



**THE GLOBAL
MECHANISM**

UNITED NATIONS CONVENTION
TO COMBAT DESERTIFICATION



Incentives in drylands management and linkages to the CBD: the experience under UNCCD implementation

Capacity Building Workshop for Africa
on updating National Biodiversity Strategies and Action Plans

Addis Ababa, Ethiopia
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“promote actions leading to the mobilization and channelling of substantial financial resources, including for the transfer of technology to affected developing country Parties” (Art 21, UNCCD)

sustainable land management (SLM)

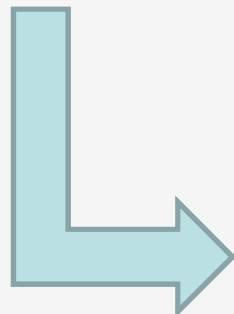
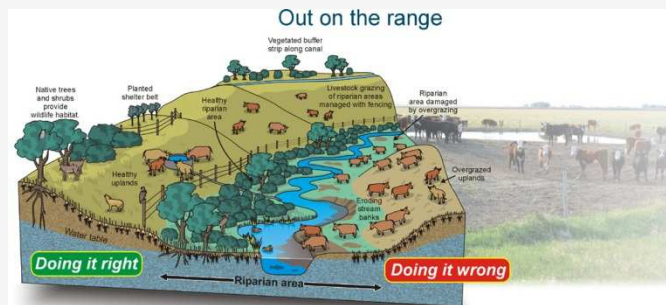
- **Advisory services** (e.g. Economic Valuation of Land, Incentives)
- **Brokering services** (e.g. Public-Private Partnerships)
- **Investment promotion** (e.g. Integrated Investment Frameworks)
- **Resource mobilization** (e.g. Integrated Financing Strategies)
- **Capacity building** (e.g. Training Workshops, KM, M&E)
- **Advocacy and awareness-raising** (e.g. Mainstreaming)



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common issues



Soil productivity loss
Siltation, sediment.
Climate change
Biodiversity loss



Economic losses
Social issues
NK depreciation



- need to **make the case** to promote sustainable use
- need to demonstrate real **returns on investments**
- increasing pressure on natural resources: need to provide **practical tools** to decision makers

1. Economic Valuation of Land

- Value/price of ecosystem services
- Compelling arguments for decision makers

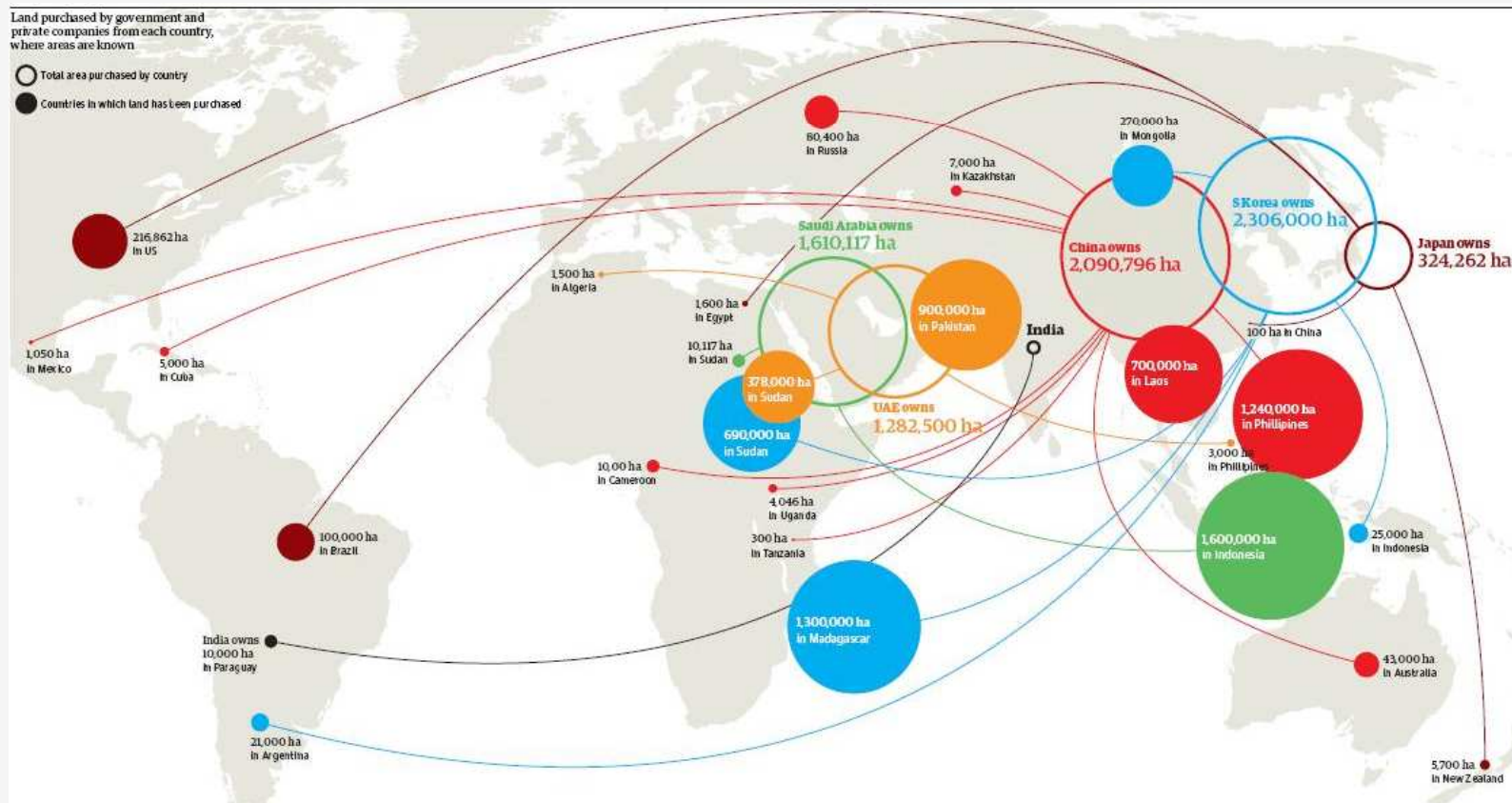
2. Incentives and Market-Based Mechanisms for SLM

