



## 3.22 Soils Investment Hub

### 2.1 What, in brief, is the solution?

Our proposed approach is to create a critical mass of food and agriculture value chain companies and key stakeholders that drive alignment of investment decisions, mechanisms and capital towards scaling healthy soil agriculture practices.

### 2.2 What was/were the source(s) from which this solution emerged?

The inspiration for the solution was taken from the 2018 publication: [The Business Case for Investing in Soil Health](#). Furthermore, a session organized during the November UNFCCC Race to Zero event co-hosted by 4 per 1000 Initiative, World Farmers Organisation and WBCSD [Soil as a Climate Solution: Getting to Scale](#), coalesced a number of organizations around the topic. Most recently, a joint publication with the U.S. Farmers and Ranchers in Action (USFRA), [Transformative Investment in Climate-Smart Agriculture](#), highlighted the scope and scale of the opportunity in the United States. Gamechanger submissions from Bayer, Syngenta and the Baltic Group were also considered in putting this proposal together.

### 2.3 What problem is it trying to address within food systems?

The soil's stewards, farmers and ranchers face critical economic barriers to scale the adoption of healthy soil practices. Furthermore, the food and agriculture corporate boardrooms have not adopted a commitment to investing into this critical asset and a standardized investment assessment framework for soil health to align promising financial mechanisms to support farmers and ranchers to adopt healthy soil practices. Against this background, WBCSD's Soils Investment Hub (SIH) aims to convene and facilitate a coalition of companies and key soil stakeholders to set investment commitments and develop a method, tools and guidance for food and agriculture companies to align their investments to accelerate and scale healthy soil agriculture practices.

### 2.4 Why is addressing that problem important for achieving the goal of your ACAI?

Reduce biodiversity loss, improve carbon sequestration, enhancing food security

### 2.5 How can this solution address that problem?

WBCSD will bring together leading business CEOs from across the food system to commit to soil health investment. This will drive the scaling and development of investment mechanisms to economically support farmers transition to healthy soil practices will scale the hectares of healthy soils across global supply chains.

Our proposed approach will create a critical mass of food and agriculture value chain companies and key stakeholders that drive alignment of investment decisions towards supporting healthy soil agriculture practices through a series of building blocks to include:

- **Restoration Roadshow:** Convene 20 CEOs across the agriculture value chain to advocate and commit to (A) soils investment at scale, and (B) integrate soils assets thinking into corporate investment processes. Relevant academics and experts will be involved to support in this process.
- **Creation of Framework Guidance & Tools:** Develop guide and tools with key stakeholders that 1) standardize the classifications of soil as a value-chain asset 2) quantify and demonstrate the private and public benefits of investing into soil health practices fully accounting for the value being produced across agriculture sub-sector-, region- and stakeholder specific considerations and 3) provide a portfolio of soil investment mechanisms that can be prioritized to scale healthy soil solutions. As a result, the guide and tools should be able to serve various purposes such as financing decisions, disclosure statements, and various stakeholder engagement.



- **Soil Health Advisory:** A group of critical stakeholders including farm associations/farmers, civil society and key companies commit to share advice and knowledge that helps companies navigate the complex landscape of technical standards relating to soil solutions and other accounting needs to develop demand for soil health investments. Key pieces of knowledge focus can include standards for generating soil carbon credits, credit accounting and monetising carbon value streams.

## **2.6 Why does this solution align to the definition and criteria for a ‘game changing solution’ developed by the Summit?**

This solution will focus on providing farmers equitable livelihood opportunities and regenerating environmental integrity. Identifying soil health as a critical asset for food and agriculture supply chain investment is a dramatic shift in the context of food and agriculture company boardroom investment making decisions. With soil health determined as a critical asset within food and agriculture executive offices there will be an alignment among investors, financial markets and other key stakeholders to address the needed scaling of investment to systematically shift the economic incentives for farmers and other soil stewards to adopt healthy soil practices.

- Pathway 1 – food and agriculture private sector CEO commitments to soil health leads to a market demand signal for mechanisms to invest into healthy soils practices
- Pathway 2 – food and agriculture private sector collaborate with farmers and producers to determine the methods to align economic incentives and support mechanisms for healthy soil practices
- Pathway 3 – Historical soil health supply chain investments provide empirical and quantitative data to support soil health investment framework for positive return on investments further providing momentum to systemic shift to soil health investments
- Pathway 4 – soil health science institutions and organisations provide the guidance to the investment decisions and mechanisms to instill best practices for measuring, reporting and validating soil health indicators.

## **2.7 What is the existing evidence supporting the argument that this solution will work, or at least that it will achieve the initial outcomes described above?**

The science is clear: soil health is the foundation of our food system. Given the material impacts of climate change, soil degradation and the short time window of opportunity to prevent the disastrous scenarios unfolding, the food and agriculture private sector must commit and scale investment in restoring their most critical, underlying asset: healthy soils.

CEO commitments are powerful tools to bind an organization to a future course of action. Empirical evidence shows that private sector C-suite commitments can drive transformational changes across their value chain. Investors, customers, and employees would likely shun any company whose management refused to commit publicly to a strategy and back its intentions with investments. This is illustrated by the increase in private sector commitments to GHG emission reduction science based targets and the following investment mechanisms (e.g. green bonds, ESG funds, certifications, ect.) and investment capital increase dedicated to decarbonization activities.

## **2.8 What is the current and/or likely political support for this idea?**

There is a need to align soil health investments and government policies related to agriculture, climate and equity. There are indications that governments such as the United States, Australia, New Zealand and also the European Union will prioritize soil health.



**2.9 Are there certain contexts for which this solution is particularly well suited, or, conversely, contexts for which it is not well-suited at all?**

Landscape: grasslands, rangelands, crop farmland, among others

Development level: low to high-income countries within food and ag supply chains with access to finance mechanisms

Key food system indicators: countries with soil degradation

**2.10 Who are the key stakeholders to be further involved in the process of developing and refining the solution idea?**

Member states: All members states with significant agriculture supply chains and soil degradation

Non Governmental Organizations: soil health organizations, farmer organizations, agriculture finance orgs

Companies: global food and agriculture companies

IFIs: identifying donors to match current funding for the development of the tools and guidance delivery align and develop market-based mechanisms that increase investment

**Any other remarks or comments you would like reflected in AT3's report out on 'game changing' solutions (optional)**

**Impact:**

- No. of people impacted: Potential: our capacity to feed 9.8 billion people in 2050 depends on healthy soils.
- No. of hectares impacted: Potential: more than 40% of the Earth's land surfaces under soil degradation that need investments into healthy soil practices.
- Units of emission cut: Potential: 1.2 billion tonnes of carbon could be stored every year in agriculture soils (cropland and grassland), representing annual storage of 4 per 1000 compared to the surface soil horizon (IPCC, 2014)
- Quantitative improvements in ecosystem services: Potential: 1.2 billion US dollars is the economic loss in grain production due to soil degradation (FAO, 2006)

**Stage of Development:** Design phase

