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Recognising the value in land

Championing the wider economic benefits will be key to driving more sustainable use of land

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Land is the foundation of food security, economic growth and development, especially in rural areas. However, land is also a finite resource subject to growing pressures. Land productivity and terrestrial ecosystem services are increasingly threatened by degradation, deforestation and desertification. On the demand side, they face pressures from a booming demand for food, feed and fuelwood, from unsustainable agricultural and pastoral practices and from other land uses.

Reversing land degradation and achieving sustainable land management (SLM) is essential for meeting the rising demands of a growing population. Out of almost 15 billion hectares of land worldwide, around 30 per cent is used for food production through agriculture and livestock. However, on a global scale, around 24 per cent of the world's productive lands are already degraded. Agriculture and built-up land expand at the expense of forests and savannahs, especially in the tropics, contributing to around 12 million hectares of productive land degraded every year. The annual economic losses due to deforestation and land degradation were estimated to be €3.4 trillion in 2008, around 7.5 per cent of global GDP. Degraded land is costly to reclaim, particularly if severely degraded.

▲ Farming near Herat, Afghanistan. Over 80 per cent of its land is potentially subjected to erosion, soil fertility is declining, salination increasing and the water table falling

The areas affected by severe land degradation also often face the challenges of rapid population growth, poverty, poor soils or violent climate change-related incidents. Mismanagement of land has already led to food security crises, reduced access to energy, distressed environmental migration, poverty and conflict.

These results can have severe consequences even for communities at some distance from the affected lands, for example through increased migration. Current estimates indicate that 135 million people could be at risk of being permanently displaced by desertification and land degradation between now and 2050.

These challenges have global effects, but often the problem is drowned out by discussions on other global issues like climate change. However, the new 2030 Agenda for Sustainable Development, spearheaded by the UN, explicitly recognises the importance of the conservation and sustainable use of terrestrial ecosystems (under Sustainable Development Goal (SDG) 15) and of reversing land degradation and achieving land degradation neutrality (LDN) (this is the subject of target 15.3).

Political processes

Ultimately, reaching LDN is a highly political issue. Understanding the total economic value of land is a precondition for political processes around land.

The LDN target is in line with another set of targets: the Aichi Biodiversity Targets 14 and 15 of the Strategic Plan for Biodiversity. Land can act as a nexus to link climate change adaptation and food security. The role of healthy soils in addressing climate change and ensuring food security was also a major focus of the 2015 Paris Climate Conference.

Over 100 countries that are parties to the UN Framework Convention on Climate Change (UNFCCC) identified the areas of land set aside for agriculture and forestry that they will attempt to rehabilitate as part of their intended nationally determined contributions (INDCs).

Awareness-raising, education and capacity development are key elements for achieving LDN, but also for changing land management practices on the ground.

Ensuring that partners and stakeholders have sufficient capacity to conduct and implement activities around creating and utilising the necessary information (be it social-economic or physical) to tackle such a complex issue is crucial for stakeholders at both national and international level.

Ultimately, the goal must be to create enough capacity and understanding of land degradation and its impact, but also to ensure that the relevant parties can implement SLM. Highlighting the economic implications of degradation and SLM is a crucial step.

While the benefits of implementing SLM are now better understood by policymakers, in practice there is a lack of schemes to support the transformation of current land management practices on the ground. The main reason cited by land managers is the lack of an enabling environment, which also includes financial and legal support.

Relevant approaches that governments can pursue to foster the uptake of SLM include:

- Regulatory mechanisms: these have a direct affect on allowed practices. Examples include bans of certain behaviours or mandatory guidelines for management schemes.
- Market-based approaches: these allow governments to influence markets for products and services, thereby changing the costs and benefits for land managers. Changes to the economic environment could be made through either price-based instruments (e.g. by introducing subsidies or environmental taxes) or quantity-based instruments such as tradable emissions permits under the European Union Emissions Trading System, pollution permits or biodiversity offset schemes.
- Attracting private-sector investments: this is another key strategy in implementing successful policy decisions for SLM through public–private partnerships. Besides the benefits to the private sector from sustainable sourcing, such partnerships can support the overall political agenda of SLM.

Land degradation neutrality

Land degradation neutrality (LDN) means working to maintain or even improve the amount of healthy and productive land resources over time, and in line with national sustainable development priorities. As it is country specific, LDN will need to be implemented at the national level. We can utilise economic tools to help countries work towards it. Achieving LDN is not just about rehabilitating a few degraded zones or planting trees. It will require the reorientation and reform of various sectors and policy areas, and will also impact the economic framework of each country. Understanding the total economic values of land in the consideration of LDN will also require measuring these values against the short-term microeconomic interests that currently drive many land management decisions.


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▲ Forest in the Mopti region of Mali after a rainstorm

The current shift in the political landscape towards an increased recognition of the importance of land also creates substantial rewards for businesses that invest in SLM in their value chains. The potential returns on investment are high in sectors that are more at risk from land degradation. At the same time, investments create shared value that benefit all involved in land management.

The related business opportunities are manifold, such as generating improved yields of goods like food, fibre and timber. They also include new business opportunities through new production chains and new markets, as well as through creating and ensuring social 'licences to operate'.

To unlock this potential, two pathways are available to private-sector stakeholders. They can introduce new products (or markets) that are resource efficient and suited to restoration and rehabilitation sites. Or they can make improvements in existing markets by increasing production and adding value through more sustainable production. Cooperation with the public sector and civil society remains crucial, as only holistic and joint approaches will succeed and be socially sustainable.

Rural populations and local communities – particularly smallholder farmers and pastoralists – who live in the arid and semi-arid regions of the world are the main users of, and most dependent on, the land and the services it provides. They are thus also most severely affected by land degradation and desertification. As such, smallholders and pastoralists are the main beneficiaries of activities to bring man-made land degradation to an end.

The private sector is also key: connecting land users to value chains brings income, investment and management knowledge to rural areas. This shows that a transformation of the current agricultural and land management system is not only necessary to address the challenge under the SDGs, but also a suitable way to foster economic growth and prosperity. The steps to achieve this are:

- monetary conditions: mobilising funding;
- fiscal conditions: removing perverse incentives and establishing favourable ones;
- technical conditions: identifying appropriate and 'future-proofed' SLM technology;
- legal conditions: property rights allocation;
- cultural conditions: understanding traditional norms and gender roles;
- political conditions: building capacity and establishing good governance.

Policymakers, businesses, farmers' organisations, financial institutions and other stakeholders all need a scientifically sound basis to decide what actions are needed to address the problem of land degradation effectively and efficiently. They need to know which specific measures and investments they need to implement to restore ecosystem services and improve livelihoods, and increase resilience to climate change and food security. Assessing the economic dimension of land degradation and the added value of sustainable land use are useful tools in this context. They can both raise awareness of the issue and provide a sound foundation for strategies to prevent further natural resource loss. ●

Mali: Kelka Forest

With most of the agricultural system of Mali dependent on rainfall – and thus vulnerable to droughts and climate change – employing climate change-adapted land management is crucial to maintaining local food security. Despite their important role in regulating local water flows and contributing to agricultural productivity, forests have been continuously eroded for new agricultural land, leading to severe declines of yields throughout the country. The ELD case study in Mali has proven that agroforestry could yield returns on investments of $6 for every $1 invested, while protecting the local resource base.