



Regional Workshop on “Mainstreaming Ecosystem Services Approaches into Development: Application of Economic Valuation for Designing Innovative Response Policies”

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The Renaissance Bangkok Ratchaprasong Hotel, Bangkok

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Ecosystem Services are capital assets!



fodder production



slope stability



tourist attraction



recreation



water purification



biodiversity



pollination



fibre production



food production



flood protection



carbon sequestration



beauty



recreation



stabilising micro-climate



game reserve



shelter for life stock



What is at stake1: The productive base of the economy continues to be eroded without being reported and accounted

1. Growth accounting does not incorporate ecosystem services leading to erroneous sense of gain / losses
2. Drivers like Trade and Investment impacting the Ecosystems have far reaching impact for society
3. Missing Links of Sectoral Policies causing unsustainable policies

Illustration1: Wealth Accounting

Countries	Total Wealth (USD Billions)		Natural Wealth (%)	
	1995	2005	1995	2005
Low income	2,447 <i>(5,290)</i>	3,597 <i>(6,139)</i>	41	30
Lower Middle Income	33,950 <i>(11,330)</i>	58,023 <i>(16,903)</i>	34	25
Upper Middle Income	36,794 <i>(73,540)</i>	47,183 <i>(81,354)</i>	15	15
High Income OECD	421,641 <i>(478,445)</i>	551,964 <i>(588,315)</i>	2	2
World	504,548 <i>(103,311)</i>	673,593 <i>(120,475)</i>	6	5

Illustration2... Missing Income of the Poor in Conventional Accounting of Income

ES Dependent Sectors	Brazil	Indon esia	India
Ag, Forestry and Fisheries in Conventional GDP (%)	6.1	11.4	16.5
Adjusted for ESS and Other Non Marketed Items (%)	17.4	14.5	19.6
Share of the ESS and other Non market Items in Total Income of the Poor (%)	89.9	74.6	46.6



What is at stake 2: Many economic activities affecting flow of ecosystem services and societal welfare

1. Subsidies causing overfishing
2. Export causing loss of biodiversity and land use change (aquaculture)
3. Devaluation of Exchange rate causing soil erosion



Need for Efficient Allocation of Competing Resources

1. Provide Rationale for Investible funds in Conservation Measures (e. g. Extended Cost Benefit Analysis)
2. Design Cost Effective Response Policies (e.g. PES)
3. Alter the set of options available to the public to balance development and Conservation(e.g. Market Based Instruments (MBIs))



Emerging Context of Science-Policy Interface

1. Greater Acceptability of Economics of Ecosystem Services Economics
2. Embracement of Response Policies like PES, Ecosystem Accounting, Changing Dynamics of Poverty and Ecosystems by the National Governments
 1. Global Conventions (ABS by the CBD; Wetland Banking by Ramsor, Priority setting by UNCCD, Carbon Offset and REDD+ by the UNFCC to name a few) find Economic Analysis of Ecosystem services helpful

