, who may also be a good partner for implementing some activities.

⁹⁶ E.g. <http://www.fao.org/nr/sustainability/grassland/best-practices/en/>; <http://www.fao.org/economic/fapda/tool/Main.html>

⁹⁷ See for example how information is shared in http://www.watershedmarkets.org/casestudies/Silvopastoril_Central_America.html or <http://povertyandconservation.info/biodiversity-poverty-evidence>

Table 11: Logical Framework of FA2

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	
Impact (Overall Goal)	Impact Indicators		
The environmental and economic value of grasslands are maintained, restored and enhanced, while promoting their social and cultural functions globally	<ul style="list-style-type: none"> - Increase in incomes of grassland users by 2030 - Increased area of grassland under improved management by 2030 	- Data sources?	
Outcomes	Outcome Indicators		External Factors (Assumptions & Risks)
Outcome 1: International policy engagement Grassland values and issues are visible in international policy and finance discussions	<ul style="list-style-type: none"> - Evidence on relevance, current investments, and policy and investment options discussed in forums related to 3 Rio conventions and other key finance forums 	<ul style="list-style-type: none"> - Downloads of knowledge products - Workshop reports - Online reportage 	<ul style="list-style-type: none"> - Assumes new evidence is made available and communicated appropriately in the right forums - Risk that key decision-makers are not engaged
Outcome 2: Increased investment Investments in grasslands are increased from existing and innovative sources	<ul style="list-style-type: none"> - International and national investment programmes approved in participating countries - REDD livestock / grassland policies / strategies implemented - NAMAs implemented 	<ul style="list-style-type: none"> - Programme documents - 	<ul style="list-style-type: none"> - Assumes that international and national investment decision-makers are directly engaged -
Outcome 3: Policy and investment effectiveness The effectiveness of policies and investments in improving economic and environmental outcomes in grasslands are improved	<ul style="list-style-type: none"> - Adoption of effective policies and investment programmes - Upscaled promotion of good practices through international and national programmes - 	<ul style="list-style-type: none"> - Policy & programme documents 	<ul style="list-style-type: none"> - Assumes policy analysis is undertaken with national & international stakeholders able to uptake lessons into future policies and investment programmes

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	
Outputs (per outcome) and costs		Output Indicators		Assumptions / risks
Outcome 1: Grassland values and issues are visible in international policy and finance discussions				
Output 1.1.	Partnerships for engaging in international policy and finance forums have been developed	<ul style="list-style-type: none"> - Partnerships related to adaptation finance - Partnerships related to mitigation finance - Partnerships related to CBD - Partnerships related to UNCCD - Partnerships related to ODA / development finance 	<ul style="list-style-type: none"> - FA2 annual progress reports 	<ul style="list-style-type: none"> - Assumes partnerships are able to engage at high level
Output 1.2.	The relevance of grasslands for key international policy and finance domains has been communicated	<ul style="list-style-type: none"> - Evidence on relevance, current investments, and policy and investment options discussed in forums related to 3 Rio conventions and other key finance forums - 	<ul style="list-style-type: none"> - Downloads of knowledge products - Workshop reports - Online reportage - 	XXXXXXX
Output 1.3.	New analysis of grassland links with key international policy and finance domains has been undertaken	<ul style="list-style-type: none"> - Reports on investment trends and factors in grasslands - Analytical reviews on grasslands & climate resilient development and sustainable intensification 	<ul style="list-style-type: none"> - Reports 	-
Costs of outputs for Outcome 1: NOT ESTIMATED				

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	
Outputs (per outcome) and costs		Output Indicators		Assumptions / risks
Outcome 2: Investments in grasslands are increased from existing and innovative sources				
Output 2.1.	Partnerships for engaging in topic- and country-focused analysis have been established	<ul style="list-style-type: none"> - Partnerships for in-country investment analysis - Partnerships for REDD+ analysis - Partnerships for NAMA-focused learning 	<ul style="list-style-type: none"> - FA2 annual progress reports - 	- Assumes partnerships include both partnerships for high quality technical support and policy engagement with partner countries
Output 2.2.	Country-level investment analysis has been communicated to policy stakeholders	- Grassland investment analysis and policy options analysis deliberated at national workshops in selected countries	<ul style="list-style-type: none"> - Investment analysis & stakeholder workshop reports - 	Assumes strong support of key stakeholders in selected countries for undertaking in-country analysis
Output 2.3.	New analysis of grassland & livestock policy options have been communicated to REDD stakeholders	- REDD+ livestock / grassland policy options deliberated at national workshops	- Policy option & stakeholder workshop reports	- Assumes partnerships include both partnerships for high quality technical support and policy engagement with partner countries
Output 2.4	Countries have been supported to develop and pilot NAMAs	<ul style="list-style-type: none"> - Grassland / livestock NAMA proposals supported in participating countries - Pilot NAMA implementation in participating countries 	<ul style="list-style-type: none"> - NAMA support confirmed by participating countries - Pilot implementation reports from participating countries 	-
Costs of outputs for Outcome 2: NOT ESTIMATED				

