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## TERMS OF REFERENCE

### Consultant to produce a GLO working paper and policy brief on perverse incentives and land restoration

Consultancy reference number: CCD/20/ERPA/20

#### Background

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Established in 1994, the United Nations Convention to Combat Desertification (UNCCD) is the sole legally binding international agreement linking environment and development to sustainable land management. The mandate of the Convention and its 197 Parties is to support “a future that avoids, minimizes, and reverses desertification/land degradation and mitigates the effects of drought in affected areas at all levels – and to achieve a land degradation-neutral world consistent with the 2030 Agenda for Sustainable Development.” The Global Land Outlook (GLO), the UNCCD’s flagship publication released every 4 years, is a state-of-the-art strategic communications product providing a transformative vision and framework for land management practice, policy and planning at global, regional and national scales.

The UNCCD is now commissioning a small number of working papers, of which this is one, for the second edition of the GLO (GLO2). The UNCCD, as with normal United Nations practice, will hold the copyright of the working paper. The publication of working papers in this format does not prevent authors from publishing them elsewhere, especially in peer-reviewed journals provided that UNCCD is properly acknowledged. Wider dissemination of the work done by working paper authors is encouraged, taking advantage of social media, public presentations and other venues. Each working paper will be published on the GLO digital platform and is expected to provide essential background and inputs for the GLO2 production team. All published GLO products can be found at: <https://knowledge.unccd.int/glo/global-land-outlook-glo>

GLO2 will primarily aim to support the effective implementation of the United Nations Decade on Ecosystem Restoration, being led by FAO and UNEP (<https://www.decadeonrestoration.org/>). It will showcase implementation pathways for meeting the objectives of the Decade, including achieving targets on Land Degradation Neutrality (LDN). GLO2 will build upon the key findings in GLO1 and the GLO regional thematic reports as well as those in recent peer-reviewed literature, scientific assessments, and reports published by the UN, international organizations, institutes and think tanks. GLO2 will focus on terrestrial ecosystems and will not directly address the coastal and marine. The human face of land and ecosystem restoration projects and programmes will be highlighted throughout GLO2. A positive narrative and future scenarios will stress the potential and opportunities afforded by a continuum of land management and restoration activities.

***Restoration continuum: A wide range of activities and interventions that improve environmental conditions (e.g. ecological productivity) by avoiding, minimizing and reversing land and ecosystem degradation. These activities can often be designed to deliver multiple benefits (i.e. goods and services) that contribute to the current and future sustainability of communities and the planet.***

In addition to providing substantive content and diverse policy perspectives for GLO2, working papers are expected to compile innovative case studies, on-the-ground examples and good practices



from a wide variety of sources and countries. GLO2 will be launched at the UNCCD's 15<sup>th</sup> meeting of the Conference of the Parties to be held in September or October 2021.

### **Thematic Content of the Working Paper and Policy brief**

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Many direct and indirect incentives and subsidies for increasing productivity in the land use sector can be detrimental to the health and sustainability of our land resources (i.e., water, soil, and biodiversity) and thus considered “perverse”.<sup>1</sup> The OECD defines incentives to broadly include those measures that make use of the price system, regulatory mechanisms and market forces to achieve their objectives. Governments use incentives and subsidies in a variety of public policy contexts to achieve socially desirable outcomes as efficiently as possible.

In some cases, those incentives have unforeseen consequences which are harmful to society and the environment. Most notably, agricultural and energy subsidies can result in a negative or inequitable balance in the delivery of socially desirable goods and services. This imbalance can have long-term, negative impacts on land resources through overexploitation, resulting from undervaluation and lack of natural capital accounting. Consequently, they represent a danger, especially to rural livelihoods, food and water security, and the biodiversity that underpins all ecosystem goods and services that sustain humans. These so-called perverse incentives often reinforce an unsustainable model of land-based production activities.

Phasing out public support for this current model of doing business and implementing more positive policy and legislative changes would free up resources which could be redirected to conserve, sustainably manage and restore forests, grasslands and other ecosystems, support small-scale sustainable farming and other land-based production activities, and enhance local livelihoods and climate resilience. These reforms would require consultation with diverse stakeholders such as governments, businesses, farming associations, civil society, indigenous peoples, women and local communities.

Indirect, non-monetary incentives, such as policies and regulation intended to encourage economic development (e.g., energy, extractive industries), can also be just as harmful to the health of the environment and undermine the provision of ecosystem services, such as crop pollination, water purification, flood protection and carbon sequestration, that are vital to human livelihoods and well-being. Globally, these ecosystem services are worth an estimated USD 125-140 trillion per year, i.e. more than one and a half times the size of global GDP. Between 1997 and 2011, the world lost an estimated USD 4-20 trillion in ecosystem services per year due to land-cover change and USD 6-11 trillion per year from land degradation.

