



## BUSINESS CASE

# WHY INVEST IN LAND TENURE SECURITY?



United Nations  
Convention to Combat  
Desertification

United for land

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## Building a business case for tenure security

A business case is a value proposition for a proposed investment that may include both financial and non-financial benefits. A business case looks at whether the expected benefits of an investment outweigh the expected costs and risks. Making the business case for why invest in land tenure security, this business case looks at the return on investment when investing in land tenure security as part of land-based investments: how the final value and benefits accrued outweigh the costs and potential risks of not addressing tenure issues.

In economic terms, the return on investment is the ratio between the net gains (subtracting the initial cost of the investment from its final value) and the cost of investment – the return on investments is one way of relating profits to capital invested. A high return on investment means the investment's gains compare favourably to its cost.

$$\text{Return on Investment from Land Tenure Investments (\%)} = \frac{\text{Net Gains}}{\text{Cost of Investment}}$$

$$\text{Net Gains} = \text{Final Value (including multiple benefits accrued from the investment)} - \text{Cost of Investment}$$

This business case draws from the current state of knowledge on the linkages between land tenure and land-based investments, showcasing how the investments in land tenure have resulted in clear economic, environmental and social returns on investment. On the other hand, this business case also showcases the enormous cost of inaction and how land-based investments can be jeopardised if land tenure insecurity is not addressed from the outset. When the cost of inaction in tenure security is coupled with the increasing impacts of climate change, biodiversity loss and anthropogenic challenges, the impacts can be detrimental, particularly for marginalized and vulnerable communities reliant on land for their basic needs in livelihoods.

## KEY MESSAGE 1: CATALYSES INVESTMENT IN RESTORATION AND LAND DEGRADATION NEUTRALITY (LDN)

Investing in land tenure security can mobilize much-needed financial resources for restoration and help to close the US\$ 824 billion annual restoration financing gap.<sup>1</sup> Secure tenure also incentivizes sustainable land management (SLM) practices from farmers and others, complementing government budgets that are under increasing pressure and currently providing 86 per cent of the finance that flows into Nature-based Solutions (NbS).<sup>2</sup> It is a key ingredient of

innovative public sector action, such as Payments for Environmental Services (PES).<sup>3</sup> In northern Ethiopia, for example, increased tenure rights led to more investments by farmers in land, and productivity increased by 40 per cent.<sup>4</sup> And this increased investment in SLM could deliver up to US \$1.4 trillion in increased crop production.<sup>5</sup> What is more, even if investment in restoration is successfully stepped up, secure tenure is necessary to achieving impact, along with benefit-sharing, public participation, and safeguard policies.<sup>6</sup>

Action on tenure security also unlocks development finance; both land tenure security and actions to combat land degradation are strategic priorities for donors and development banks. For example, the Global Donor Platform for Rural Development has a working group on land governance with 28 members, and the Global Land Tools Network has 19 bilateral and multilateral members – an indication of donor engagement.

The private sector is also on board; over 16,000 business entities have signed up to the universal sustainability principles of the UN Global Compact, which adhere to the VGGT and note the 'Principles for Responsible Investment in Agriculture and Food Systems'.<sup>7 8 9</sup> These entities understand that their long-term viability depends on the health of the planet and governments also need to put in place an investment climate that meets these standards in order not to lose out on their investment.

**'Many pledges remain unfunded and financing restoration at scale remains a challenge. Most of the financing for restoration currently comes from public sources – and will not be sufficient to meet the amounts required to address the scale of the challenge.'**

IBRD/ World Bank. 2022.