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	
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Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	
Outputs (per outcome) and costs		Output Indicators		
Outcome 3: The effectiveness of policies and investments in improving economic and environmental outcomes in grasslands are improved				
Output 3.1.	Partnerships & infrastructure for sharing policy evaluation lessons have been established	<ul style="list-style-type: none"> - Partnerships for hosting web-based dissemination platform and plans other dissemination activities established - Web-based dissemination platform designed and established 	<ul style="list-style-type: none"> - FA2 annual reports - Web-based platform 	- XXXXXXXX
Output 3.2.	Policy assessment methods and good practices have been reviewed	<ul style="list-style-type: none"> - Reviews of assessment methods and good practices available 	<ul style="list-style-type: none"> - Review reports - 	XXXXXXXXXX
Output 3.3.	Policy and investment evaluations have been undertaken	<ul style="list-style-type: none"> - Number of policy evaluation processes supported 	<ul style="list-style-type: none"> - FA2 annual reports 	-
Output 3.4.	Good practices in policy and support programme delivery have been communicated	<ul style="list-style-type: none"> - Communication of policy evaluations in relevant stakeholder forums 	<ul style="list-style-type: none"> - FA2 annual reports - 	-
Costs of outputs for Outcome 3: NOT ESTIMATED				

Activities (per output)		Inputs	
List of activities for output 1.1.	<ul style="list-style-type: none"> ✓ Build partnerships for adaptation finance ✓ Build partnerships for mitigation finance ✓ Build partnerships for biodiversity investments ✓ Build partnerships for zero-net degradation ✓ Build partnerships for development finance ✓ Develop and secure funding for proposals for specific components of FA2 Outcome 1 	<ul style="list-style-type: none"> - Initially, need support of FAO for partnerships building and resource mobilization - Travel costs to support partnership building 	-
List of activities for output 1.2.	<ul style="list-style-type: none"> ✓ Preparation of policy briefs. ✓ Participation in international forums ✓ Organize topic focused forums (e.g. side-events, workshops) 	<ul style="list-style-type: none"> - Consultant inputs - Workshop participation costs - Workshop event costs 	-
List of activities for output 1.3.	<ul style="list-style-type: none"> ✓ Analysis of investment in grasslands by <ul style="list-style-type: none"> - Private investment - Governments - ODA ✓ Grasslands and climate resilient development ✓ Sustainable intensification in grasslands ✓ 	<ul style="list-style-type: none"> - Data / literature - Expert reviews & studies - Topic-focused workshops 	-

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	
Activities (per output)		Inputs	
List of activities for output 2.1.	<ul style="list-style-type: none"> ✓ Partnerships for in-country investment analysis ✓ Partnerships for REDD+ livestock / policy analysis ✓ Partnership with countries interested in grassland / livestock NAMAs ✓ Develop and secure funding for proposals for specific components of FA2 Outcome 2 	<ul style="list-style-type: none"> - Initially, need support of FAO for partnerships building and resource mobilization 	-
List of activities for output 2.2.	<ul style="list-style-type: none"> ✓ Agree work plans for in-country assessments with partners ✓ Implement in-country assessments ✓ Communicate in-country assessment results to policy stakeholders ✓ Prepare & disseminate knowledge products 	<ul style="list-style-type: none"> - Consultant inputs - In-country partner costs - Workshops with ministries, stakeholders - 	-
List of activities for output 2.3.	<ul style="list-style-type: none"> ✓ Review of livestock / grassland policy interventions in relation to REDD in Brazil ✓ Undertake livestock / grassland policy option assessments in selected REDD+ countries ✓ Prepare & disseminate knowledge products 	<ul style="list-style-type: none"> - Consultant inputs - In-country and international workshop costs - 	-
List of activities for output 2.4.	<ul style="list-style-type: none"> ✓ Agree work plan with interested country partners ✓ Provide learning activities and technical support ✓ Convene lesson-sharing events ✓ Prepare & disseminate knowledge products 	<ul style="list-style-type: none"> - Workshop costs - Consultant inputs 	-