- Promote responsible investments by land users
- Ensure equitable sharing of benefits & responsibilities

foreign land acquisitions

- **Steady increase over the last 5 years** (IFAD, FAO, IIED)
- **10-fold increase in a decade: 45m ha of land in 2009 alone** (WB)
- **The Economist:** Traded value doesn't reflect total economic value

asymmetries? trade-offs? hidden costs?





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Economic Valuation of Land

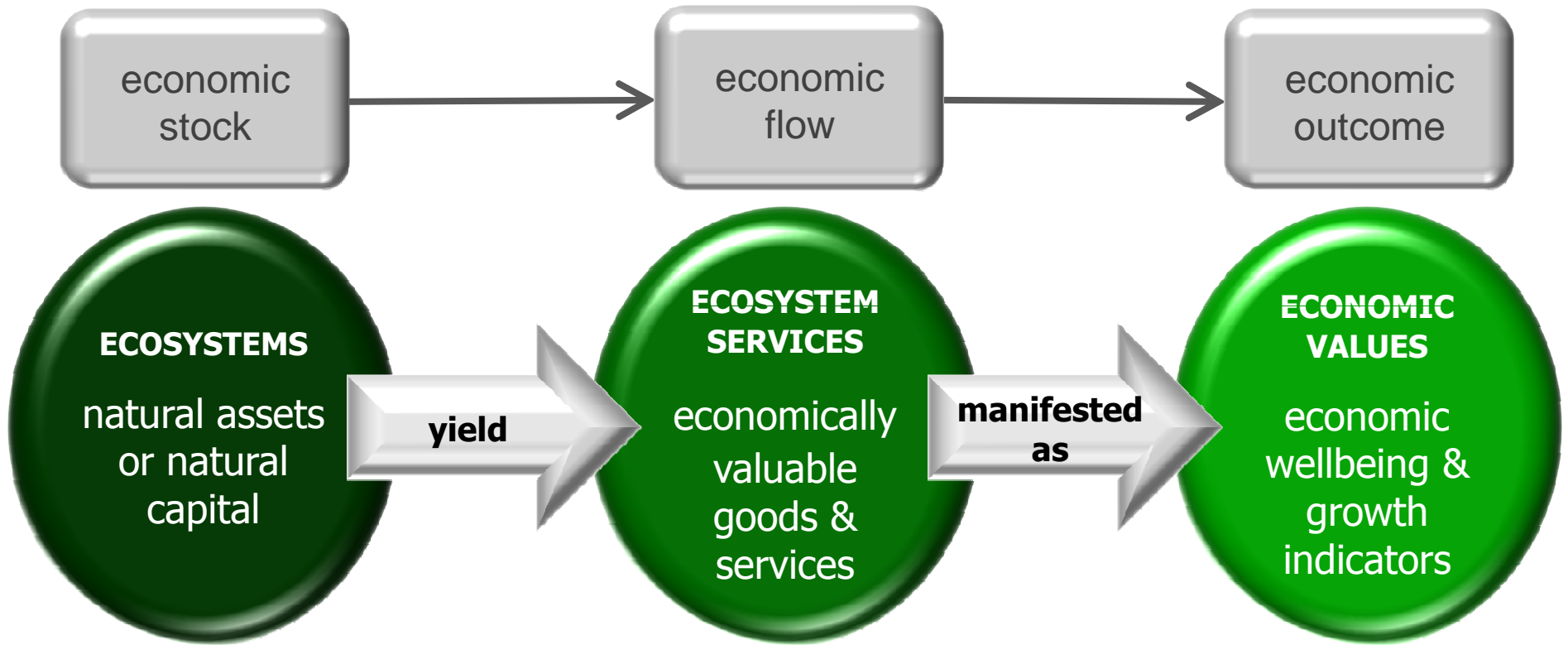
scientific consortium (OSLO)