## KEY MESSAGE 2: GOOD RETURN ON INVESTMENT

For governments and donors, actions to improve tenure security represent a smart investment. In Eastern Europe and Central Asia, for example, the benefit to the economy of a single land registration has been found to be over USD \$16 in revenue.<sup>10</sup> An analysis of land titling in Malawi has also found an outstanding benefit-cost ratio of 73, which makes it a strong candidate for government action.<sup>11</sup> Investing in actions to safeguard or improve land tenure security can also offer attractive returns on investment for the private sector.<sup>12 13</sup>

It has been identified as one of the best investments to enable countries to deliver on the SDGs.<sup>14</sup> Research indicates that the benefit-cost ratio of completing and modernizing land registration and improving land administration coverage and effectiveness in rural Sub-Saharan Africa alone is 18; spending US \$21.7 billion to deliver almost US \$400 billion in benefits is a good investment, achieving \$18 of social benefits for each dollar spent.<sup>15</sup> The multiple benefits of action on tenure security translate into reduce government spending on food security, poverty alleviation and other Sustainable Goals (SDGs) – see Figure 1.

Action to improve land tenure security as part of a responsible investment approach can also boost profits; a report by McKinsey finds that Environmental and Social Governance (ESG) can increase profits by up to 60 per cent through, for example, cost savings, price premiums, stronger brand value and increased employee motivation and therefore productivity.<sup>16</sup>

## KEY MESSAGE 3: UNACCEPTABLY HIGH COST OF INACTION

'(M)any SLM practices are not widely adopted due to insecure land tenure', which fuels ecosystem service losses from land degradation, which, in turn, cost the world up to US \$10.6 trillion per year.<sup>17 18</sup>

Land tenure insecurity can undermine business viability, while addressing it can help avoid reputational risk – and associated costs.<sup>19 20</sup> One study found that tenure-related risks led to the rejection of at least 66 per cent of reported potential investment projects with a combined value of approximately US \$1.6 billion, and at least five out of 63 reported projects were abandoned due to tenure risks after investment, reportedly totalling around US \$25 million.<sup>21</sup> In Africa alone, tenure disputes were found to cost investors as much as US \$101 million and delays to last up to five years.<sup>22</sup> In other words, companies that ignore tenure aspects risk enormous costs and even business viability.<sup>23</sup>

## Why a business case?

The current state of knowledge and research shows that there is ‘strong evidence for positive effects of land tenure security on productive and environmentally-beneficial agricultural investments’.<sup>24</sup> Land tenure features in various voluntary national commitments and global environmental and human rights frameworks. In 2019, the UNCCD Conference of the Parties adopted a landmark decision on land tenure recognizing the importance of responsible land governance to address desertification, land degradation and drought. The decision sets the foundation for integrating land tenure – and particularly the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)<sup>25</sup> – into international commitments and actions to combat desertification, land degradation and drought.<sup>26,27</sup>

LDN is “a state whereby the amount and quality of land resources necessary to support ecosystem functions and services and enhance food security remain stable or increase within specified temporal and spatial scales and ecosystems”.

UNCCD. 2015. Decision 3/COP.12. Ankara.

Yet, despite increasing acknowledgement of the multiple benefits of land tenure security, action at scale is lagging behind. For example, a study of 2021 Voluntary National Reviews of progress against Sustainable Development Goals (SDGs) revealed that most countries had not prioritized land rights or undertaken significant actions.<sup>28</sup> The purpose of this business case is to make the case on why invest in land tenure security as part of land-based investment projects and programmes. The overall aim is to catalyse investment in gender-responsive land tenure security in ways that deliver LDN benefits, as well as co-benefits as set out in the SDGs. This business case aims to galvanize action and investment by highlighting the benefits of integrating land tenure actions into transformative projects and programmes – as well as the risks of not doing so. It highlights the challenges that can make actors reluctant to take on tenure security actions in their programming.

This business case is aimed at governments and development actors – civil society, donors, development banks and the private sector. It shows why integrating tenure into the activities of LDN initiatives is important, highlighting the socio-economic and environmental benefits and risks of not doing so. It aims to secure the engagement and action from key stakeholders to bring us back from the brink of environmental and climate catastrophe and galvanize people-planet gains.

