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**Submission in regard to the Environmental and Social Standards
of the Land Degradation Neutrality Fund**

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Thank you for the opportunity to make a submission about the Environmental and Social Standards (E&S Standards) of the Land Degradation Neutrality Fund (LDN Fund). From our personal perspectives, the current conceptualisation of the LDN Fund does not adequately indicate what kinds of projects will be pursued and who will benefit from them (as well as who will not benefit from them). These considerations could have serious consequences for local land managers and the environment. Particular concerns are expressed below.

LDN Standard 1: Biodiversity Conservation and Sustainable Management of Living Natural Resources

The E&S Standards state, "*The risks and impacts identified in the Assessment Procedure must consider direct and indirect impacts on biodiversity ecosystems and ecosystem services and identify any significant residual impacts. ... Where residual adverse impacts on biodiversity remain, the projects promoters may propose biodiversity counterbalancing measures, where appropriate*" (page 6).

'Counterbalancing measures' in this instance sounds like biodiversity offsetting, but the standards do not outline the criteria that would be used to determine appropriate counterbalancing activities. Regarding direct benefits, other biodiversity offsetting schemes have struggled to find appropriate locations – far enough away from the cause of degradation but close enough to serve the same social and/or ecological community (Gonçalves et al., 2015). The justifiable scale of indirect benefits and/or impacts requires clarification. It is also unclear how ecosystem services would be selected and which would be prioritised; this is significant because, as an example, the REDD+ program as a market for carbon sequestration services has been to the detriment of other ecosystem services, social issues and ecological values (McAfee, 2012).

The LDN Fund's activities should enhance biodiversity of degraded lands, rather than cause residual impacts which require counterbalancing measures on additional degraded lands, especially given that there are few examples of successful biodiversity offsetting accounting for different values of stakeholders.

LDN Standard 3: Community Health, Safety and Security

According to the E&S Standards, "*LDN Standard 3 recognises that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. ... The risk that a Project could exacerbate an already sensitive local situation and stress scarce local resources should be considered during the Project Design and Monitoring Plan*" (pages 7-8).

Our position is that projects with the potential to stress scarce local resources or increase communities' risk exposure are likely to be maladaptations or inappropriate activities, and extreme caution should be exercised to avoid them. Care also needs to be taken in the selection of information considered in project design and monitoring. For example, the 'Great Green Wall of China' is hailed as a success by Chinese government officials and researchers, as well as the UNCCD, using China's Great Green Wall as one of the world's "best practice" examples to combat desertification (UNCCD, 2012, p. 16), and praising the initiative's recovery of productive land, restoration of groundwater, sequestration of carbon and anticipated elimination of dust storm hazards (UNCCD, 2014). However, Wang et al. (2010)'s scientific research found little evidence to substantiate these claims. In fact, Cao et al. (2011) suggest that by ignoring climatic and other contextual factors, China's Great Green Wall has led to increased deterioration of the regions' environmental values. The poplar plantations' water demands exceed supply, requiring unsustainable groundwater irrigation which exacerbates water shortages (Wilske et al., 2009). Low survival rates and biodiversity losses suggest to Jiang (2016, p. 530) that the wall is more like a costly, ineffective 'green desert', representing "an astounding case of an ecological mismatch". This research shows the importance of contextual project design and how it can be difficult for project operators and supporting organisations to acknowledge the potential local environmental and social consequences of activities carried out in the name of land rehabilitation.

Instead, the LDN Fund should recognise and empower local institutions to contribute to the design of actions according to local geographical circumstances, and to manage land within its capacity.

LDN Standard 4: Indigenous Peoples and Vulnerable Groups

"Standard 4 recognises that Indigenous Peoples and Vulnerable Groups may be particularly vulnerable to the LDN Fund's Projects if land and resources are transformed, encroached upon, or significantly degraded. Indigenous languages, cultures, religions, spiritual beliefs, and institutions may also come under threat as result of the LDN Fund Project. As a consequence, Indigenous Peoples and Vulnerable Groups may be more vulnerable to the adverse impacts associated with an LDN Fund Project than non-Indigenous communities. This vulnerability may include loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and disease" (page 9).

