

The Economics of Ecosystems and Biodiversity (TEEB)-India Initiative

The Review Workshop

21-22 July, 2015, MoEFCC

Indira Paryavaran Bhawan, Jor Bagh, New Delhi

Press Note

The Ministry of Environment, Forests and Climate Change (MoEFCC) launched the The Economics of Ecosystems and Biodiversity –India Initiative (TII) during CBD CoP – 11 with the aim of highlighting the economic consequences of loss of biological diversity and associated decline in ecosystem services. Implemented under the Indio-German Biodiversity Programme as a technical cooperation with GIZ, TII focused on three ecosystems, namely forests, wetlands and coastal and marine ecosystems.

On July 21-22,2015 a review workshop was organized under the aegis of TII to review the outcomes of the 12 pilot projects which demonstrate application of economic approaches to address policy issues related to conservation and sustainable management of these ecosystems. Mr Ashok Lavasa, Secretary MoEFCC chaired the workshop jointly with Dr Kirit Parikh, Chairman of the TII Scientific and Technical Advisory Group. Mr. H Wanken, Counsellor, German Embassy and Mr. Heiko Wolfgang (Country Head GIZ) were special invitees to the workshop. Mr. Hem Pande, Additional Secretary, MoEFCC conducted the proceedings. The event was attended by over forty participants, including senior officers from MoEFCC, eminent ecologists and economists from institutes like IISc Bangalore, BSI, ZSI, IEG, Bay of Bay Bengal Programme – Inter-Governmental Organization; conservation organisations like Wetlands International South Asia, IUCN, WTI, WWF; and international agencies like UNDP and GIZ.

In the inaugural address, Mr. Lavasa highlighted the important role of sound ecological economics based approaches in guiding environmental policies and programmes. He urged the initiative to provide actionable recommendations to improve effectiveness of various natural resources conservation and sustainable management efforts being made by the Ministry. Mr. Parikh outlined the process used in selecting the pilot study sites and partners, and major outcomes that have resulted from the studies. Mr. Pande urged the study to use innovative approaches to highlight the value of natural capital such that more resources could be allocated for their conservation. He also reiterated the novelty in TII in terms of using the outcomes of pilot studies to develop strategies for recognizing, valuing and mainstreaming ecosystem services in decision making.

Mr. Wanken expressed the high significance attached by Government of Germany to the overall cooperation, and the strategic nature of the initiative in contributing meaningfully to the global efforts on biodiversity conservation.

The proceedings involved presentation of outcomes of pilot studies. The three case studies on forest ecosystems looked at ecosystem services flows and application of economic approaches to human-wildlife conflict. Eliciting evidences from Western Ghats, the study team brought out the value of ecosystem services flows in terms of timber and non-timber forest products, and carbon sequestration. The assessment on vultures brought out the opportunity cost associated with loss of scavenging services of vultures living within rural spaces. Economic evidences from measures being used to reduce human-elephant conflicts served as a basis of recommending rational utilization of trenching options, and integrating livelihoods and tourism and recreational values in conservation planning for wildlife corridors.

In the coastal and marine ecosystems, the results related to effectiveness of mangrove conservation, assessment of the value of bycatch and impact of seasonal fish ban. The study on mangroves of Gujarat brought out the significant benefits for fisheries and prevention of coastal erosion, and highlighted the need to consider mangrove restoration as long term investments. Assessments on effectiveness of seasonal fishing ban concluded that such intervention atleast led to 8% increment in fish catch accruing in terms of increased value realization to fishers. The study on bycatch presented a methodological accounting framework for bycatch in marine fisheries.

Within wetlands, the outcomes related to economic efficiency of restoration investment, and integration of ecosystem service values in land and water resources management in wetland basins. Economic assessment of Lake Chilika restoration indicated that every rupee invested had transformed into increased flow of ecosystem services worth atleast seven rupees. In the case of Loktak Lake, the economic inefficiencies associated with use of lake as a source of hydropower generation without considering full range of regulating and cultural values was highlighted. The study on Kanwar Jheel brought out the distributional aspects of ecosystem services restoration, which was used to outline a socially feasible and ecologically and economically viable strategy for hydrological regime restoration. The research team working on Wular Lake suggested positive economies associated with removal of willows in Wular Lake, Kashmir. The study on Rann of Kutch highlighted the role of hydrological regimes in delivery of provisioning, regulating and cultural services of the wetland complex.

In his closing notes, Mr. Hem Pande stated that economics of ecosystem services, as demonstrated by the pilot studies, provided the vital link between conservation and sustainable development.

The outcomes of the pilot projects will feed into sectoral synthesis for the three ecosystems, which will be released at the Brazil-India- Germany TEEB Dialogue,

being hosted by India in September 2015. The overall study report will be released at the 21st session of the UNFCCC CoP being held in November, 2015 at Paris.

TII, during the last two years of implementation has built a strong case for use of economic approaches for recognizing, valuing and mainstreaming ecosystem services in developmental programming. MoEFCC, therefore, intends to maintain the TII network as knowledge nodes, and a think-tank on policy matters bearing relevance for economics of ecosystem services. Generic recommendations will also be developed for state governments and resource managers for using economic approaches for prioritizing and evaluating effectiveness of investments made for conservation and management of natural resources.

Challenges and future directions

For their wellbeing and economic development, humans have been using natural resources as if they are non-depleting and/or inexhaustible assets. These assets are, however, depleting at rates faster than the rates of regeneration. As the resources deplete, our ability for economic development and improving human wellbeing often gets diminished. Thus, for sustainable development of a large developing country like India, it is necessary that natural resources and assets are maintained at some desired, optimal levels.

Development policies have to account for their consequences on natural resources. Many of these consequences are external to the profit and loss consideration. They often get neglected. A business that neglects the cost of depreciation of its assets may eventually go wrong. Similarly, an economy that neglects the loss in value of its natural resources may also find its growth not sustainable.

The Economics of Ecosystem and Biodiversity is recognized as an effective tool and barometer or compass that can guide economic decision-making while factoring in preservation of natural assets at socially desired levels. Unless natural capital is accounted as an asset, it is likely to receive little attention and likely to degrade.

Valuation of natural resources is often a complex task as these resources are not traded in a market. Even when they are, the value that the society should put on them may be different than what the market may ultimately determine. Valuation techniques have to be developed that mimic the market and account for social values.

Our understanding of the importance of ecosystem services and biodiversity is adding new dimensions in valuation. In fact the UN-STAT has only in 2012 come out with an experimental system for ecosystem accounting.

It is not necessary that an economic activity leads to depletion of natural assets. If good principles of Natural Resource Management (NRM) are followed, asset value does not have to deplete during the process of execution of projects or economic development in general. This possibility makes Resource Accounting worth doing.

Often asset values of the whole ecosystem is difficult to work out but estimate of depletion can be done e.g. value of lost asset can be calculated.

Limitations notwithstanding, the continued loss and degradation of natural capital and role of economic drivers therein, urgently call for communicating the diverse values of natural resources, and the consequences of loss of vital ecosystem services, in a simple, easily understandable language so that decision makers can take effective decisions.

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