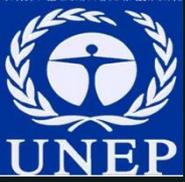
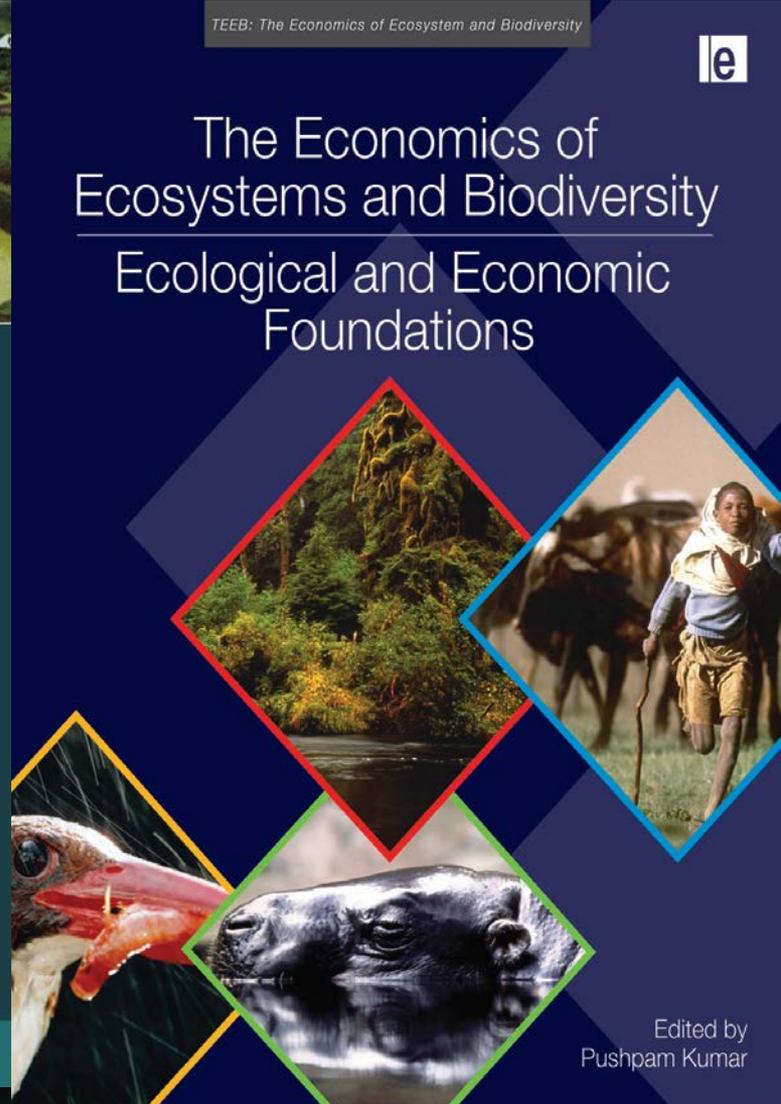
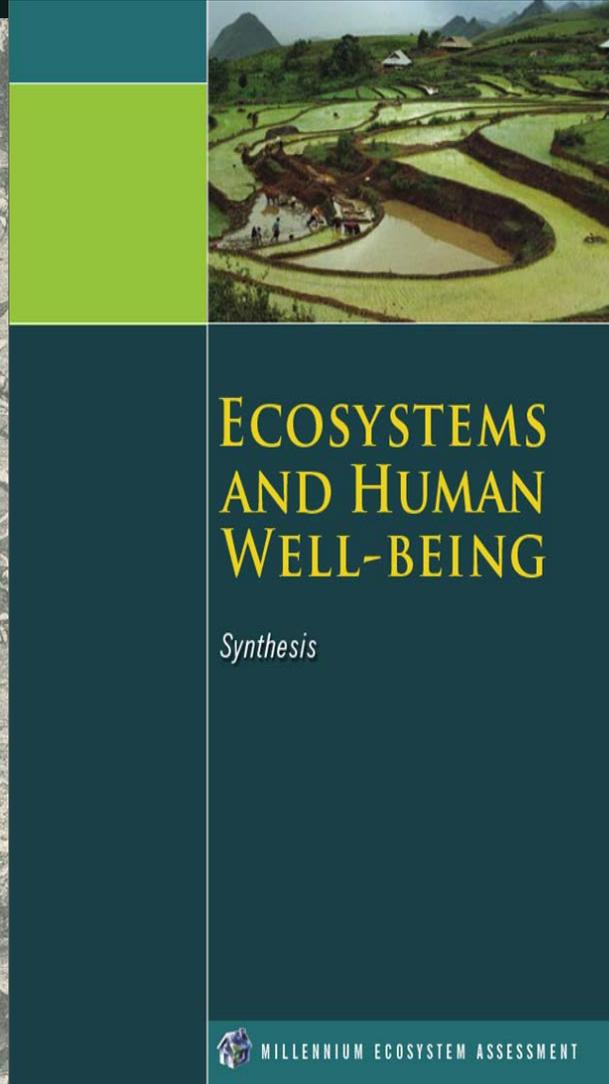
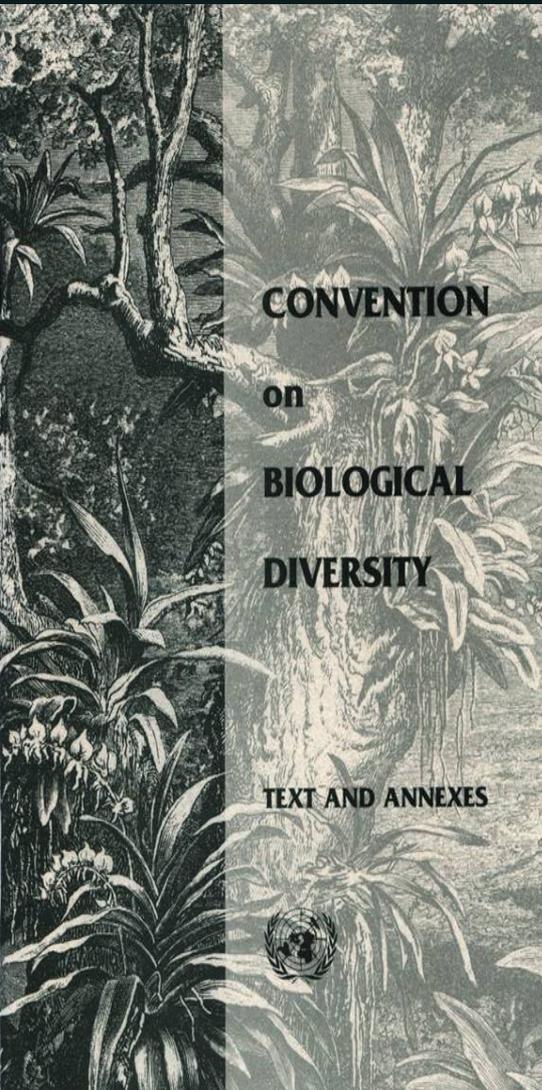


