

Economics of drought

Investing in nature-based solutions
for drought resilience – proaction pays

Report presentation: Mark Schauer (ELD Initiative at GIZ)



United Nations
Convention to Combat
Desertification

ECONOMICS OF
LAND DEGRADATION
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Foreword by

Andrea Meza Murillo, Deputy Executive Secretary, United Nations Convention to Combat Desertification (UNCCD), **Jochen Flasbarth**, State Secretary in Federal Ministry for Economic Cooperation and Development, Germany, and **Florika Fink-Hooijer**, Director-General of the Environment Department, European Commission.



Large-scale adoption of sustainable land management and nature-based solutions to drought is not a standalone transformation, it is an integral part of rethinking how we value land and relearning how to manage land sustainably.

Background

Underestimated costs

3 in 4 people impacted by more frequent and stronger droughts

Increasing costs: US\$128 bn (2000-2019), but more likely US\$307 bn per year

Increasing cost of inaction and cascading impacts

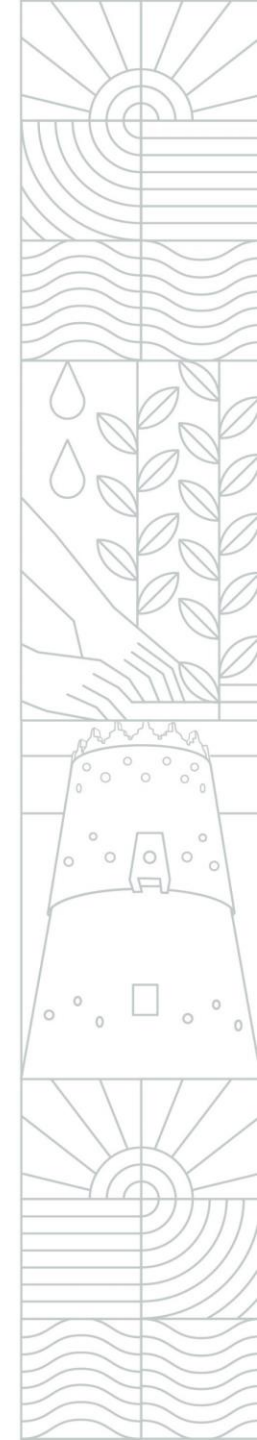
Missed opportunities

Significant potential for upscaling and implementation of NbS

Under-estimated co-benefits and overall impacts of NbS

Growing recognition of anthropogenic droughts

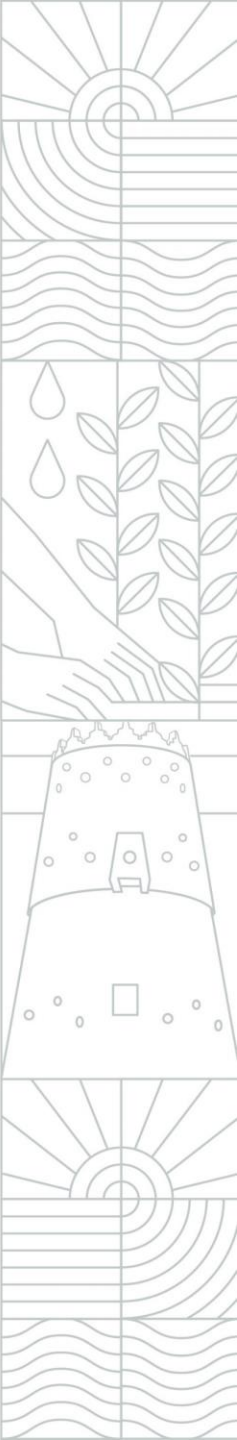
**Transformation from a reactive to a proactive approach of drought management
breaking cycles of drought**



Objectives of the report

The report makes the economic case for nature-based solutions as part of a proactive approach to drought management.

