



UNITED NATIONS CONVENTION
TO COMBAT DESERTIFICATION



INTEGRATED ECONOMIC ASSESSMENT OF LAND RESOURCES AND ECOSYSTEM SERVICES

Bringing policy makers the evidence they need

Rio Conventions Pavilion
Changwon, S. Korea
12 October 2011

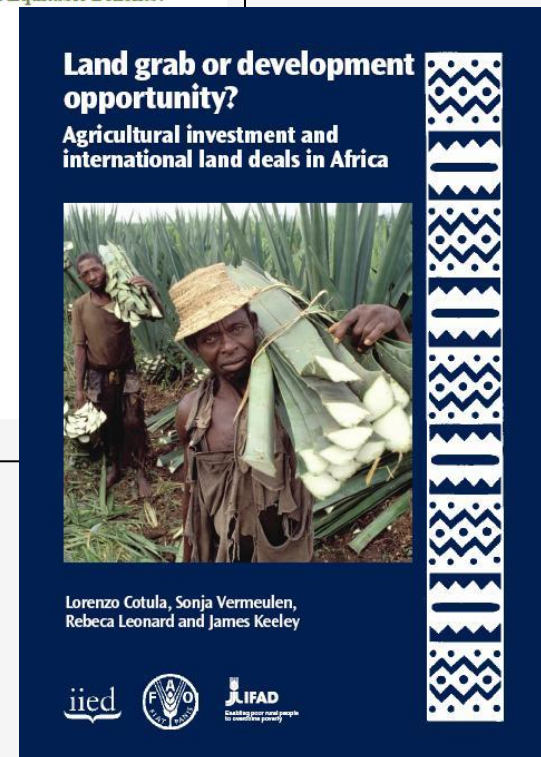
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Art 21, UNCCD: promote actions leading to the mobilization and channelling of substantial financial resources, including for the transfer of technology to affected developing country Parties

- GM experience: need to make the case
- Our interlocutors in the public and private sector take decisions on the basis of returns on investments (ROI)
- ROI on SLM is often lower than for other investments, although exceptions exist
- Traditional way of measuring ROI only reflects financial returns and not other important values (e.g. social, environmental)

finance: barrier or opportunity?

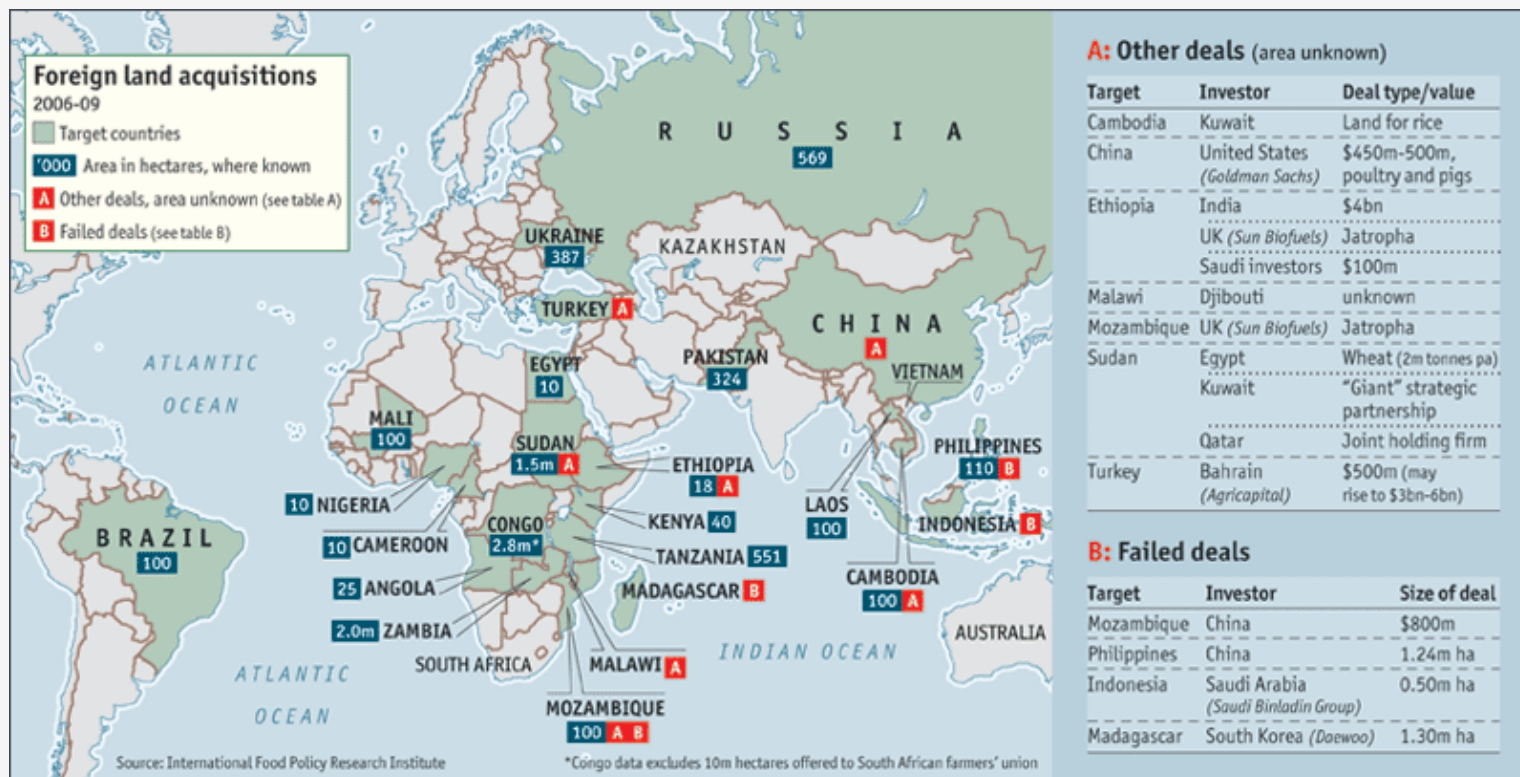
- Only about 1% of bilateral ODA addresses UNCCD objectives (PRAIS, OECD)
- Limited domestic budget allocations to UNCCD/SLM by affected developing countries
- Emerging asset classes in the financial markets:
 - Agricultural commodities
 - Impact investments
 - Land