This business case uses the term ‘LDN initiative’ as an umbrella term that encompasses a set of activities including, projects, plans, targets, programmes, practices, policy assistance, awareness-raising and other efforts to address desertification, land degradation and drought. It is designed to complement the VGGT and the FAO – UNCCD Technical Guide on the Integration of the VGGT into the implementation of the UNCCD and LDN, which sets out nine pathways for integrating tenure dimensions into LDN initiatives.<sup>29</sup>

## ‘Facts and myths’

Despite the compelling case to consider tenure in LDN-related interventions, it can seem daunting. Land tenure insecurity is frequently cited as a barrier to LDN actions and outcomes but not necessarily addressed in project design. These facts and myths address possible reluctance by Parties, donors and the private sector in taking action on tenure security.

### MYTH 1

#### ADDRESSING LAND TENURE SECURITY IS TOO EXPENSIVE.

**FACTS.** Certainly, depending on the actions, it can be expensive. As with LDN, it is important to consider return on investment and the cost of not engaging. Research on Sub-Saharan Africa has shown that spending US \$21.7 billion can deliver almost US \$400 billion in benefits, which is a very good investment.<sup>30</sup> In Jordan, too, the benefits of large-scale rangeland restoration from the Hima system, which is based on clear tenure rights, were found to outweigh the management and implementation costs.<sup>31</sup> Moreover, a mapping by the Global Mechanism has found a wide range of funding sources, with many donors prioritizing land tenure security for investment from the community to national and regional levels.

Crucially, the cost of inaction is higher than investing in tenure security. Land tenure insecurity is contributing to the degradation of rangelands across the world.<sup>32</sup> And poor uptake of SLM fuels ecosystem service losses from land degradation, which cost the world up to US \$10.6 trillion per year.<sup>33</sup> For the private sector, in Africa alone, tenure disputes were found to cost investors as much as US \$101 million.<sup>34</sup>



## MYTH 2

## LAND TENURE SECURITY IS TOO SENSITIVE AN ISSUE.

**FACTS.** Land tenure can indeed be a contested issue, especially as land degradation renders productive land even more precious. On the other hand, when LDN initiatives enhance the health and productivity of land, this may increase the land value and therefore, the potential for competing claims and land uses. This is particularly important in contexts where overlapping tenure rights exists and where histories of marginalization and existing power imbalances make addressing land tenure and governance a complex challenge.<sup>35</sup> However, win-win approaches also exist, while failing to invest in finding these approaches can arguably be even more sensitive, accelerating the failure of food systems, influencing natural and economic systems, and potentially triggering political and social instability. Risk of conflict can be managed by a number of strategies, including transparent and multistakeholder dialogue, addressing land tenure issues at the very outset of the project/ venture rather than risking issues arising later, engaging land tenure professionals and collaborating with other initiatives that are addressing tenure security.

Furthermore, integrating tenure issues is not synonymous with creating freehold land titles, which may be perceived as particularly sensitive. Rather, a broader 'continuum of land rights' approach embraces multiple tenure types and allows flexibility between them.<sup>36</sup>

## MYTH 3

## ADDRESSING LAND TENURE SECURITY IS OVERWHELMING AND WILL TAKE THE FOCUS OFF LDN.

**FACTS.** Tenure security can be a complex issue to address. Yet it is possible to mainstream while maintaining an LDN focus, and indeed enhance LDN outcomes.

As with all multi-sectoral and 'wicked' challenges, such as climate change, multi-stakeholder dialogue and actions are needed. Nevertheless, project and corporate actions can be broken down into realistic outputs. Starting points can be relatively modest, such as sensitizing national governments on the VGGT and its implications for LDN and the SDGs. Investing in land tenure specialist expertise can also help identify actions that are accessible and realistic within the framework of a project. A no-cost solution could be to seek synergy with government and donor/ CSO initiatives to strengthen tenure security.