other interested partners



economic valuation process





ECOSYSTEM SERVICES

Supporting

- Nutrient cycling
- Soil formation
- ...

Provisioning

- Food
- Fresh water
- Wood and fiber
- Fuel
- ...

Regulating

- Climate regulation
- Flood regulation
- Disease prevention
- Water purification
- ...

Cultural

- Aesthetic
- Spiritual
- Educational
- Recreational
- ...

Life on earth - biodiversity

CONSTITUENTS OF WELL-BEING

Security

- Personal safety
- Secure resource access
- Security from disasters

Basic material for good life

- Adequate livelihoods
- Sufficient nutritious food
- Shelter
- Access to goods

Health

- Strength
- Feeling well
- Access to clean air & water

Good social relations

- Social cohesion
- Mutual respect
- Ability to help others

Freedom of choice and action

Opportunity to be able to achieve what an individual values being and doing

VALUE FOR

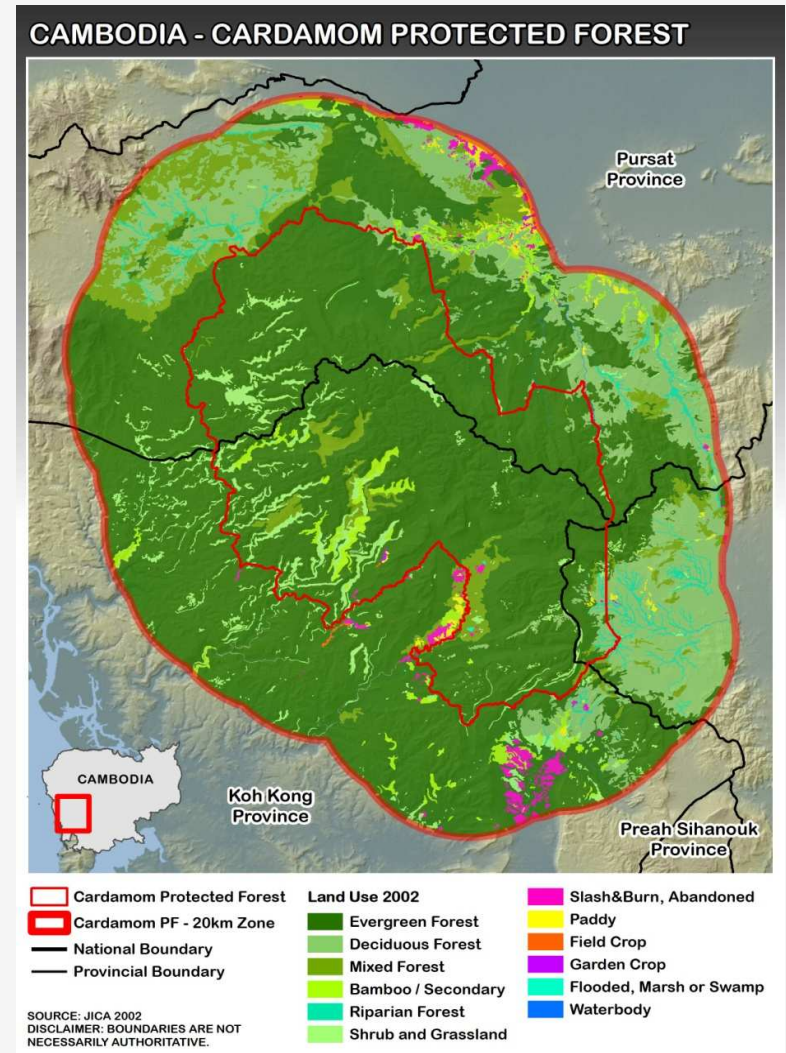
multi-dimensional approach



1. opportunity costs (B.A.U. or inaction)
2. internal rates of return (net economic benefits)
3. social, environmental and future values
4. incentives and investment risk mitigation