The potential threats to indigenous peoples and vulnerable groups described in LDN Standard 4 are unacceptable and should be entirely avoided. In our view, if activities to combat land degradation would entail these adverse impacts, then they are inappropriate activities in inappropriate locations. Alternatively, 'healthy Country, healthy people' research (for example, Kingsley et al, 2009; Maclean et al, 2013; Burgess et al, 2009; Burgess et al, 2005) has shown how land management by indigenous peoples can result in improved environmental conditions, improved physical and mental health and social wellbeing, and serve to strengthen indigenous spirituality and culture with land management.

We believe that, rather than causing possible risks to indigenous culture, a socially responsible LDN Fund should seek to actively encourage and facilitate indigenous land management.

LDN Standard 6: Land Acquisition and Involuntary Resettlement

"LDN Standard 6 recognises that Project-related land acquisition and restrictions on land use can have adverse impacts on Project-Affected Parties. ...involuntary resettlement should be avoided. Where involuntary resettlement is unavoidable, however, it should be minimized and appropriate measures to mitigate adverse impacts on Project-Affected Parties should be carefully planned and implemented" (pages 10-11).

The E&S Standards are unclear about what activities would necessitate "unavoidable" involuntary resettlement, and this is a cause for concern. Further to existing examples of locally-driven success, compared to externally-derived maladaptions (for example, see Grainger, 2015), the power for the LDN Fund to participate in land acquisitions and restrictions on land use runs counter to the original intentions of the United Nations Convention to Combat Desertification to be a convention for marginalised people on marginalised lands. Land acquisitions and resettlement disconnect such peoples from their lands and does not adequately address drivers of land degradation.

As discussed by Bullock et al. (2011), losses of livelihoods and leakages from the displacement of local people during restoration works have been an issue in other Payments for Ecosystem Services schemes. The potential acquisition of land for rehabilitation may lean dubiously close to land grabbing or 'green grabbing', the transfer of use rights and control over resources from the poor to the powerful for environmental objectives (Fairhead et al., 2012). McMichael analyses how "the land grab is represented as a form of development, insofar as land 'development' is associated with productivity gains and employment" (2012, p. 694) – both of which are potential benefits according to LDN Standard 5 and promotional material for the LDN Fund.

Instead of acquiring land and voluntarily/involuntarily resettling landholders, it is our suggestion that local landholders are integral to plans for the rehabilitation and management of degraded lands.

Other environmental and social concerns with the LDN Fund (not addressed in the E&S Standards)

The following concerns are raised based on the limited information available about the latest version of the LDN Fund – primarily from the Global Mechanism and Mirova (2016) and Mirova's benchmarking study (Maillard & Cheung, 2016). Firstly, the requirement for projects to be financially profitable, that is, "'bankable' or designed to generate a financial profit for investors" (Maillard & Cheung, 2016, p. 18), compromises the nature of the activities that can occur, such as prioritising lucrative food and fibre production over potentially more environmentally and socially beneficial land uses.

Another concern is to do with the limited timeframe of projects (LDN Fund life of 15 years), because short-term activities predicate short bursts of productivity, not long-term sustainability plans, and Cowie et al. warn that "a focus on maximising production in the short term reduces resilience and strains ecosystem integrity" (2011, pp. 257-258). Gibbons and Lindenmayer show that "ecosystems cannot generally be shoehorned into a predetermined restoration trajectory" (2007, p. 28), raising uncertainty about the long-term viability of such actions and what happens after the LDN Fund's activities have finished.

More fundamentally, the opportunities for rehabilitating and using degraded lands, as facilitated by the LDN Fund, relies on potentially contestable calculations of the extent and severity of worldwide land degradation (which we have discussed in Berry, 2016 [submitted]). Land degradation depends on the perspective of its observers, so interdisciplinary and participatory approaches are necessary to ensure that potential LDN Fund activities occur in places where their need is recognised by the local population, and in places where patient natural recovery is unfeasible (devoting resources to places where more intensive rehabilitation is necessary – see Holl & Aide, 2011).

Final comments

The LDN Fund's "pursuit of economic growth" (as stated on page 9 of the E&S Standards) has environmental and social consequences not adequately addressed in its Environmental and Social Standards. The fact that the nature of LDN Fund projects could potentially harm communities' health, enhance risk to indigenous and vulnerable groups, and reduce biodiversity is significantly concerning. While investments can be helpful for ecologically sustainable development and the support of sustainable land management, by prioritising the needs of investors over the needs of the environment and its local communities, the LDN Fund's standards currently raise more alarms than reassurances.

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