## MYTH 4

## ADDRESSING LAND TENURE SECURITY IS TOO LONG-TERM TO BE TACKLED WITHIN THE LIFETIME OF THE PROJECT.

**FACTS.** Certainly, many types of intervention can entail longer-term approaches. However, shorter term 'quick wins' can be possible. In Georgia, for example, pastures regained productivity and land cover within just a couple of years of improved tenure security of pasturelands.<sup>37</sup>

A 'fit for purpose' approach, for example, offers 'opportunities for land administration systems to deliver benefits, including secure tenure rights, to a wide range of stakeholders within a relatively short time and for a relatively affordable costs in a flexible manner.'<sup>38</sup>

## MYTH 5

## INCREASED TENURE SECURITY CAN ACTUALLY WORSEN LAND DEGRADATION.

**FACTS.** Unless carried out within the 'responsible governance' framework of the VGGT, individual tenure security, for example of large commercial extractive interests, combined with land fragmentation can indeed contribute to exacerbating land degradation. The VGGT and related technical guides, in particular the FAO-UNCCD Technical Guide on the Integration of the VGGT into the Implementation of the UNCCD and LDN, offer guidance on how to understand and tackle potential trade-offs.<sup>39</sup> Land consolidation, for example, is widely accepted as supporting LDN outcomes, and it is possible to do this while also respecting and even improving tenure security.<sup>40</sup>



## Why country Parties and development partners should invest in land tenure security?

Addressing land tenure security in the context of projects that contribute to LDN is a smart investment with good returns. It unlocks investment from donors and the private sector, as well as catalyzes multiple climate, environmental and socio-economic benefits. It has been identified as one of the best investments to enable countries to deliver on the SDGs.<sup>41 42</sup>

**Catalyzing increased investment in soil health and productivity, enhancing crop production.** Increased investment in sustainable land management (SLM), could deliver up to US \$1.4 trillion in increased crop production.<sup>43</sup> SLM is also key to increasing Soil Organic Carbon, an LDN indicator.<sup>44</sup> In Rwanda, for example, households benefitting from a land tenure regularization programme were significantly more likely to make soil conservation investments – about double the change in the control group. Moreover, the effect on these kinds of investments by female-headed households was double that of male-headed households. There was a substantial increase in investment in structures such as bunds and terraces, particularly from female-headed households.<sup>45</sup>

**Good return on investment.** Investing in land tenure security can mobilize much-needed financial resources for government budgets that are under increasing pressure. In Eastern Europe and Central Asia, for example, the benefit to the economy of a single land registration has been found to be over USD \$16 in revenue.<sup>46</sup> An analysis of land titling in Malawi has also found an outstanding cost-benefit ratio of 73, which makes it a strong candidate for government action.<sup>47</sup>

**Unlocks development finance and expertise,** including from the private sector. Both land tenure security and actions to combat land degradation are strategic priorities for several donors and development banks. The Global Donor Platform for Rural Development has a working group on land governance with 28 members, and the Global Land Tools Network has 19 bilateral and multilateral members – an indication of donor engagement. Most see land tenure security as a strategic priority rather than being merely 'eligible' for financing.

**Unlocks private sector investment.** According to the FAO, 'safeguarding tenure rights improves the overall investment environment, thereby fostering increased investment.'<sup>48</sup> Over 16,000 business entities have signed up to the universal sustainability principles of the UN Global compact, which adhere to the VGGT and note the 'Principles for Responsible Investment in Agriculture and Food Systems'.<sup>49 50</sup>

**Multiple entry points.** Land tenure security offers a wide range of entry points other than individual titling. The FAO-UNCCD Technical Guide mentioned above sets out nine pathways to integrate the VGGT into the implementation of the UNCCD and towards LDN. Four of these are 'universal' pathways that can be used in all contexts, such as enhancing policy and legal frameworks and securing women's tenure rights and access to land and natural resources. The other pathways offer targeted entry points for public and private lands as well as commons. Furthermore, the Global Land Tools Network's 'continuum of land rights' approach embraces multiple tenure types and allows flexibility between them.<sup>51</sup>

**Multiple benefits.** Land tenure security and LDN are linked to each and every SDG, so investing in this can help countries deliver on multiple commitments and save public expenditure on these goals. See Figure 1.