example: Cardamom Mountains

VALUE	USD (million/year)
Provisioning Services:	
• Timber	440
• NTFP	400
• Agriculture	1'500
Regulating Services:	
• Watershed Functions	75
Supporting Services:	
• Biodiversity Values	1'360
• Carbon Sequestration (stock: \$3'669m)	
TOTAL	3'775





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Incentives and Market-Based Mechanisms

- **Best practices** and case studies collected
- **Framework and score card methodology** developed by GM and CATIE on incentive & market based mechanisms
- **Studies** at national and sub-regional level: including Cameroon, Dominican Republic, Eritrea, Guatemala, Mozambique, Tanzania, Zambia & South East Asia;



Solutions for environment and development
Soluciones para el ambiente y desarrollo



WWF for a living planet



IMBM Framework

Type	IMBMs
1. Public payment schemes	A. Permanent conservation easements B. Contract farmland set-asides C. Co finance investments D. Payment for proven investments in SLM E. Subsidies F. Tax, tax breaks, environmental fees
2. Open trading under regulatory cap or floor	G. Conservation banks H. Tradable development rights I. Trading of emission reductions
3. Self organized private deals	J. Purchase of development rights K. Direct payments for ecosystem services L. Conservation concessions
4. Eco-labeling of products and services	M. Marketing labels N. Certification schemes

- Important to identify **appropriate mechanisms** for the national and site specific context

Success factors:

- institutional capacity
- regulatory framework
- good governance
- macroeconomics
- environmental awareness
- land tenure
- demand and supply of environmental services, etc.

	Mechanism													
	A	B	C	D	E	F	G	H	I	J	K	L	M	N
National/Local Context														
Institutions	-1	-1	1	1	-1	-1	2	-1	-1	1	0	1	0	0
Governance	-1	-1	2	2	0	0	2	-1	-1	0	0	0	1	0
Macroeconomics (economic freedom)	0	0	0	0	1	1	-2	-2	-2	-1	0	-1	-1	-1
Regulatory framework	1	1	1	0	0	-1	0	-1	-1	0	1	1	1	1
Environmental Awareness	1	1	1	-1	-1	1	-1	-2	-2	1	-1	0	-1	-1
Site specific context														
Ecosystem Type	-1	0	1	1	2	1	-1	1	1	2	0	1	0	0
Environmental Production Units / land economics	-1	-1	-1	-1	1	1	0	-1	-1	-1	0	0	1	1
Land Tenure	2	2	0	0	2	2	1	0	0	1	1	2	0	0
0	1	2	2	2	3	0	0	0	0	1	2	0	3	3
Economics of Sustainable Land Use Practices														
Demand														
On site benefits	1	1	0	0	-1	-1	0	2	2	1	1	0	2	2
Off-site benefits	-1	-1	0	-1	0	0	-2	-2	-2	-2	-1	-1	-2	-2
Awareness/payment culture	-1	-1	0	0	1	1	-1	-2	-2	0	-2	0	-2	-2
Supply														
Low Opportunity cost	-1	-1	2	1	2	2	0	1	1	-1	0	0	2	2
-2	0	9	4	8	9	-2	-8	-8	2	1	3	4	3	



example: Zambia

Types of IMBMs	Specific mechanisms	Applicable to Zambia	Priority
PUBLIC PAYMENT SCHEMES	Permanent conservation easements		
	Contract farmland set-asides		
	Co-finance investments	√	
	Payments for proven investments in land conservation		
	Subsidies	√	
OPEN TRADING BETWEEN BUYERS AND SELLERS UNDER A REGULATORY CAP	Environmental or green taxes	√	
	Conservation Banks		
	Tradable Development Rights		
	Trading of emission reductions or removals	√	
SELF ORGANISED PRIVATE DEALS	Purchase of development rights	√	
	Direct payments for ecosystem services	√	√
	Conservation concession	√	√
ECO-LABELLING OF PRODUCTS	Marketing labels	√	√
	Certification schemes	√	

other opportunities to work together in MEA implementation

- Integrated Investment Frameworks (IIF)
- Integrated Financing Strategies (IFS)
- Monitoring and Evaluation (PRAIS)





