

# The Economics of Ecosystem and Biodiversity (TEEB): Promoting a Sustainable Agriculture and Food Sector China project: progress report

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## **Outline**

- 1. Agri-food system and biodiversity
- 2. Road so far
- Agri-food policies in Yunnan Province and TengchongCity
- 4. Scoping and scenario setting
- 5. What's next

## **Globally**

#### We have achieved

- Hiring over 1/3 of world labour
- Sustenance to the poor

#### At the expense of

- 80% new farmland converted from rainforests since 80s
- Plantation and pasture produce 5–6 billion tonnes (CO<sub>2</sub><sup>equv</sup>) of greenhouse gases annually
- Approprating 70% of freshwater
- Non-point source pollution
- Etc.

#### China

#### **Pollution**

- 19.4% of farmland monitor sites exceeding threshold (2014)
- Fertilizer efficiency 40.2%, chemical efficiency 40.6% (2020)
- Water contaminants from agricultural sources (2017): COD 10.67 million Tones (2020)
- Etc.

#### Land-use

- Soil fertility 20-30% lower than developed countries (2015)
- Moderately and highly degraded grassland and pasture > 1/3 (2017)
- Increased farmland in deserts, over-grazing, using eco-restoration water (2015)
- Etc.

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- Facilitated by UNEP-IEMP
- Implemented by IGSNRR, CAS and CRAES, MEE
- Inception workshop in Aug 2019
- First PSC meeting in Jul 2020
  - Tengchong selected as project site
- First field survey in October 2020
- Second PSC meeting in Feb 2021
- Second field survey coming soon...

Promoting a Sustainable Agriculture and Food Sector-Implementation
20–21 August 2019, Beijing China



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## **Tengchong City**

• Area: 5848 km<sup>2</sup>

Population: 689 thousand

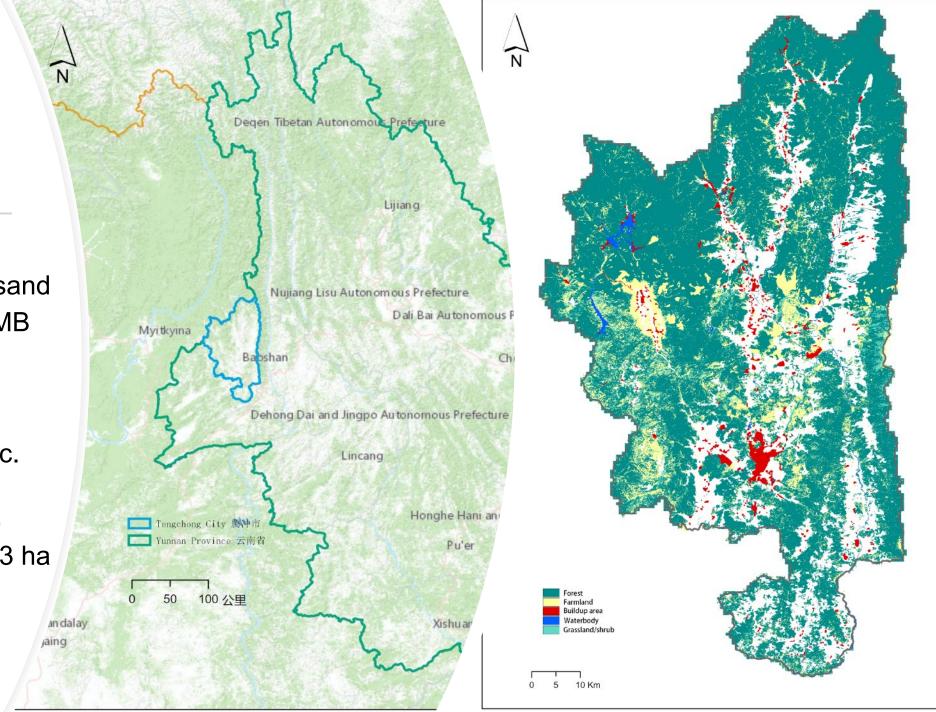
• GDP: 25,27 billion RMB

Primary sector 18.6%

 Climate: subtropical monsoon, annual prec. 1531mm,

• Forest coverage 75%

 Basic farmland 66,653 ha (81.4% of total)



#### Current status and trends of Tengchong's Agricultural system





GDP 4 billion yuan (2020 Q1-3)

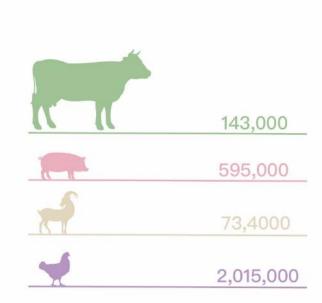


Beef cattle breeding

GDP 2.4 billion yuan (2020 Q1-3)

Stock (head)

#### Area of plantation (%) 7% 0.55% Tea Fruits 8.3% Vegetables 11.7% Chinese medicial herbs Chinese medicial herbs Staple foods Oilseed rape Tea 🔀 Fruits # Vegetables





