

Fourth **African Union - European Union** Agriculture Ministerial
Conference

Presentation: Strengthening the opportunity for private sector
investments into soil health and restoration solutions'

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Why Soils? Why Now?

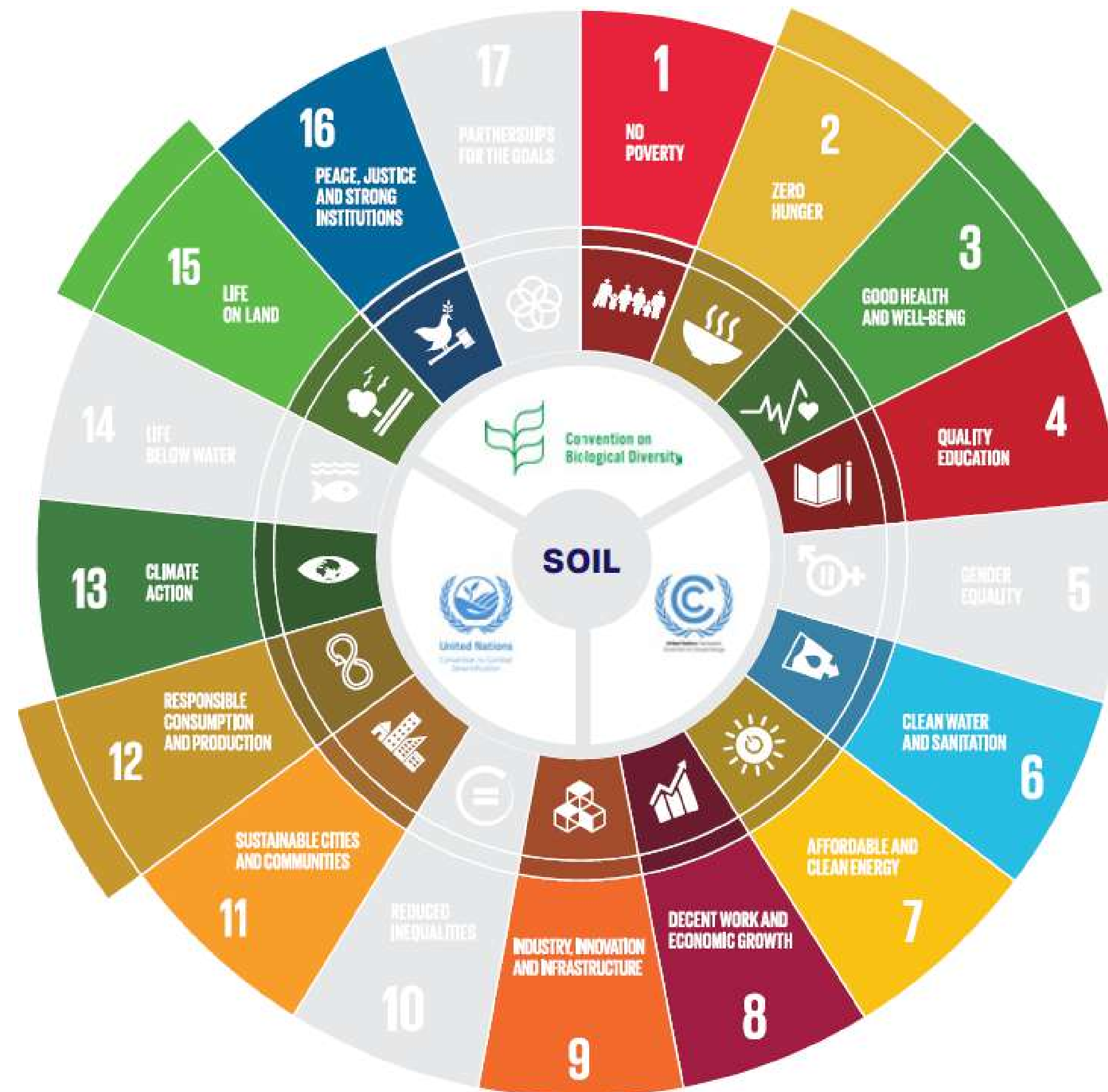
Two landmark WBCSD reports on soil health investment