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THANK YOU FOR LISTENING

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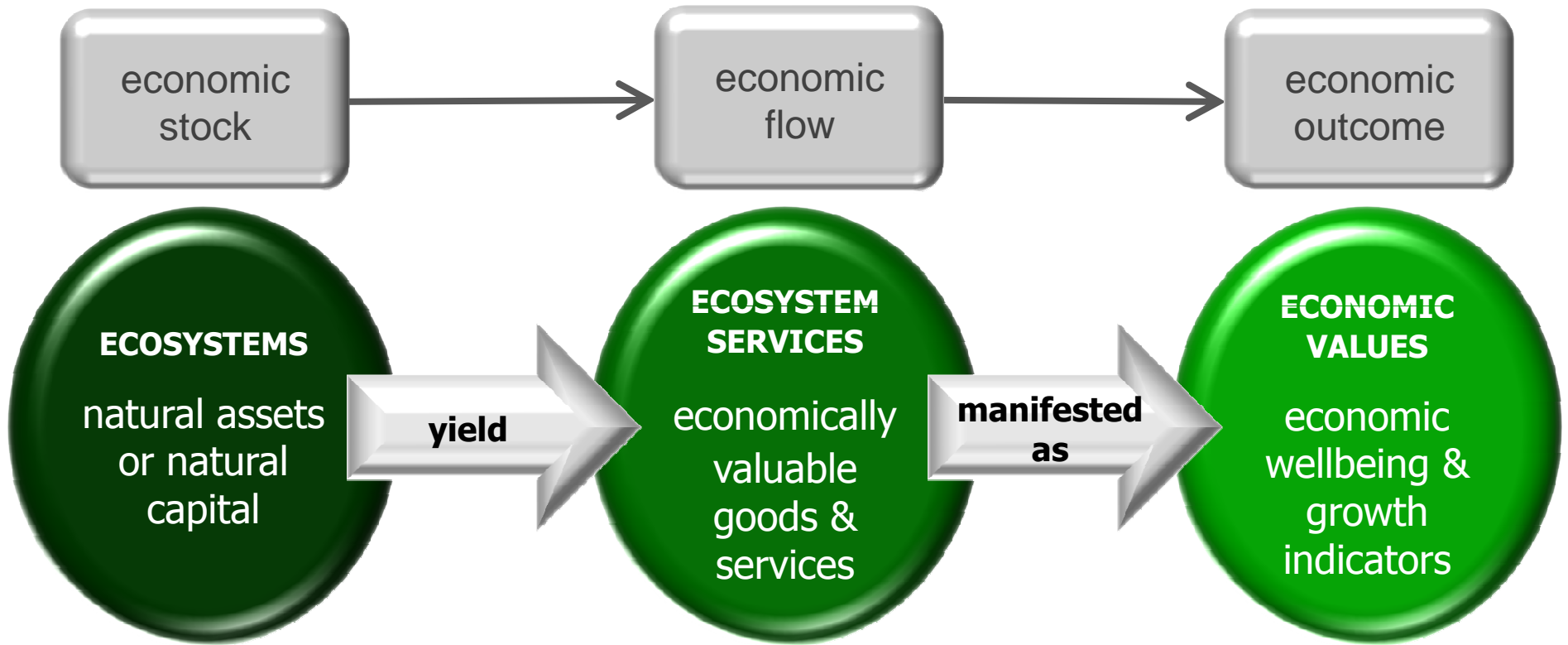
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economic valuation process





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findings and recommendations

- 
- Low levels of environmental awareness
 - Poor culture of paying for environmental services
 - Study process: an opportunity for advocacy and partnership building
 - Policy makers, investors, CSOs and public need more knowledge and technical capacity on:
 - the real value of natural capital and ecosystem services
 - the potential positive incentives have to promote e.g. SLM and biodiversity;
 - how to chose the right incentives for a specific problem and how use and implement incentives in an optimal way

another example: Tanzania

- Many IMBMs are already being used in Tanzania to support:
 - conservation of forests,
 - sustainable production of timber, and
 - organic production of coffee and other crops

- Eight IMBMs identified for each of Tanzania's agro-ecological zones:
 1. Payment of environmental services;
 2. Permanent conservation easements for wildlife management areas
 3. Conservation concessions
 4. Contract land set-asides
 5. Payment of proven investments in land conservation
 6. Reduced Emission from Deforestation and Forest Degradation - REDD (trading of emissions)
 7. Co-financed investments
 8. Subsidies