large-scale land acquisitions

- **Farms Race** (The Economist)
 - Large scale land acquisitions by sovereign-wealth funds
 - Traded value of land does not reflect its total economic value
- **Steady increase over the last 5 years** (IFAD, FAO, IIED, 2010)
- **10-fold increase in a decade: 45m ha of land in 2009 alone** (WB, 2010)

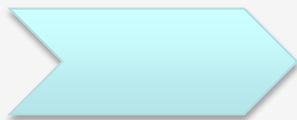
asymmetries? trade-offs? market failures?



how to promote SLM investments?

■ Costs of inaction

- Dregne & Chou (1992): USD 42bn/year (foregone income from agriculture)
- GM, Berry et al (2003): 7 country case studies 3 – 7 % loss of agricultural GDP
- ECLAC (2009): up to 20% losses in Agr GDP under climate change scenarios
- WB (2005): 25% increase in number of hungry people in S.S. Africa due to LD and agricultural yield changes between 2000 – 2010
- Reynolds (2007): carbon fixation losses USD 48bn between 1981 and 2003
- Vos (2008): droughts and natural disasters USD 9bn/year
- Basson (2010): global costs of siltation in water reservoirs USD 18.5bn



how to promote SLM investments?

■ Rates of returns

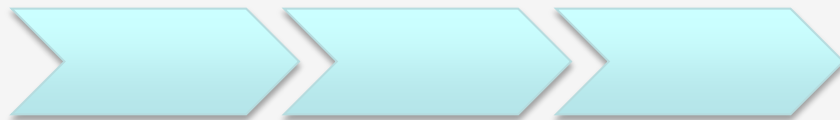
- 30% in irrigation project, Mali
- 20% in soil and water conservation project, Niger
- More than 20% in forestry project, Ethiopia
- 12% in forestry project, Tanzania
- Over 40% small-scale irrigation in northern Nigeria/Niger

(GM, Reij & Steeds, 2003)



how to promote SLM investments?

- **Economics of SLM adoption**
 - Economics of ecosystem services (MA)
 - Total economic value (TEV)
 - Sensitivity analysis (scenarios)
 - Land-use change analysis
 - Integrated multi-disciplinary research
 - Evidence-based approach



how to promote SLM investments?

■ Risk management

- Regulatory frameworks
- Incentives, Safeguards
- Business assurance
- Standards, Best Practices
- Verification, Certification



Offering Sustainable Land-use Options



bringing policy-makers the evidence they need



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THANK YOU

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