

Template for submitting suggestions for DNI Working Groups or Task Forces

Title of the Working Group / Task Force	Economics of Sustainable Land Management
Name of the leader(s)	Bhim Adhikari and Richard Thomas
Institute(s)	United Nations University- Institute for Water, Environment and Health
Theme (max. 300 words)	<p>Agriculture and forest landscapes are vital for food security and poverty alleviation in many parts of the developing world. However, they are under enormous pressure from soil degradation, deforestation, inappropriate farming and grazing practices, population growth, fuelwood storage, land tenure conflicts and other institutional and policy failures (World Bank, 1997). Further, the importance of the benefits as well the services emanating from the land-based economic activities is not formally recognized and they remain unaccounted for and un-priced, therefore remaining outside the domain of the traditional market. Concern with land degradation has therefore heightened in recent years due to the increasing focus in policy circles on sustainability.</p> <p>Land management techniques, such as sustainable land management (SLM), are gaining growing attention in recent years due to their potential for providing a number of livelihood benefits to farmers while also contributing positively to fundamental ecosystem services such as regulating water cycles, conserving biodiversity, and sequestering carbon. SLM is a knowledge-based procedure that helps integrate land, water, biodiversity and environmental management (including input and output externalities) to meet rising food and fibre demands while sustaining ecosystem services and livelihoods (World Bank, 2006). However, a system for methodically quantifying and monitoring the impacts and benefits from SLM remains a fundamental gap. One reason for this paradox is that policies for and investments in SLM have not been perceived as a priority for the allocation of scarce institutional and financial resources in many countries. This signals the need for research on how the combination of non-market and market-based mechanisms can be used to implement SLM and how economic incentives will promote SLM-based livelihoods, thus alleviating the stress on natural resources and therefore with the potential to be used as effective policy tools for poverty reduction.</p> <p>This panel will undertake research activities that aim to increase public and private investments in SLM by demonstrating the economic benefits of SLM and facilitating the valuation of ecosystem services. Further, it will document the role of SLM in order to provide the tools for decision-makers to make decisions regarding SLM. In other words, the panel will produce a scientifically rigorous evidence base targeted to policymakers and other related SLM stakeholders that quantifies the economic values of land resources and the benefits of SLM practices, including detailed examples of the costs and benefits of SLM while recognizing the spatial heterogeneity in biophysical and economic conditions of the regions. In doing so, the panel will review the state of the art on the valuation of different types of ecosystem services generated from SLM, and ways in which the value of SLM may be changing relative to the value of other capital stocks. The panel will further undertake an in-depth examination of the potential for linking SLM to market-based approaches and ecosystem management, such as payment for environmental services. It is hoped that the economic valuation of SLM services will make it possible to identify the opportunity costs of using SLM in particular ways which will help inform policy decisions.</p>
Target group(s) and institution(s)	SLM related donors, practitioners and local stakeholders; UNCCD and broader environment and development communities



Members of the Groups (DNI as well as non-DNI members)	See list Members of the DNI Working Group “Economics”
Communication structure (electronically, physical meeting(s))	Electronic and physical discussions
Funding concept	The group will produce research proposals via consortium building and will seek funding via donor contacts.
Products (publications, presentations, ...)	Working papers, journal articles and policy briefs