



Valuing Ecosystems in the WAVES Program

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Wealth Accounting and the Valuation of Ecosystem Services
www.wavespartnership.org



WAVES Global engagement

1. Policy Applications of NCA and **Methodology Development of Ecosystem Accounting**
2. Engagement with private sector initiatives
3. Communications



Methodology Development of Ecosystem Accounting in 2014-2015

Capacity building

First WAVES Global Knowledge Exchange on Ecosystems and their Valuation



Héctor Tuy, a researcher at Guatemala's Institute of Agriculture, Natural Resources and Environment, presented Romeo Recide with publications of Guatemala's environmental accounts.

More than 100 delegates from nine countries gathered in the Philippines for the first WAVES (Wealth Accounting and the Valuation of Ecosystem Services) Knowledge Exchange Workshop on Ecosystem Accounting February 23-27, 2015. The participants at the five-day workshop ([agenda and links to presentations](#)) aimed to learn, brainstorm, collaborate and share best practices and experiences on ecosystem accounting.

RELATED CONTENT

- [Workshop Agenda and Presentations](#)
- [Philippines Media Response Following WAVES Debriefing on February 18, 2015](#)

WORKSHOPS AND CONSULTATIONS

[Training on GIS and SedNet in Southern Palawan](#)

April 20-24, 2015

[Training on Wealth Accounting Indicators](#)

April 6-8, 2015

[First WAVES Knowledge Exchange on Ecosystems and their Valuation](#)

March 2015

[GIS Training for the Laguna Lake Ecosystem Account](#)



Methodology Development of Ecosystem Accounting in 2014-2015

Field testing ecosystem accounting



Field-testing Ecosystem Accounting Methodology

To operationalize the framework for ecosystem accounts as detailed in *SEE4-EEA* and to test different methodologies to develop guidance on how ecosystem accounts can be compiled, PTEC is supporting pilot studies in three sites. (See page 38 for details on the Himachal Pradesh DPL.)



Methodology Development of Ecosystem Accounting in 2014-2015

Valuing coastal and marine services

Turning the Tide to Capture the Full Value of Coastal and Marine Ecosystems



Coastal and marine habitats, particularly coral reefs and mangroves, play a crucial role in reducing the impacts of coastal erosion and inundation during storms by providing natural protection. They also benefit fisheries production, tourism, and in the case of mangroves, carbon sequestration.

LATEST NEWS

June 8, 2015

[Ecosystem Accounting in the Philippines](#)

March 11, 2015

[Video from the NCA Regional Workshop for the Europe and Central Asia Region](#)

October 7, 2015

[Coral Reefs Worth Four Times as Much as UK Economy, 'Earth Index' Finds](#)

October 7, 2015

[Incorporating Natural Infrastructure and Ecosystem Services in U.S. Decision-Making](#)

September 28, 2015

[Program Launch for the 2015 World Forum on Natural Capital](#)

The road ahead:

Country guidance material on valuation

- Provide guidance to practitioners, with WAVES CICs and partner countries as the main audience.
- Which methods are suitable to use in an accounting context and under which qualifications, and in relevant cases which amendments needs to be done in order for the resulting values to be feasible to use in accounts.
- Guidance note, i.e. giving clear recommendations where possible and outlining alternatives and/or short descriptions of the differing views on issues that cannot be resolved.
- Published as a PTEC working paper.



The road ahead:

Defining exchange values for non-market transactions using environmental economics

- Clarifying issues around valuing flows of ecosystem services.
- Include a typology/framework of private and public goods; definitions of exchange values for non-market transactions; and explain how to use environmental economics methods for valuing non-market transactions to measure exchange values.
- Serve as a base for discussion of welfare and exchange values it is proposed to describe the different demand and supply functions that apply in the range between purely private goods (where welfare and exchange values should be the same) and purely public goods.
- Discuss differences that emerge between welfare and exchange values in each of the different types of goods.



The road ahead:

The valuation of ecosystem assets for ecosystem accounting

- **Issues around valuation of ecosystem assets will be discussed.**
- **Explain the general logic of valuing assets at exchange values in the national accounts and describe the relationship between valuation of assets in the national accounts and measures of wealth in wealth accounting.**
- **Separate the issues into three categories and discuss them accordingly: i) potentially resolvable/can be clarified through discussion in short term, ii) will likely require some ongoing research, iii) will need testing to help develop appropriate methods**



Key messages

Various ways of accounting for ecosystem services

- Qualitative vs. quantitative
- Physical vs. monetary

When valuing always keep context in mind:

- Exchange value is the unifying concept within the SNA
- Object of valuation: ES or ecosystem capital
- Flows: $p \cdot q$ (volumes derived from biophysical modelling)

A range of feasible valuation methods exists

- Choice of method depends on service and data availability



Thank you

