

Abstract

Many smallholder farmers in vulnerable areas continue to face complex challenges in adoption and adaptation of resource management and conservation strategies. Although much has been learned from diverse experiences in sustainable resource management, there is still inadequate understanding of the market, policy and institutional failures that shape and structure farmer incentives and investment decisions. The policy and institutional failures exacerbate market failures, locking smallholder resource users into a low level equilibrium that perpetuates poverty and land degradation. Improved market access that raises the returns to land and labor is often the driving force for adoption of new practices in agriculture. Market linkages, access to credit and availability of pro-poor options for beneficial conservation are critical factors in stimulating livelihood and sustainability-enhancing investments. Future interventions need to promote joint innovations that ensure farmer experimentation and adaptation of new technologies and careful consideration of market, policy and institutional factors that stimulate widespread smallholder investments. Future projects should act as 'toolboxes', giving essential support to farmers to devise complementary solutions based on available options. Addressing the externalities and institutional failures that prevent private and joint investments for management of agricultural landscapes will require new kinds of institutional mechanisms for empowering communities through local collective action that would ensure broad participation and equitable distributions of the gains from joint conservation investments