December 2018



February 2021

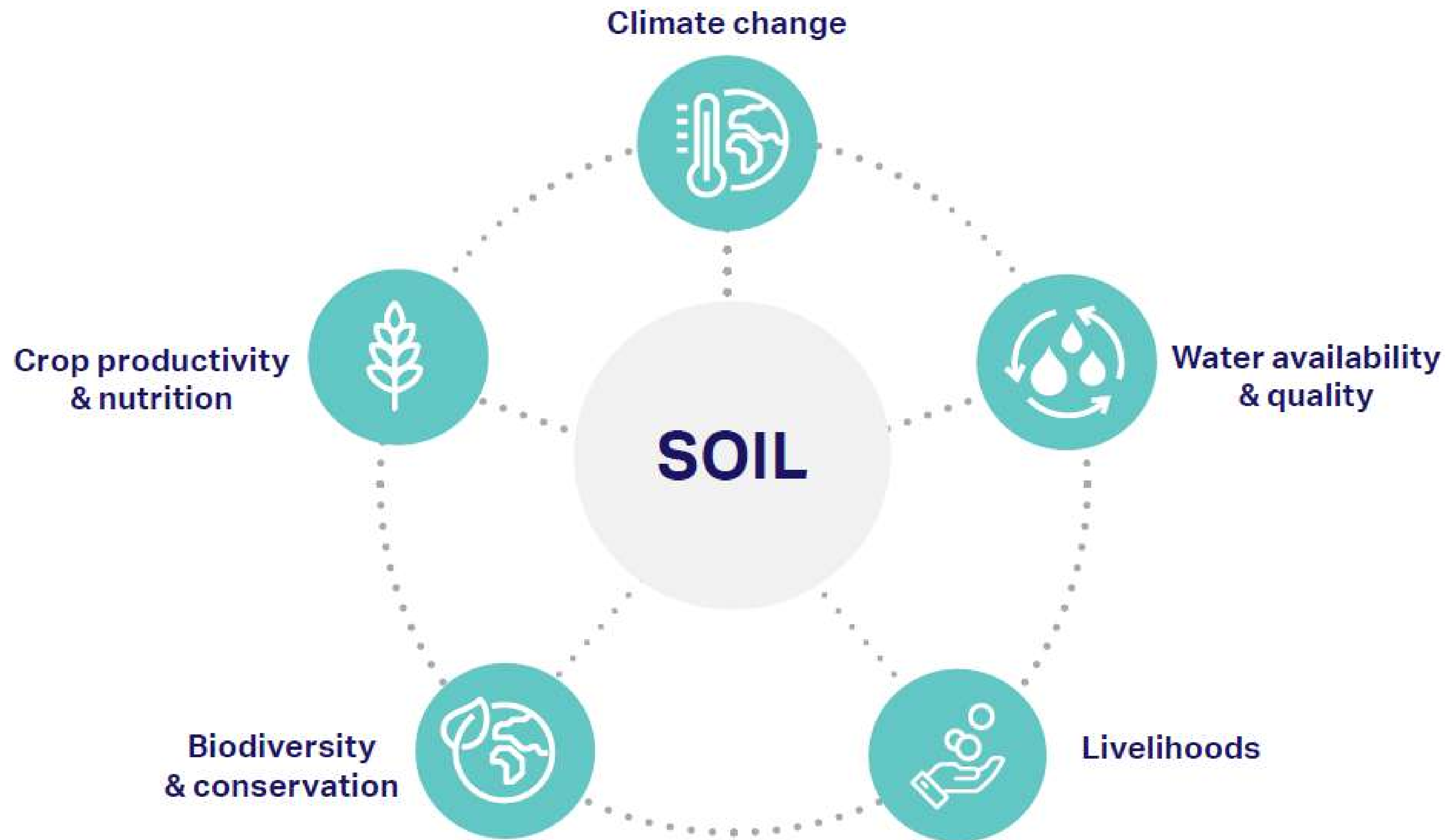


Soils sit at the center of the UNCCD, UNFCCC, UNCBD and SDGs

2021 is set to be the 'Super Year of Food': with the UNFSS, Nutrition for Growth summit, and the three COPs

Business is **Built on Soils**

Soils are **at the root of a wide range of services** that underpin business, value chains and society