The OECD conservatively estimates the level of perverse subsidies at USD 500 billion per year based on fossil fuel subsidies and government support to agriculture that is potentially environmentally harmful. This is an order of magnitude ten times higher than global finance flows for biodiversity conservation and the restoration and sustainable use of land resources. Thus, there exists large scope to reform these types of policies, regulations and financial flows for scaling up sustainable land management and ecosystem restoration activities.

The redirection of incentives, subsidies and other forms of economic and policy support for exploitative and unsustainable land management practices to more diverse, sustainable methods of land-based production activities that support rural livelihoods and are climate resilient and protect biodiversity, can be one of the most effective policy steps that can be taken to promote and scale up

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<sup>1</sup> <https://www.cbd.int/incentives/perverse-info.shtml>



activities along the restoration continuum which contribute to the achievement of LDN and other SDG targets.

### **Consultant's tasks and deliverables**

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Under the overall supervision of the coordinator of the External Relations, Policy and Advocacy (ERPA) unit of the UNCCD and the direct supervision of an assigned Officer, the consultant will prepare a Working Paper and Policy Brief for GLO2. This will entail the following tasks:

- Conduct a targeted literature review on perverse incentives and subsidies related to land administration, policy, planning and management practices. Emphasis shall be placed on environmentally-sound land use and management, taking account of the multi-functionality of land resources, while considering multi-stakeholder engagement, spatial scales (local to national, and perhaps regional level), the urban/rural interface, infrastructure development and the socio-political and legal context.
- Document innovative tools and behavioral models to assess and drive the alignment of government budgets and fiscal policy with environmental objectives, including on climate and biodiversity, such as the Paris Collaborative on Green Budgeting.
- Compile, in annotated form, a broad range of case studies and good practice examples, from both developed and developing countries, of how perverse incentives can be re-directed to encourage more diverse, sustainable methods of land-based production activities.
- Detail five prominent case studies, at least one each from Latin America, Africa and Asia, describing to the extent possible: the context; the pathways used; economic and political will and entry points; cost/benefit and financial models; ecosystem services before and after; stakeholders involved; land degradation decision support tools used; drivers of change (direct and indirect); role of soft environmental law and its integration into national law; the enabling governance environment; the legal and institutional framework used; the management of trade-offs; the levers of change; gender responsiveness, if any; rights, rewards and responsibilities issues; data collection methods; whether it was mainstreamed or remains experimental/pilot; outcomes, results, impact; what we can learn about scale; lessons learned for governments, civil society, business/private sector, and other stakeholders; blockages and enablers and challenges.
- Produce a 30-50 page Working Paper that outlines a compelling rationale as well as practical policy and implementation options, including annotated forms of the five detailed case studies, for removing or reducing perverse incentives and subsidies in the land use sector as well as the pathways for redirecting them towards more sustainable land management practices, such as small-scale and localized agro-ecological food production, community-driven restoration of forests and other ecosystems, and large-scale environmental rehabilitation programmes, recognizing the rights and practices of indigenous peoples, local communities, and women.
- Produce a 4-6 page Policy Brief that distills the key findings and messages for decision-makers and UNCCD stakeholders.

### **Contractual terms**

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The consultancy will be home-based for three months starting from 15 June 2020. The consultant will prepare an overall work plan at the beginning of the assignment, which will be discussed and agreed with the supervisors at the UNCCD.

### **Requirements**

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- A Master's or PhD degree in natural resource economics or other field relevant for the consultancy;
- Research experience and publishing with an emphasis on environmental or natural resource management;
- Experience in transdisciplinary work with a focus on economic incentives in the land use sector;
- Ability to communicate effectively in English with demonstrated writing skills is required.

### **Submission of application**

Applications should be submitted by e-mail to [staffing@unccd.int](mailto:staffing@unccd.int) together with a UN Personal History Form<sup>2</sup> and CV, specifying the position **CCD/20/ERPA/20** in the subject line. Please also submit a cover letter with your expectations for remuneration.

**The deadline for applications is 30 May 2020.** Only applications submitted by the deadline will be considered.

Due to the volume of applications received, receipt of applications cannot be acknowledged individually. Please address your application as indicated above and please do not address or copy your application to an individual at the Secretariat or Global Mechanism. Candidates who do not receive any feedback within three months of the deadline should consider their application as unsuccessful.

Date of issuance: 30 April 2020

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<sup>2</sup> UNCCD P-11 form in electronic fill-in .pdf OR .docx format available: <https://www.unccd.int/about-us/secretariat/vacancies/applying-unccd>