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	
Activities (per output)		Inputs	
List of activities for output 3.1.	<ul style="list-style-type: none"> ✓ Build partnerships for sharing policy evaluation lessons (e.g. IFAD, World Bank, FAO ESA and crop production divisions) ✓ Design and implement web-based good practice & policy lesson dissemination platform ✓ Develop and secure funding for proposals for specific components of FA2 Outcome 3 	<ul style="list-style-type: none"> - Initially, need support of FAO for partnerships building and resource mobilization - Travel costs to support partnership building - Web-platform development costs 	-
List of activities for output 3.2.	<ul style="list-style-type: none"> ✓ Review of policy assessment and evaluation approaches ✓ Review & identify existing documentation of good practices ✓ Prepare and disseminate knowledge products ✓ 	Consultant inputs	-
List of activities for output 3.3.	<ul style="list-style-type: none"> ✓ Competitive grants process for policy evaluations ✓ Competitive grants for evaluations of market standards ✓ Implement policy evaluations and market standards evaluations ✓ Convene policy lesson & market standard workshops ✓ Prepare and disseminate knowledge products ✓ ✓ 	Sub-grant funding Proposal reviewers Workshop costs	-

4.3 Initial activities for FA2

To help make the ideas outlined in the logframe more concrete, and support FA2's discussions on how to proceed, some initial activities to instigate work relating to each outcome are suggested below.

4.3.1 International policy engagement

This outcome includes activities that can be addressed on both shorter and longer time scales. Given the current composition of active FA2 members, the longer timescale activity may be to develop members and partners with an active presence in international forums related to the objectives of increasing the scale and effectiveness of investments and policies in grasslands. Current members of institutions active in 'higher' level international forums include (but are not limited to) FAO, ILRI, GRSB and various governmental representatives. While initially FA2 members could share and map their networks, and identify opportunities (e.g. meetings) for impact, once gaps and opportunities have been identified, it may take a longer time (including first building up the track-record of FA2 before engaging with some potential partners and forums) to develop effective engagement in the target international forums. Other longer timescale activities include information dissemination activities that are based on the outputs of Outcomes 2 and 3.

In the short-term, activities towards this outcome can be initiated by defining a small number of topics of high relevance (large expected impact) where resources mobilized through FA2 could lead to a review of the relevant field. Three highlighted here are:

- (1) Review of investment trends and factors in grasslands: There has been no such review to date, and as a result of conducting such a review, priorities for further analysis may be identified;
- (2) Review of grasslands in relation to climate resilient development and / or sustainable intensification: Producing a quality output in relation to these topics would help position FA2 to engage in the relevant international forums and with national partners in Outcomes 2 and 3;
- (3) Policy briefs summarizing the relevance of grasslands to the 3 Rio Conventions and the status of current related investments.

These outputs could be produced with small funds mobilized from donors over a discrete time period. In the short-term, FA2 should discuss the focus for priority review outputs, and designate responsibilities for drafting detailed ToRs and mobilizing the required resources.

With the SDGs due to be adopted in 2015, there is some time left before FA2 should consider whether outputs summarizing the positioning of grasslands in relation to the SDGs would further the objectives of the group.

4.3.2 Increased investment

Three areas of activity are suggested focusing on national investments, REDD+ investment and finance to support NAMAs.

For work to support assessment of **national investment programmes**, there are three types of stakeholder FA2 should begin discussions with:

- 1) Other organizations working on related topics: The Global Mechanism of the UNCCD has been promoting its integrated financing strategy approach, including activities in several

countries with significant grassland areas. FA2 representatives should open a dialogue with the GM on their perspective of the value of a targeted analysis of national investments in grassland areas among their pilot countries or other countries they are in dialogue with. In addition, FAO's MAFAP project has been undertaking country-level investment assessments in pilot countries. FAO AGAL staff could represent FA2 in discussing with them the potential for a grassland-focused analysis.

