



## Offering Sustainable Land-use Options

A multi-stakeholder initiative to unlock SLM investments by harnessing the potential of ecosystem services for green development

### 1 BACKGROUND

Competition for scarce resources, land degradation and climate change are threatening food security, impeding economic development, escalating poverty, and putting mounting pressure on sensitive ecosystems worldwide. The sustainable management and utilization of land resources and ecosystem services is becoming essential to ensure a future of global prosperity and well-being. However, the potential of land to contribute to sustainable development and a green economy is largely unrecognized. The total economic value of natural resources and ecosystem services is often unknown, and the discount rates to assess opportunity costs are diverting decision makers from the best land use options.

The significance of these trends is heightened in situations of rapid and widespread changes to land use, particularly the replacement of traditional multi-purpose management systems with monocultural production of cash crops, where large-scale land acquisitions are allocated through non transparent processes that do not safeguard local communities or natural assets in the long run. In such cases, the market price of land-based transactions tends not to take into account the total value in terms of the full range of ecosystems services that land generates.

### 2 OSLO; OFFERING SUSTAINABLE LAND USE OPTIONS

OSLO is a global partnership of leading research and academic institutions, international organizations and UN agencies engaged in the economic assessment of the total value of land and ecosystem services, and in the development of innovative solutions for sustainable land use. Its members are international experts in the fields of ecological economics, environmental science, development policy, and sustainable development.

The scientific consortium behind the OSLO initiative has access to a broad network of world leaders, policy-makers, cooperating partners and practitioners from the North and the South that puts them at the forefront of international cross-disciplinary action. Through its work, OSLO also contributes to global level assessments of land degradation, such as the Economics of Land Degradation (ELD) initiative.

OSLO aims to assess the net socio-economic benefits of sustainable land and ecosystem management, and reduce the risks and uncertainties associated with eco-system

smart policies and investments. Through in depth assessments of the total economic value of land and alternative land use scenarios, OSLO is able to demonstrate that sustainable land management (SLM) approaches are economically rational and attractive for public and private investment. In addition, these approaches contribute to sustainable economic growth, poverty reduction, and long term management of natural assets.

### 3 OBJECTIVES, APPROACH AND ACTIVITIES

The overall goal of OSLO is to strengthen land resources management and land allocation systems at national and international levels through enhancing evidence-based decision-making that reflects the full economic value of land and ecosystem services.

#### 3.1 Objectives

- Enhancement of the knowledge base at national, regional and corporate levels on the total economic value of land resources and ecosystems services, their links to local and national development and the nature and patterns of pressures causing the degradation of land resources.
- Strengthening the capacities of national institutions and private sector entities to apply a comprehensive, robust and replicable methodology for the assessment of the value of land resources and ecosystems services.
- Providing recommendations to relevant policy-making processes at local and national levels in relation to different aspects of land management and allocation and ecosystems conservation. This includes the development or strengthening of regulatory and incentives frameworks to stimulate increased investments in sustainable land management by land owners, the private sector, and foreign investors.
- The dissemination of research findings to a multiplicity of stakeholders and through appropriate media that are accessible to defined target audiences.
- Strengthening the recipient's capability to (i) identify and measure the full socio-economic value of land and ecosystem services in specific agro-ecological zones or sectoral contexts; (ii) identify SLM-smart policies, technologies, practices and actions, particularly in view of major land acquisitions or land-use change projects; and (iii) monitor and assess returns from SLM investments in the short, medium and long term.

#### 3.2 Approach and Activities

The underlying research and policy engagement activities consist of six linked elements:

1. Customization of a methodological framework for economic valuation of land and its integration into an overall package of methods that is replicable and applicable by a wide range of institutions. The approach builds on the 6-stage method

developed by the Global Mechanism (GM) in collaboration with the Stockholm Environment Institute (SEI) and validated through a number of case studies conducted by the OSLO consortium. It focuses on producing methods that are simple, replicable, robust and readily applicable in real contexts, including in conditions where data availability and institutional capacities may be limited.

