

Highlighting the true value of land

Since 2011, the Economics of Land Degradation (ELD) initiative has been making the economic case for investing in sustainable land management to prevent and restore soil degradation around the world. For one thing is certain: preserving and restoring land pays off.

By Nina Bisom, Richard Thomas, Naomi Stewart and Hanna Albrecht

Almost a quarter of the world's land area has been degraded over the past 50 years. The resulting damage in terms of lost ecosystem goods and services is estimated to cost the world 6.3 trillion US dollars (USD) per year – equivalent to 8.3 per cent of global GDP in 2016 according to the World Resources Institute. Numerous economic analyses so far have shown that preserving and restoring land pays off. For instance, according to the authors of the *Global Land Outlook 2* from 2022, every dollar invested in restoring degraded land results in a return of 7–30 USD in economic benefits. But despite growing awareness of the need for action, political will is still missing, and so is investment. One reason for this is the missing of a clear understanding of the context-specific options that lead to the desired changes (e.g. with effective legal, political and economic instruments), and how to balance conflicting interests. Action is taken when decision-makers feel well-informed about their range of options and the anticipated effectiveness, and when strong partners are involved. This is where the Economics of Land Degradation (ELD) initiative comes in. It was established in 2011 between the United Nations Convention to Combat Desertification (UNCCD), the German Federal Government and the European Commission in order to understand the costs and benefits of sustainable land management. The Initiative developed a methodological approach to assess the economics of land management (“6+1 Steps approach”) and applied it in over 30 country case studies and two continental studies covering 86 Asian and African countries (also see Box). The aim was to estimate the total economic value of the ecosystem services of changes in land management. In addition to the pilot studies, national teams that include NGOs, academics and local and national government officials have been trained to conduct further studies.

Based on this, the initiative is now entering the “ELD Decade for Action”. Our vision for this new decade is to promote global understanding of the true value of land and its dynamics and to direct action and investment towards sustainable land management (SLM) that secures the livelihoods and resilience of

people and nature and contributes to integrated land use planning. The ELD initiative supports policy action by demonstrating that investments in SLM, conservation and restoration pay off – and by providing scenarios that reflect land dynamics under the influence of policy decisions. For this purpose, the initiative and its network partners will focus on the following topics:

- liaising globally with relevant actors in the field to inform policy- and decision-making;
- further developing the ELD “6+1 Steps approach”, seeking to harmonise and pool ELD data with those from other research entities;
- generating evidence and knowledge on economic consequences related to decisions on land use management and land restoration, alongside tangible, scalable and cost-effective solutions for SLM that preserve and enhance ecosystem services in all land use systems;
- improving holistic and transdisciplinary ecosystem service valuation approaches and methods;
- providing tools and data for integrated land use planning;

- designing new institutional arrangements for better management of natural capital;
- facilitating and building partnerships with academia, policy, business and civil society across institutional boundaries and political agendas;
- developing and strengthening human capacities in countries to use economic valuation to implement SLM.

Achieving economically and sustainably informed policy-making will require collective action from a range of different players, including policy-makers, land users, academics and civil society organisations covering multidisciplinary inputs, particularly integrating the ecological, economic, agricultural, societal and climatic perspectives. The ELD Initiative invites all those with an interest in progressing into an era of collective prosperity to join our efforts.

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The costs and benefits of soil erosion control in Africa and Asia

ELD's continental study of 42 African countries, carried out in 2015, revealed that the cost of inaction against soil erosion-induced nutrient depletion to all countries would amount to about 127 billion USD per year from 2015 to 2030. In comparison, benefits of action against this degradation from the 105 million hectares of croplands in all countries over the 15 years to 2030 would generate benefits of about 2.48 trillion purchasing power parity (PPP) USD, or 62.4 billion USD per year, in net present value. In Asia, the annual aggregate crop production loss was 1.31 billion tonnes, amounting to 732.7 billion USD based on an average rate of soil loss for Asian countries of 11.91 tonnes per hectare per annum during 2002



Photo: GIZ/ Dirk Ostermeier

and 2013. Investments in and development of sustainable land management technologies over the span of 2018 to 2030 in all Asian countries could create a net present value of about 3,008 billion USD, equal to 6,169 USD per hectare, with a benefit-cost ratio of around 3.5.