Preview

A guide to investing in landscape restoration to sustain agrifood supply chains

Reducing risks, raising resilience, reaping returns

THE CASE FOR INVESTING IN RESTORATION

The aim of the guide is to help agribusinesses make better investments in landscape restoration so they are better able to sustain agrifood supply chains, reduce risks, raise resilience and enhance returns.

There is growing business momentum to take action on climate and nature. More than 2,200 businesses covering more than a third of global market capitalization are working with the Science Based Targets initiative (SBTi) to set 1.5°C aligned targets at the end of 2021 (SBTi, 2022). In addition, over 1,100 businesses with combined revenues of USD 5 trillion call on governments to adopt policies to reverse nature loss in the 2020s as part of the 'Nature is Everyone's Business' pledge (Business for Nature, 2022). In parallel, there are increasing calls from civil society for companies to go beyond net-zero climate targets and to also set nature-positive targets. In response, the Science Based Target Network is responding by developing target setting methods that will allow businesses to make nature-positive claims (SBTi, 2020).

There is a compelling business case for companies to align with net-zero and nature-positive targets. For agribusinesses, guaranteeing sustainable production throughout the supply chain should be a high priority. As weather events become more frequent and extreme, and land degradation increases globally, agribusinesses are at risk of experiencing decreased yields and reduced revenues as these shocks cause issues throughout supply chains.

The sixth Intergovernmental Panel on Climate Change's assessment report (IPCC, 2022) predicted that agriculture and crop production will continue to be increasingly adversely impacted by climate change. The climate crisis, along with the interconnected crisis of nature loss, threaten future agricultural production. Achieving nature positive supply chains will become critical for agribusinesses. This will also help to achieve corporate social responsibility (CSR) targets by improving farmer livelihoods and contributing to economic development. The guide will describe how agribusinesses can secure natural capital throughout their supply chains, minimize risks, and restore natural capital.

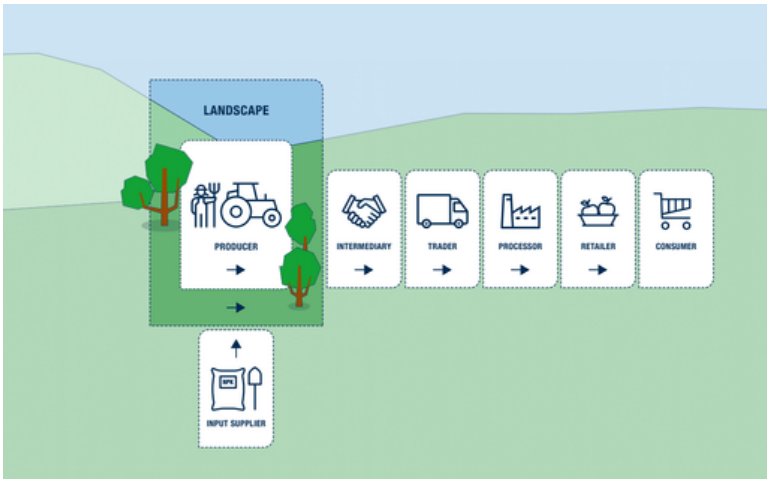

Figure 1: Linking landscapes and supply chains (adapted from Natural Capital Coalition, 2016)

ABOUT THE GUIDE

Section 1 of the guide will provide background information and reasoning as to why it is important for agribusinesses to engage in nature-positive business practices. After discussing problems related to land degradation, its impact on agricultural production, and the risks linked to the costs of inaction, the guide outlines why landscape restoration is one of the most effective solutions to tackle these issues. Investing in landscape restoration is a win-win strategy. Once mainstreamed, it will contribute to sustainable supply, whilst reviving rural economies and producing tangible benefits for nature and climate, as well as enhancing companies' triple bottom line. Landscape restoration can increase local production and diversification, resilience to climatic and economic shocks, carbon sequestration, and the improvement of a host of other ecosystem services, such as water quality and erosion control, the number of pollinators, and increased biodiversity. To understand the relationship between supply chains, degradation and nature, the guide uses a natural capital approach to frame the discussion.

Section 2 provides six steps for agribusinesses to take, in the form of six key components. This sets out a flexible framework with considerations that can be adapted depending on agreed goals, aims and action plans, according to local contexts and resource constraints. It also presents additional details on tools that can be useful throughout the process. The six components presented in Section 2 are introduced below.

1. The entry point is understanding how supply chains relate to productive landscapes as well as agribusinesses' dependencies on natural capital.
2. For successful restoration, it is imperative to have local buy-in and ownership by the stakeholders that will be conducting the majority of the restoration interventions, especially producers.
3. Through an inclusive consultation process, the best restoration interventions can be identified and analysed to make sure they are designed to deliver the financial, social and environmental goals.
4. A business case on specific restoration interventions can then be developed.
5. This business case should include a financing strategy.
6. The final step includes a roll-out plan with indicators for tracking and monitoring progress.

By acting on these six components, businesses will ensure that risks and trade-offs associated with investing in restoration are not only minimized, but that economic, environmental and social benefits are also maximized for the company, producers, the landscapes in which they live and all along the supply chain. Finally, the guide includes summaries of three case studies of companies working with different commodities and with different objectives, as examples of successful landscape restoration interventions.

References

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