Figure 1

## Examples of how land tenure security contributes to selected SDGs.



**MONGOLIA.** Incomes rose by up to 50 per cent for pastoralist communities that organized agreements with the government for access to and local management of rangelands. Degradation of these rangelands has also decreased. Improved tenure security has also been found to encourage households to shift their investment decisions from subsistence to perennial cash crops.<sup>52</sup> **KENYA.** Tenure security has been linked to both agricultural productivity (SDG 2) and a resulting increased access to credit.<sup>53</sup> **GHANA.** Cocoa farmers holding land certificates earn 15 per cent more than those without.<sup>54</sup>



**LATIN AMERICAN AND ASIA.** Significant productivity gains of between 50 and 100 per cent following certification or titling, as well as more investment following tenure recognition.<sup>55</sup> **MOZAMBIQUE.** Increased returns to smallholders achieved through support for land tenure security, sustainable production and better nutrition among others.<sup>56</sup> **PERU.** Research found that women's land ownership has significant effects on food security and crop diversity.<sup>57</sup>



**OVER 40 COUNTRIES AND LANDSCAPES.** Land tenure security actions were found to have positive impacts on human well-being or environmental outcomes, and over 50 studies found that improved land tenure security had positive impacts on both.<sup>58</sup> Another review has found that land tenure security actions can influence health outcomes in urban environments through improving infrastructure access, environmental justice, and social cohesion among others.<sup>59</sup>



**MULTI-COUNTRY.** 'Strong evidence' has been found for a correlation between women's land rights and bargaining power and decision-making on consumption, human capital investment, and inter-generational transfers. Furthermore, there is a 'high level of agreement' regarding the positive impact of women's land rights on natural resource management.<sup>60</sup> **ZAMBIA.** Women's land rights have been positively linked to natural resource management, access to services and institutions, resilience, food security and consumption as well as better bargaining power and decision-making capacity.<sup>61</sup>



**THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC)** highlights that '(g)ender-sensitive, equity- and justice-based adaptation approaches, integration of Indigenous knowledge systems within legal frameworks and the promotion of Indigenous land tenure rights reduce vulnerability and increase resilience (high confidence).' <sup>62</sup> **SUDAN.** A project including a focus on improved and gender-responsive land tenure security helped support 164,880 poor rural people to cope with climate change impacts and bring 37,176 hectares of land under climate-resilient practices.<sup>63</sup>



**BELIZE, GUATEMALA, HONDURAS, INDONESIA, KENYA, MEXICO, NEPAL.** The economic value of tenure security was found to be a strong incentive for communities to engage in conservation.<sup>64</sup> **GEORGIA.** Land cover and productivity revived in just two years following provisions for secure tenure.<sup>65</sup> Moreover, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) finds that '(s)ecure land tenure, property and land-use rights, vested in individuals and/or communities ... are enabling conditions for actions to prevent land degradation and biodiversity loss and restore degraded lands'.<sup>66</sup>

## Why the private sector should invest in land tenure security?

The private sector is uniquely positioned as a catalyst for land tenure security, with transformative potential for the planet and vulnerable communities. Private sector actors can also increase profits from taking action on land tenure security, both through secure supply chains and avoided costs. Given that private finance flows with a direct negative impact on nature have been estimated at US\$5 trillion, which is 140 times larger than private investments into NbS, land tenure security represents a multiple benefit investment option.<sup>67</sup>

**Good return on investment.** Investing in actions to safeguard or improve land tenure security can offer attractive returns on investment for the private sector.<sup>68 69</sup> Action to improve land tenure security as part of a responsible investment approach can boost profits; a report by McKinsey finds that Environmental and Social Governance (ESG) can increase profits by up to 60 per cent through, for example, cost savings, price premiums, stronger brand value and increased employee motivation and therefore productivity.<sup>70</sup> According to the United Nations Industrial Development Organization (UNIDO), these include ‘enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes.’<sup>71</sup> The global growth in impact investing in line with a clear ESG agenda also opens up a potential source of capital for the private sector; a 2022 report estimated the size of the global impact investing market to be US \$1,164 trillion, highlighting considerable growth.<sup>72</sup>