- ✓ Provide evidence (business cases) for the cost-effectiveness of investments in NbS (public/private sector)
- ✓ Provide evidence for the effectiveness of NBS for drought resilience and improved land management
- ✓ Elaborate transformational pathways to mobilize public and private investment, strengthen necessary enabling environments and create scalable business cases for NbS to drought
- ✓ Encourage governments, UN agencies and private sector to take advantage of NbS in the context of proactive drought management and beyond
- ✓ Contribute to the Riyadh Global Drought Resilience Partnership



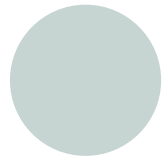
I. Nature-based solutions to drought

Nature-based solutions to drought include many tried-and-tested sustainable land management practices that offer no-regret options for preparing, responding and recovering from drought.

Maintaining the condition of land results in increased crop, tree, pasture and livestock production, C sequestration, water availability and quality, soil conservation, habitat and species diversity.



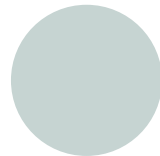
Forest restoration



Water ecosystems & water management



Habitat protection (including protected areas)



Grasslands management



Agriculture (incl. regenerative agriculture, agroforestry & others)



Urban green



Contributors and supporters

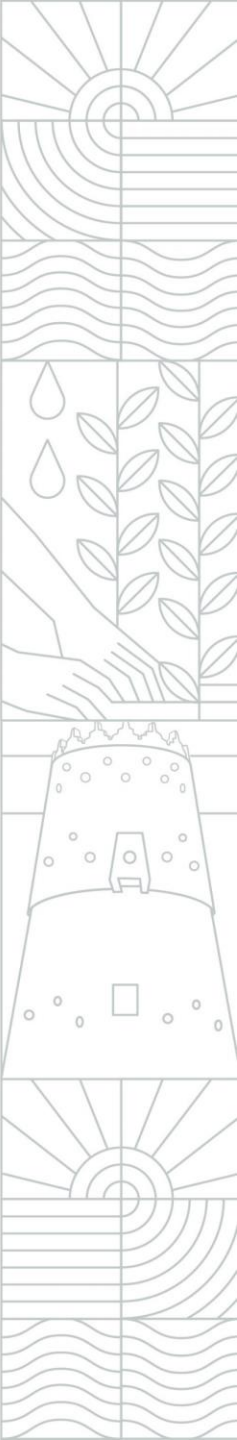


With funding from:



Report case studies (additionally to the ELD database)

Country	Institution	NbS practices
Australia	Mulloon Institute	Water management
Burkina Faso	CIFOR-ICRAF, IUCN	Agroforestry
Kenya	NDMA, IUCN	Grasslands / pastoralism
Chile	National Forestry Corporation	Water management, agriculture
India	WOTR	Water management, watershed restoration, reforestation
Spain	Commonland	Holistic landscape management and restoration (incl. regenerative agriculture, reforestation, water management)
Tunisia	GIZ, ELD	Agroforestry, soil and water conservation
Jordan	ELD, IUCN	Grasslands / pastoralism
Cape Town, South Africa	The Nature Conservancy	Water management (watersheds), ecosystem restoration
Sao Paulo, Brazil	The Nature Conservancy	Urban green, restoration





Main messages and recommendations of the report:

- 1 Nature-based solutions to drought include many tried-and-tested sustainable land management practices that offer no-regret options for strengthening resilience
 - 2 Investing in land and water management to reduce drought risk makes economic sense
 - 3 Building drought resilience through nature-based solutions requires investment in building capacities of people and institutions
 - 4 Nature-based solutions to drought may require investment to be leveraged through public-private partnerships
 - 5 Investments can be enabled by strengthening evidence and monitoring of the true impact of nature-based solutions
 - 6 Cost-benefit analysis of nature-based solutions to drought need to be further strengthened with improved methodologies and data collection
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Thank you!

Thomas, R., Davies, J., King, C., Kruse, J., Schauer, M., Bisom, N., Madani, K., Tsegai, D., 2024.
Economics of drought: Investing in nature-based solutions for drought resilience – Proaction pays.
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