Summary and conclusions

Regional Workshop
"Mainstreaming Ecosystem Services Approaches into Development"

6-8 February 2012

Overall Context

- TEEB - a global assessment on the economic impacts associated with losing natural capital.
  - It outlines the cost of policy inaction (in a business as usual scenario) and the high costs of loss of ecosystems over a 50 year period.
  - It describes in economic terms the links between eliminating poverty and conserving biodiversity and ecosystems – incorporating the costs of ecosystems services into the GDP of the poor.

- Application of economic valuation of ecosystems services to influencing innovative response policies

Day 1: What is “economic valuation of ecosystem services”?

- Theory behind the discipline, context of its emergence
- Different kinds of approaches
- Existing international mechanisms that contain aspects
  - PEI, SGA, Green Economy, TEEB, PES
  - ABS, Ramsar Wetland Banking, carbon offset, REDD+

Day 1: What is “economic valuation of ecosystem services”?

- What opportunities does it provide?
  - Incorporation of ecosystem service in development planning/accounting
  - Complementing science-policy interface for sustainable policymaking
  - Support/assess policy (investment) decisions
  - Eliciting policy responses

- Case studies: valuation of coastal/wetland ecosystem service

Day 1: What is “economic valuation of ecosystem services”?

- Points of discussion / consideration:
  - How to create/identify value in something where market traditionally does not exist (public goods, externality, property rights)
  - Comparing cost of doing nothing with potential costs & benefits of different actions
  - How to downscale the “large numbers”…global → national analyses

Day 1: What is “economic valuation of ecosystem services”?

- Points of discussion / consideration (cont.):
  - Clarity and confidence of data (sample size, etc.)
  - Valuation by different ecosystem service types
  - Matching valuation theme with different methodologies, and/or developing hybrid valuation methodologies
  - Cost / cost-effectiveness of valuation

Day 2: Learning “how” - some main valuation methodologies

- Travel Cost Method
- Contingency Valuation Method
- Choice Experiments

Day 2: Learning “how” - some main valuation methodologies

- **Travel Cost Method**
  - Measures use values
  - Calculates cost & time for people during recreational trip to a site
  - Improvements, refinements
  - Zonal, Individual, Random Utility TCM

Day 2: Learning “how” - some main valuation methodologies

- **Contingency Valuation Method**
  - Uses surveys to elicit maximum willingness to pay for hypothetical market
  - Flexible; no limit on range of environmental values
  - Hypothetical and maybe prone to bias in estimates

Day 2: Learning “how” - some main valuation methodologies

- **Choice Experiments**
  - Attribute-based stated preference method of environmental valuation
  - Elicits value of various elements
  - Simple and logical
  - Respondents need good knowledge
  - Complex experimental design

Day 2: Learning “how” - some main valuation methodologies

- Case studies: TEEB and UK-NEA

- Group Exercise:
  - Select an ecosystem type
  - Identify a set of drivers of change that affect the particular ecosystem
  - For each driver, determine the impact and current trend

Day 3: Using economic valuation as policy/management tool

- Use of economic values and innovative response policies

  - Sub-Global Assessments and IPBES
  - Linking valuation and livelihoods
  - Linking valuation and PES: Looking into costs of undertaking assessments and setting up PES viz benefits

Day 3: Using economic valuation as policy/management tool

Case studies:

- Marine ecosystems
- Mountain ecosystems
- International rivers
- Forest ecosystems

Day 3: Using economic valuation as policy/management tool

- Political Challenges
  - Gap in valuation-policy linkage
  - Political commitment
  - Engagement of wide range of stakeholders, communication to decision-makers
  - Valuation in a transboundary context

- Institutional Challenges
  - Compartmentalization of services vs. integrated approach for policy response
  - Official, international processes vs. semi/unofficial local processes

Day 3: Using economic valuation as policy/management tool

- Market Challenges
  - Linking (transaction) costs and benefits
  - Distribution of benefits
  - Sustainability of the market

- Other challenges(?):
  - Why some PES works, and some not?
  - Incorporating cost of life? Cost of ivelihoods?
  - Better understanding of ecological functions

Day 3: Using economic valuation as policy/management tool

- Some lessons: Economic values and innovative response policies

  – Policy making is a process involving major stakeholders and valuation of ES contributes directly into this process – through informed decision making, improved communication, engaging diverse stakeholders, etc.

  – Developing common understanding on impacts and cooperation on water use and the need for values (benefits and costs) to influence negotiation