2) Stakeholders in countries that FA2 members are working in: Donor interests tend to vary considerably by country. FA2 members with an interest in supporting this area of work could discuss with stakeholders in the countries they work in to identify countries and specific stakeholders that have an interest to conduct an investment analysis. Government interest may be particularly important in order to facilitate access to investment programme information, and to ensure that results feed-in to policy processes. For example, the Namibian National Farmers' Union (which represents primarily farmers in communal areas of Namibia) has expressed their perceived need for a systematic review of public support to extension services in grassland areas with a view to increasing government investment and increasing the effectiveness of both government and non-government investments in this area.

3) Donors: Potential donors vary at country level. Where specific countries with interest in investment assessments are identified, FA2 should work with national stakeholders to identify potentially interested donors to support investment analysis. Discussions with GM and FAO MAFAP project may also identify other potential sources of funding at international level for a programme of investment analysis.

For work to support increased and appropriate investment from **REDD+ finance**, three main actors to initiate dialogue with are the Forest Carbon Partnership Facility of the World Bank, GIZ and KfW as implementers of the REDD early movers programme, and UN REDD (which is housed in FAO). Initial discussions should focus on determining the needs of these organizations and their stakeholders / partner countries for undertaking further analysis of livestock as a driver of deforestation or forest degradation and analysis of policy options for addressing grassland and livestock management. FA2 may also explore whether these organizations would be willing to fund or jointly approach a donor to fund targeted studies. For these discussions, it may be most appropriate for FAO AGAL to represent FA2 in these discussions. The objective would be to identify a donor able to support a small number of studies in countries where addressing livestock and grassland are priorities in the national REDD strategy. FA2 should issue an open call for proposals from consortiums that include the national REDD focal point to ensure that the results of the studies feed into national REDD policy processes.

For initiating activities relating to **NAMAs**, FA2 should discuss with FAO AGAL whether there would be internal FAO funds or a joint proposal to a donor to support an initial workshop of countries interested in grassland / livestock NAMAs. The purpose of the workshop would be to (a) share experiences to date, and (b) jointly outline the main contents of a programme to support progress in developing NAMAs in the sector by interested countries. FAO AGAL should take the lead on the workshop and subsequent support to delivery of the NAMA support programme.

4.3.3 Policy and investment effectiveness

An existing FA2 activity is to develop a matrix accessible on the web that presents basic information to enable sharing of good practices with decision-makers. FA2 should discuss reorientation and further refinement of this activity around three areas:

1) A review of existing policy and investment assessments and assessment methods. The scope of such a review could either be narrow (e.g. collating and analyzing existing available publications) or broad (analysis of the range of available evaluation and sustainability assessment methods). FA2 should discuss what kind of information collation and review activities are feasible given the resources (people, time, funds) available within FA2 and given the proposed outcomes and other activities related to this review. If a broader review is identified as desirable, then it may be necessary to approach a donor for small funds to cover the costs involved. The outcome of FA2 discussions should be a plan to complete the review of assessment methods by a given date, and an indication of how this activity would be resourced.

2) Existing policy assessment needs: Demand for targeted policy assessments are largely country-based. FA2 members should discuss whether there are stakeholders in the countries they work in with demand for learning from policy assessments. In some countries, policy assessment activities may be ongoing. In other countries there may be demand, but no activities currently being implemented. Opportunities to generate donor funding for policy evaluations will probably be country-specific, and such opportunities should be discussed within FA2 and its members and their partners. FA2 would need to discuss whether it supports policy and investment assessment through a programme managed by FA2, or through partnership with stakeholders in various countries each of whom funds their own activities, with FA2 acting in an international knowledge management role. Each would have different resource mobilization implications and a detailed plan of action should be developed around the option chosen.

3) Dissemination of best practices: FA2 should discuss how a web-based platform could best meet the needs of decision-makers (who are they?) for information on good practices and the impacts of supportive policies and investment programmes (what do they need to know?). The group may be able to come up with a low-cost way of assessing the needs of the potential target group (e.g. through emails, or a web-based survey). Depending on the results, FA2 may also wish to discuss with agencies operating other related websites (e.g. <http://www.fao.org/nr/sustainability/grassland/best-practices/en/>) whether to jointly develop such a web-based platform. The outcome of FA2 discussions should be an operational plan for development of the website and/or format for materials based on the needs of a well-defined target group.

More generally, beyond the specific activities, FA2 may wish to discuss how it will operate in view of (a) the possibly substantial support that may be needed from FAO AGAL, and (b) resource mobilization needs, and how funds will be managed.

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