**Essential for agribusiness viability.** For agribusinesses, or any business depending on what the land produces, investing in land tenure security of smallholder producers is a smart investment to maintain production and protect profits in the face of climate and environmental stressors. An independent review on the economics of biodiversity, the Dasgupta Review, notes how insecure tenure of smallholder cocoa producers, linked to their ability to maintain production, makes them unwilling to replace old trees and therefore undermines supply to chocolate manufacturers.<sup>73</sup> In Ghana, for example, a major cocoa producing centre, Hershey and ECOM in partnership with an impact venture in the country, are working to protect the long-term viability of cocoa farming by piloting and scaling up a financially viable farm rehabilitation and land tenure strengthening model. Supported by USAID, the model aims to reduce deforestation and greenhouse gas emissions, while potential co-benefits for the planet and people include increasing carbon sequestration and boosting livelihoods. The model aims to break the deadlock between key actors due to ambiguous land and tree tenure that discourage farmers from investing in productive cocoa farms, and therefore to improve productivity over the long term.<sup>74</sup>

**Meeting stakeholder expectations.** Under the United Nations Global Compact, the six ‘Principles for Responsible Investment’ present possible actions to incorporate ESG into investment practice. The Principles for Responsible Investment Initiative is a network of international investors and has attracted over 1,500 investment institutions as signatories.<sup>75</sup>

## Land tenure security for whom?

The boxes below highlight why improving land tenure security for women, youth and indigenous peoples represents a good investment.

### Box 1 Why women’s land tenure security is a good investment

**Women’s land rights contribute to LDN.** There is a ‘high level of agreement’ regarding the positive impact of women’s land rights and natural resource management.<sup>76</sup> The Science Policy Interface of the UNCCD states that ‘preliminary assessments for LDN should include consideration of gender inequality and its impacts on land management, such as through land tenure arrangements. Studies indicate that collective tenure systems, combined with women’s leadership of community natural resource management, can rehabilitate degraded forests and rangelands.’<sup>77</sup> In Senegal, the national steering committee on land tenure governance used the national gender parity framework to foster women’s inclusion in land restoration efforts; land parcels were distributed to groups of women. As well as having more secure access to land, women were involved in land restoration and motivated to participate in activities to improve food and nutrition security.<sup>78</sup> Women’s land tenure security promotes their participation in land and natural resource governance and adoption of SLM practices – which is important given the increasing ‘feminization’ of farming.<sup>79</sup>

**Women’s land tenure security delivers multiple benefits.** Women’s key role as farmers means that their tenure security impacts on food security and nutrition outcomes, as well as increased incomes and biodiversity and climate change adaptation benefits. If women had equal rights to land and other key inputs, agricultural production could increase enough to lift up to 150 million people out of hunger.<sup>80</sup>

For example, in the southern delta of Bangladesh, a combination of joint land titling of plots on riverine deltas or 'chars', combined with strengthening natural resource management groups with targets for women's participation, has led to reduced soil salinity and greening through afforestation to the benefit of extremely poor people in a relatively short time frame and in a context of high vulnerability to climate change. The initiative's holistic approach has also led to dramatically increased income and assets as well as agricultural production.<sup>81</sup> In Ethiopia, increased land allocated to women increased household food security.<sup>82</sup>

**When conflict breaks out, women prioritize issues related to land, natural resources and environmental degradation for peacebuilding and recovery** when they have been involved in negotiations. For example, Darfuri women's organizations in Sudan, with the support of UN support in gender issues, highlighted the need for alternative energy sources and to address factors contributing to environmental degradation.<sup>83</sup> Strengthening women's land rights at an early stage after conflict is also key to food security, especially in countries where women are key actors. In Liberia, for example, 'talking books' are helping the government raise awareness of women's land rights in new legislation.<sup>84</sup>

## Box 2 Why land tenure security for young people is a good investment

**Youth dividend.** Today, there are 1.2 billion young people aged 15 to 24 years, comprising 16 per cent of the global population and by 2030, this is projected to have grown to nearly 1.3 billion.<sup>85</sup> Given their sheer numbers, youth cannot be ignored.

