Valuation of ecosystem services: costs and benefits of sustainable land management

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The lack of meaningful or observable prices for the services ecosystems provide to human society leads to the fact that the value of natural capital benefits being frequently not well incorporated or ignored in decision making. The resulting nonsustainable use increases the degradation and indicates a pressing need to re-design current policies for the sustainable management of ecosystems. There is insufficient investment in natural capital overall and its wider benefits are not appreciated sufficiently. Economic information resulting from holistic valuation approaches can serve to raise awareness with decision makers on different levels on the increasing degradation of land and land-based ecosystems and the appreciation of the services provided. Furthermore, governments and policy-makers are faced with a multitude of demands on limited resources and require common metrics to compare options. Economic valuation can facilitate informed decision-making and provide answers to questions about the social and economic costs of land and ecosystem degradation and the benefits and priorities for investments in land based ecosystems. Valuation processes including examples from the work of the “Economics of Land Degradation Initiative in Africa” show that these investments in sustainable management of ecosystems are not only economically rewarding, but crucial for the wellbeing of current and future generations. The relevant metrics are traditionally calculated in monetary terms. However some of the ecosystem services cannot be easily measured in these terms, so it is important that land is given its full value, measured from the point of view of society as a whole. Lately there is increasing interest in finding ways to reflect the value of the environment in cross-sectoral decisions at different levels. To foster the integration of the economic value of ecosystem services into decision- and policy-making, a number of recognized guidelines and scenario tools are available now, through which the adoption and effective implementation of measures can potentially be incentivized.