2. Assessment of the total value of land-based ecosystems in target areas using the OSLO land valuation framework is this linked to a specific policy/planning process in that area. This is based on an application of the methodology described in component 1, combining geo-spatial and ecological data on land cover and ecosystems with economic valuation of ecosystem services (ES), following the Millennium Ecosystem Assessment (MA) framework. Valuation is based on the calculation of the total economic value (TEV) of the land resources in question. This assessment is based on both the collection and verification of existing data, and on primary data collected on the ground.
3. Detailed field-based empirical assessment and valuation work on specific aspects of ES (and/or particular important ecological niches) where there are key gaps or uncertainties in the existing knowledge base, including gaps related to changes to ES flows that are consequent from land conversions and changes to local livelihoods patterns.
4. Analysis of the implications for policy and planning processes. This includes the assessment of how the introduction of SLM-smart principles, practices or technologies in key economic sectors and processes can contribute to achieving multiple national policy objectives in fields such as green economic development, biodiversity conservation, food security, water conservation, climate adaptation and carbon sequestration, poverty reduction and the prevention of land degradation.
5. Identification of sample SLM interventions and options that have a high probability of success for widespread scaling-up and replication on the basis of evident comparative advantages and/or higher socio-economic returns on investments when compared to business-as-usual approaches. This includes in particular options that have the potential to improve the sustainable utilization of ES through more effective management of land resources, complemented by options to link land producers to external economic systems and markets. The roles of different stakeholders, and especially local communities and the private sector, are specified and the approach is based on action research whereby the team works with stakeholders to assess actions needed to introduce improved SLM approaches that strengthen livelihoods and stimulate economic growth and development.
6. Dissemination, communications and capacity development work, packaging and presenting the findings in forms accessible to a diverse range of audiences, responding to capacity development demands from national-level partners and engagement in regional policy processes to ensure the approach and findings influence policy

thinking on ecosystems services and SLM. Well-specified capacity building activities are essential to the success of the national level action research and policy development activities and are developed and implemented on an as needs basis in response to local demand.

## 4 BENEFICIARIES

Direct beneficiaries of the OSLO initiative include the United Nations Convention to Combat Desertification (UNCCD) Focal Point institutions as well as Ministries of Finance and other line Ministries in developing countries, which use the results of economic assessments to inform or promote land- related policy reforms and/or budget allocation decisions in order to encourage SLM adoption. Other direct beneficiaries include national and foreign private sector entities that are using (or planning to use) land resources in the study areas/countries, which would use the valuation methodology and findings to inform or adjust their land-use decisions.

## 5 SYNERGIES WITH THE ECONOMICS OF LAND DEGRADATION

The Economics of Land Degradation (ELD) is an initiative for a global study on the economic benefits of land and land based ecosystems. The initiative highlights the value of SLM and provides a global approach for analysis of the economics of land degradation. It aims to make economics of land degradation an integral part of policy strategies and decision making by increasing the political and public awareness of the costs and benefits of land and land-based ecosystems.



OSLO contributes to the ELD initiative through its participation in ELD scientific and coordination meetings, as well as through case studies to assess the total economic value of land and identify incentives and financial mechanisms for promoting SLM-smart investments.

## 6 OSLO PROGRAMME OF WORK FOR 2012-2013

For the 2012-2013 biennium, the OSLO consortium is carrying out integrated assessments of ecosystem values and SLM opportunities of specific spatial and investment contexts in response to the demand arising from both governments, partners organizations and private sector entities. It is anticipated that economic assessments and related capacity building activities will be carried out by OSLO in not less than 20 countries worldwide.

Through its interventions, OSLO aims to integrate and mainstream the TEV of land and associated ES into land use decision making at all levels, increasing SLM investments by demonstrating the full range of economic benefits of SLM compared

to the costs of unsustainable land degradation, natural resource depletion and natural capital depreciation.