**Change agents.** Young women and men care about the environment and, contrary to popular opinion are interested in agriculture – although they lack secure access to land. If more youth have more tenure security, they could be mobilized to practice more sustainable farming on an unprecedented scale. For example, a youth led organization in **NEPAL** developed a programme called Youth Empowerment for Green Jobs, which assists unemployed youth in entering environmentally-friendly jobs and gaining access to idle land.<sup>86</sup> In **ETHIOPIA**, one project issued land certificates to some 10,000 landless youth who received certificates in exchange for restoring degraded communal lands, thereby encouraging young people to invest in making land more productive and conserving soil and water.<sup>87</sup> Still in **ETHIOPIA**, 50 per cent of the country's highlands were found to be eroded, costing the country up to 3 per cent of agricultural GDP each year. The development solution was to improve land tenure security, specifically targeting young farmers to better manage natural resources. The intervention has helped to increase household income, improve vegetation cover and more than 520,000 hectares of degraded land were restored in 2018.<sup>88</sup>

In **AFRICA'S SAHEL REGION**, tenure security of productive farmland significantly increases the intention of youth to remain engaged in agriculture, so failure to mobilize this opportunity represents a massive missed opportunity to engage youth in more sustainable practices.<sup>89</sup>

**Young women's capacities.** Young women have unique knowledge and capacities, but are often hampered by the double burden of being female and young, with the result that their voices may not be heard. In Niger, for example, the regeneration and management of degraded forests, and resolution of land conflicts were positively impacted by the inclusion of young women in the decision-making process.<sup>90</sup>

**Disastrous reduction of food production.** Many studies cite the lack of tenure security as a key driver of youth migration and the abandonment of agriculture. While abandoned lands can have positive environmental impacts, they can also accelerate degradation. The potential impacts in terms of less food production as a result of millions of young people giving up on farming are disastrous, given that the world is expected to need more food for a growing population. Hunger is on the rise in many contexts, and food production is already under threat from climate change, biodiversity loss and land degradation.<sup>91 92</sup>

**Avoiding extremism.** Insecure tenure, youth unemployment, economically disruptive migration and poverty can combine to create fertile grounds for extremism and fuel conflict.<sup>93</sup> When rural young people cannot carve out a life from the land, this heightens the risk of productive land being abandoned, resulting in environmental degradation.<sup>94</sup> and conflict can hamper LDN goals because the lack of stability undermines attention on all but the most pressing needs.

## Box 3

**Why indigenous peoples' land tenure security is a good investment**

**Tenure-secure indigenous forests provide valuable ecosystems services.** These include the regulation of local climate dynamics and water cycling; a 20-year tenure security investment in just 3 countries (Bolivia, Brazil and Colombia) could be worth up to USD\$ 1,530 billion in ecosystems services.<sup>95</sup>

**Environmental impacts can be rapid.** In the Peruvian Amazon, titling has been shown to reduce forest clearing by over 75 per cent in just two years.<sup>96</sup>

**Indigenous communities protect the environment.** They actively defend lands against deforestation, and harmful resource extraction or infrastructure development.