95% of all food production occurs in soils

Soils store **2-3x** more carbon than the atmosphere

65% of the world's fresh water is contained in soils

Soils are the source of **90%** of global farm output

Nearly **1/2** global GDP is grounded in healthy terrestrial ecosystems

Soil is the **foundation of the food, fiber, fuel and water industries**

The Threat to Soil – **And Business - Health**

Soil Degradation → Serious Risk to Business Continuity

Soil is a **non-renewable** resource

It takes **1000 years** to generate 2-3cm of soil

Agricultural soils have **lost 40-60% of soil organic matter**, largely due to unsustainable practices

An annual loss of 75 billion tons of soil globally **costs about \$400 billion USD per annum** in lost agricultural production

Declines in agricultural performance due to nutrient loss

Global soil erosion **costs \$33 - \$60 billion USD annually** in nitrogen & **\$77 - \$140 billion** in phosphorous application

Around **one quarter of global GHG emissions** arise from agriculture & land use combined

Social cost of food-related GHG emissions is around **\$1.7 trillion USD** in 2030 for an emissions-stabilization scenario

Soil and land degradation can cause agricultural commodity price volatility

Leading the business community to either **bear the cost & reduce margins** or pass costs onto consumers

Fertility loss, water stress & loss of livelihoods from soil degradation

Means moving operations, adapting supply chains & **increased business exposure** to climate change risks

Soil Wealth = A Business Opportunity

Soil Health = Business Wealth

Investing into Soils is a Win-Win-Win:

1 Climate change mitigation & adaptation

2 Biodiversity & water resources

3 Supporting improved crop production & farmer livelihoods

4 Supply chain resilience



Barriers to Soils Investment

Practical Bottlenecks

- Insufficient market premiums for soil health practices
- Fragmented initiatives

- Lack of pricing for beneficial externalities (ie. Ecosystem Services)

- Inequitable value distribution across agri-food supply chains
- Lack of consensus on MRV

- Friction between protocols to achieve broad soil health & carbon market goals

Financial Infrastructure

- Multi-year timeframe between adoption of soil health practices & financial returns

- Mainstream financial structures in agriculture favor conventional methods of production

- Disconnect between the existing agriculture lending market & soil health investment

How To **Overcome** **These Barriers**

Practical Pathways

1. Invest in market-based solutions that measure soil health metrics
2. Invest in National repository of Soil Carbon reference data

3. Fund development of leadership beyond data standards
4. Invest in accelerated adoption of practice, indicators & FMS translation tables
5. Invest in solutions to leverage enterprise know-how & speed collaboration at scale

Enabling Infrastructure

- Catalytic Capital
- Blended Finance
- Standards & Disclosure

Frameworks:

- True Cost Accounting
- Economics of Ecosystems & Biodiversity

Financial Mechanisms

- Transition finance
- Environmental markets

- Recoverable grants
- Loan guarantees

- Purchase subsidies
- Acting as 'Buyer of Last Resort'

Strategic Advantage **for investment**

demand is growing

*More than **\$700 billion** in estimated net capital expenditure will be **required** over the next 30 years to realize carbon sequestration potential associated with soil-friendly practices- US example - we are applying this thinking to Africa and Europe*

SIH Coalition Engagement



Soil Research/Civil Society



Food and Ag Corporates



Finance/Carbon Mkt



Rabobank

Farmer/Producers



Next Steps to Advance Soils Investment

CEO and Country Commitments

Pre-competitive framework and the role of the UN Food Systems Summit, UNFCCC COP26 and UNCCD COP15

Build Demand for Financial Mechanisms

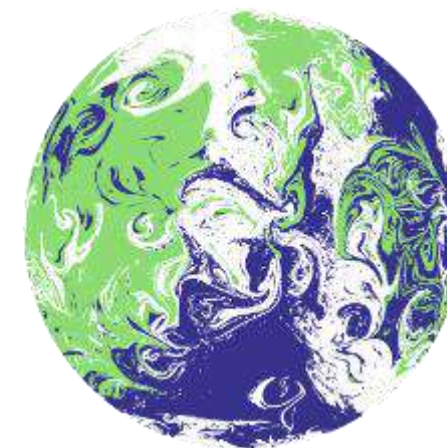
Raise business awareness on soils investment; build partnerships (supply chain cooperation, public-private partnerships, landscape alliances, etc.)

Allocate Soils Capital

Preferential loans, ESG investing, insetting (procurement, carbon markets), etc.



UNITED NATIONS
FOOD SYSTEMS
SUMMIT 2021



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IN PARTNERSHIP WITH ITALY

***Thank you – Contact me on
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