Illustration: Emerging Global Policy Context





Consensus

- 1. Valuing Ecosystems and Biodiversity -opportunities for policy response**
- 2. Investing in ecological infrastructure / natural assets -helps climate change mitigation/adaptation**
- 3. People depend on natural capital – social benefits & equity, ethics and moral responsibilities**
- 4. Towards efficiency and fairness in a new green economy- opportunities for action - international and national**

Therefore Our Pathways

ANALYSIS

Meta-analysis of valuation of ecosystems and biodiversity

SYNTHASIZE

Synthesize knowledge and evidence base

CAPACITY

Create capacity especially in the regions of poverty

ENGAGEMENT

Engagement and “buy-in” of end-user groups such as those who will enable SEEA implementation, support Green Accounting / inclusive Wealth Accounting

AWARENESS

Awareness-creation amongst decision makers of how significant are the economic values of ecosystems and biodiversity



Works at the UNEP (ESE Unit)

1. Mainstream ecosystem services into their development planning

- Project on Ecosystem Services (Proecoserv)
 - www.proecoserv.org
- MDG Fund supported Eco taxation in forestry sector in Senegal
- Economic valuation of ecosystem services for designing poverty alleviation policies (Southern Sudan and PDR Laos)
 - www.esv-valuation.org
- Trade off analysis between food security and ecosystem services in Cuba and India (Punjab)



Work (2/3)

2. Develop tools for operationalizing economics of ecosystem services

- Providing tools and methodologies, capacity building to MA Follow Up activities
- Implementation of ecosystem accounting: Inclusive Wealth Report
- Establishing the linkages of macroeconomic policies and ecosystem services with the help of scientific evidence in selected countries





Work (3/3)

3. Make the science and economics of ecosystem services usable, useful and accessible for the decision makers

- TEEB Follow Up
- Cost effectiveness of ecosystem restoration based adaptation to climate change
- Engaging and networking with the ecosystem scientists, economists, government, civil society and private sector

**DEVELOPMENT AND ENVIRONMENT IN SOUTHERN
SUDAN**

UNEP Final Report

October 2011

Gregory DeAngelo

John Gowdy

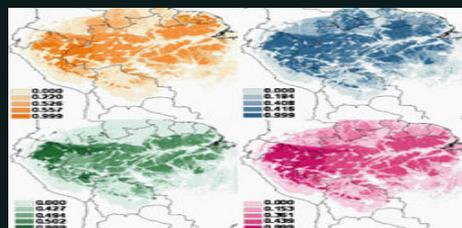
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All available through DEPI's web page. www.depi.unep.org



Networking for Usable Science and Informed Policies



INSEE

Indian Society for Ecological Economics





Background of the Workshop and Policy Dialogue(1/2)

- Enhanced knowledge-base in the field of ecosystem services and its importance for human well-being and development (e.g. MA, SGAs, PEI, Green Economy, TEEB, IPBES)
- Limited success so far in mainstreaming ecosystem services approaches into development planning processes at national level
- Increased recognition of the need to:
 - develop and apply tools and methodologies to strengthen links between poverty alleviation and ecosystem management approaches
 - concentrate efforts at the highest policy/decision-making level and address capacities at technical level to further disseminate TEEB findings and experiences relating to other key initiatives (PEI, ProEcoServ, SGAs, etc.)
 - promote sustainable financing mechanisms such as payments for ecosystem services (PES) schemes and other innovative response policies and initiatives.



Background (2/2)

- This workshop is being co-organized by the United Nations Environment Programme (UNEP) and the ASEAN Centre for Biodiversity (ACB), in collaboration with the British Foreign and Commonwealth Office
- The workshop focuses on building capacity in applying tools and methodologies in mainstreaming ecosystem management approaches into poverty alleviation and development policies.



Focus and objectives

- Specific focuses of the workshop include:
 - Policy context of economic valuation ecosystem services;
 - Methodologies, data needs and applicability of economic valuation of ecosystem services;
 - Successful cases of economic valuation of ecosystem services from Asia, particularly South Asia and Southeast Asia; and
 - Use of economic value in innovative response policies and tools for management of ecosystem services (e.g. payments for ecosystem services, wetland banking and biodiversity offsets).



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 - Use of economic value in innovative response policies and tools for management of ecosystem services (e.g. payments for ecosystem services, wetland banking and biodiversity offsets).
- The workshop is also expected to contribute to encourage policy-makers and technical experts to participate in ongoing global/regional efforts of the SGA network and TEEB follow-up.

Structural Contents of the Workshop