**Critical to food security and nutrition.** Local community and indigenous land management systems are diversified and can be more resilient and sustainable than global value chains, contributing to more diverse diets and sustainable consumption patterns.<sup>97</sup> In the Philippines, for example, land tenure was part of an initiative that also improved productivity and land cover, two important indicators of LDN.<sup>98</sup>

**Boosts biodiversity.** Guaranteeing the land tenure security of indigenous peoples contributes to the protection of biodiversity, ecosystems, and natural resources, which important to achieving LDN.<sup>99 100</sup> Indigenous peoples can match or reach even better conservation results compared to protected areas, especially in areas with established tenure rights.<sup>101 102 103</sup>

**SDG benefits.** The IPCC found that strengthening the land and resource rights of indigenous peoples and local communities to be an excellent nature-based solution that supports multiple SDGs, are central to LDN, ecosystem restoration, biodiversity conservation, sustainable development, and climate change mitigation and adaptation.<sup>104 105</sup>

**The cost of inaction**

Alongside the benefits of understanding and addressing land tenure security, ignoring this dimension can pose considerable risks to national finances and company profits, the planet and human life.

**High risks undermining business viability.** Addressing land tenure security can help to avoid reputational risk – and associated costs for the private sector.<sup>106 107</sup> One study found that tenure-related risks led to the rejection of at least 66 per cent of reported potential investment projects with a combined value of approximately US \$1.6 billion, and at least five out of 63 reported projects were abandoned due to tenure risks after investment, reportedly totalling around US \$25 million.<sup>108</sup> In Africa alone, tenure disputes were found to cost investors as much as US \$101 million and delays to last up to five years.<sup>109</sup> In other words, companies that ignore tenure aspects risk enormous costs and even business viability.<sup>110</sup>

**Poor SLM uptake and worsening LDN.** '(M)any SLM practices are not widely adopted due to insecure land tenure, lack of access to credit and agricultural advisory services, and insufficient incentives for private land-users (*robust evidence, high agreement*).'<sup>111</sup> For example, land tenure insecurity emerged as a barrier to investing in more sustainable farming techniques for the overwhelming majority of smallholders as well as some commercial farmers in a survey in Uzbekistan, undertaken as part of a project to combat land degradation.<sup>112</sup> Land tenure insecurity is contributing to the degradation of rangelands across the world.<sup>113</sup> And poor uptake of SLM fuels ecosystem service losses from land degradation, which cost the world up to US \$10.6 trillion per year.<sup>114</sup> Clearly defined and enforced land tenure is therefore essential for effective land use. 'Without clarity on who owns or has the rights to manage which areas of land, incentives for sustainable use are undermined and policy enforcement becomes challenging. Lack of clarity on land rights can also lead to illegal logging, mining and agricultural activities ...'<sup>115</sup>

**'Over-investment' in areas where tenure is more secure.** There is a risk that projects tend to select only those areas with greater tenure security in order to avoid potential difficulties in implementation – this means that projects may fail to target the areas where there is greatest need to address land degradation.

**Missed funding opportunities.** Most development actors and many impact investors have requirements related to Free, Prior and Informed Consent (FPIC) and displacement/ resettlement, as well as environmental and social safeguards to address issues particularly pertaining to the environment and gender equality. Failing to fulfil these requirements may lead to the rejection of funding proposals.



**Exacerbates impacts of disasters.** Land tenure insecurity can exacerbate the impact of natural disasters by cutting off vulnerable people from access post-disaster recovery support.<sup>116</sup> And failure to improve the land tenure security of poor and vulnerable people as part of a 'building back better' approach after climate disasters can leave them even worse off than before, or even mean they end up displaced.<sup>117</sup>

**Triggers conflict.** Competition over rights to use natural resources and weak land governance are recognized as root causes of conflict. In Sudan, for example, unresolved tension between the statutory and customary land administration systems has been an increasing source of conflict and mismanagement of land-based natural resources. Conflict, in turn, can also be a driver of land degradation as a result of crop and pasture destruction, and deforestation as local residents resort to cutting trees for shelter and cooking for their immediate survival rather than long term sustainability. People in conflict situations are often unable or unwilling to invest in protecting land from degradation.<sup>118</sup>



## End Notes

- <sup>1</sup> Deutz, A., Heal, G.M., Niu, R., Swanson, E., Townshend, T., Zhu, L., Delmar, A., Meghji, A., Sethi, S.A. and Toblin-de la Puente, J. 2020. Financing Nature: Closing the global biodiversity financing gap.
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