# Yunnan's push for green food brands



# Tengchong's need for transition

#### National agenda

- Reduction and efficiency rise for fertilizers and chemicals
- National biodiversity conservation strategy and action plan

#### Local

- Under-canopy medicinal herbs
- Beef cattle breeding
- Healthy living destination
- Biodiversity conservation base

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## **Driving forces**

#### **Natural environmental**

- RCP4.5
- RCP8.5

#### Socio-economic

- Demographic change
  - Total population
  - Population structure
- Urbanisation
  - Expansion of urban area
  - Labour migration
  - Dietary structure
- Agricultural policies

## Tengchong's agricultural system

#### **Beef cattle breeding**

- Ecological pasture
- Standardized breeding
- Combined planting-breeding
- Conventional free-range

#### **Plantation**

- Conventional crops
- Endemic species
- Under-canopy plantation

#### Industrial integration

- Agricultural product processing enterprises
- Product quality and brand certification
- Rural tourism and agricultural tourism
- Integration of primary, secondary and tietiary industries

# Scenario setting and time scale

Scenario 1	Scenario 2	Scenario 3
RCP4.5 + BAU	RCP4.5 + Optimistic	RCP4.5 + Pessimistic
Scenario 4	Scenario 5	Scenario 6
RCP8.5 + BAU	RCP8.5 + Optimistic	RCP8.5 + Pessimistic

<b>Short-term (2020-2025)</b>	Mid-term (2020-2035)	Long-term (2020-2050)
• Endpoint of the 14 <sup>th</sup> Five-year plan	<ul> <li>Basic realisation of modernisation</li> <li>Formation of green production and lifestyle</li> </ul>	<ul> <li>Second century-goal</li> <li>Overall improvement in ecological civilization</li> </ul>

#### Business as usual

#### 2020 2025 2035 2050 Beef cattle (head) Conventional 140,000 116,400 free-range 116,400 116,400 Standardized 60,000 60,000 60,000 breeding Combined planting-breeding 20,000 20,000 20,000 Ecological 200 3,640 3,640 0 3,640 pasture Plantation Chemical 40.6% 50% 45% 50% efficiency



#### Optimistic scenario

Beef cattle (he	ead)	2020		2025		2035		2050
Conventional free-range		140,000	AT AT	116,400	AT AT	96,400	R. T.	86,400
Standardized breeding		0		60,000		60,000		60,000
Combined planting-breeding		0		20,000		40,000		50,000
Ecological pasture	22	~ 0	2	3,640		3,640		3,640
Plantation								
Chemical efficiency		40.6%		45%		55% 		60%
Fertilizer usage (T)		30,000		26,700 3,300		25,000 5,000		20,000 10,000
Endemic species (ha)	F	133	XX.	200	FFF	267	ARRAGE	534
Under-canopy plantation (ha)	N Y	400	2 22	2,000	***	3,000	7777	3,000

#### Pessimistic scenario

Beef cattle (he	ad)	2020		2025		2035		2050
Conventional free-range		140,000	2	00,000		200,000		200,000
Standardized breeding	(1)	) 0		0		0		0
Combined planting-breeding		~ <sup>0</sup>		0		0		0
Ecological pasture	220	~ 0	22	3,640	22	3,640		3,640
Plantation								
Chemical efficiency		40.6%	* 0	40.6% I	× 100	40.6%	x x	40.6%
Fertilizer usage (T)		30,000		30,000		30,000		30,000
Endemic species (ha)	*	133	*	67 		0	A.	0
Under-canopy plantation (ha)	77	400	7	0	7	0	3	0

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Natural capital

**Human capital** 

Social capital

## Natural capital

#### ES to be assessed

- Carbon sequestration
- Water quality and quantity
- Soil fertility/erosion/degradation
- Biodiversity services (pollination, pest control, etc.)

**Human capital** 

Social capital

## **Natural capital**

## **Human capital**

#### **Human factors to be assessed**

- Labour composition/structure
- Education
- Health
- Etc.

Social capital

## **Natural capital**

## **Human capital**

## Social capital

#### Social factors to be assessed

- Employment opportunity (government, large industries, educational institutions, etc.)
- Equality (job, gender)

## **Natural capital**

**Human capital** 

Social capital

**Produced capital** 

#### Produced factors to be assessed

- Infrastructure (road, irrigation, electricity, running water, etc.)
- Economic structure
- GDP

#### **LULC** modelling

- LULC historical data
- Development potential (fitness)
- Rules of transformation (restrictions)
- Development need

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#### **Invest modelling**

Based on LULC

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Future scenarios

#### **Invest modelling**

Based on LULC

Watershed map
Vegetation types
Biodiversity conditions
Forest survey results
National census data



# Thank you for your attention!

UN Environment Programme-International Ecosystem Management Partnership (UNEP-IEMP)