To achieve this, OSLO assesses, measures and quantifies the value the ES (provisioning, regulating, supporting, and cultural) associated with land resources and link this to the socio-economic, institutional and governance constraints impeding the adoption of and increased investments in SLM. This provides a basis for understanding the technical and economic potential of the adoption of SLM practices, and the institutional constraints conditioning it.

Typical target present substantial trade-offs in the current uses of land, especially in relation to foreign investments, as well as opportunities for better land management.

## 6.1 Implementation Plan

Time Frame: Country-level interventions are typically implemented over an 18-month, divided into three main phases:

1. Inception: an initial round of stakeholder consultations and intensive dialogue with principal government partners or private sector entities to (i) identify the geographical coverage or specific sectoral/operational scope of the study; (ii) review existing government policies and other relevant external forces influencing the area or project; (iii) assess existing institutional capacities and design a capacity development programme; (iv) review existing studies, available data and identify potential national partners; and (v) undertake an initial stakeholder workshop. Average duration: 3 months, with the inception report submitted at the end of this period.
2. Data Collection and Analysis: this is the main phase of detailed analytical work in the study, including (i) the GIS analysis of land cover and ecosystems distribution; (ii) existing data and studies compiled to identify the scale and values of ecosystem services from the different land cover areas; (iii) fieldwork planned and undertaken to fill critical data gaps and establish detailed information on land resource-livelihood relations in the area; (iv) undertake consultations with key stakeholders in the region; and (v) prepare and disseminate the preliminary analysis of land resource and ecosystem services valuation in the study area. Average duration: 12 months, with the draft land resource valuation report submitted at the end of this period.
3. Consultation and Recommendations: in this phase, the initial results are disseminated and discussed extensively with stakeholders, including through a consultation workshop where the implications of the finding for sustainable land management are identified. This is used as a basis for the identification with the “client” government or organization, private sector and other stakeholders of recommendations for actions to address the consequences of unsustainable forms of land management, including possible issues arising from large-scale land-use changes.

Average duration: 3 months, culminating in the submission of the final project report, including recommendations.

## 7 MEMBERS AND PARTNER ORGANIZATIONS

### 7.1 Members

- Global Mechanism (GM)
- Stockholm Environment Institute (SEI)
- London School of Economics (LSE)
- Overseas Development Institute (ODI)
- United Nations University - Institute for Water, Environment and Health (UNU-INWEH)
- Joint Research Centre (JRC) European Commission
- Institute for Environment and Sustainability (IES)
- Tropical Agricultural Research and Higher Education Center (CATIE)
- UN Economic Commission for Latin America and the Caribbean (ECLAC)
- CAB International (CABI)
- Global Risk Forum Davos (GRF)
- Development Alternatives
- sDOE
- World Overview of Conservation Approaches and Technologies (WOCAT)
- University of Kent (UK)
- University of York (UK)
- Institute for Innovation and Governance Studies, University of Twente (NL)
- Wageningen University (NL)
- University of Leeds (UK)
- Centre for Development and Environment (CDE) of the University of Berne
- University of Zurich (UZH)

## 7.2 Partners

- Norway
- Denmark
- Finland
- Sweden
- Italy
- Cambodia
- Tanzania
- Zambia
- European Commission
- African Development Bank (AfDB)
- Convention on Biological Diversity (CBD)
- Land Policy Initiative (AU - AfDB - UNECA)
- Swiss Federal Institute of Technology Zurich (ETH Zurich)
- The United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC)
- International Union for the Conservation of Nature (IUCN)
- Det Norske Veritas (DNV Business Assurance)
- The Economics of Land Degradation (ELD)

Partners from the South: OSLO engages local partner organizations in each of the countries of intervention to carry out a substantial part of the data collection and empirical assessment under the close coordination and technical backstopping of the consortium.

Members:



Partners:



[www.theOSLO.net](http://www.theOSLO.net)