

**First Meeting of WAVES – Policy and Technical Expert Committee**  
**November 7-9, 2012**  
**Workshop Agenda**

Objectives of PTEC

Wealth Accounting and the Valuation of Ecosystem Services (WAVES) is a global partnership that aims to promote sustainable development by ensuring that the national accounts used to measure and plan for economic growth include the value of natural resources. WAVES has three main objectives:

- Establish environmental accounts in six to ten countries and incorporate these into national policy analysis and development planning
- Develop internationally-agreed guidelines for ecosystem accounting
- Promote widespread implementation of environmental accounting through a global partnership

Besides developed and developing countries who are implementing environmental accounting, WAVES partners include UN agencies, such as UNEP, UNDP, UNSD, non-governmental organizations, and academic institutions.

The overall goal for the Policy and Technical Experts Committee (PTEC) for WAVES is to provide guidance and support to the global partnership to meet the second objective. Specifically, PTEC has been established to guide the development, replication and implementation of scientifically credible methodologies for ecosystem accounting; to identify opportunities to contribute to policy and mainstreaming discourse; and to ensure cohesion, consistency and scalability among the country studies. The methodology on ecosystem accounting developed by PTEC in collaboration with other organizations will serve as input to the Handbook for the System of Environmental and Economic Accounting (SEEA), Volume 2 on Ecosystem Accounting.

Background

In 2010, and prior to the establishment of WAVES, the Environment Department of the World Bank convened a small group of experts to outline major research issues around economic valuation in the context of environmental accounts. At that time, a paper was commissioned to develop an approach and further detail a research agenda on this issue (see attached). Building on this effort and with the establishment of the WAVES partnership, an informal meeting was organized in May 2011 to scope out major areas of work to support the development of ecosystem accounts (see attached meeting summary). The participants also discussed how the work should be organized. In parallel, the London Group on Environmental and Economic Accounting, under the auspices of the UN Statistical Commission, has been guiding the development of a framework for ecosystem accounting. Much of the work has focused on biophysical components, based on land accounting with some general discussion of principles for valuation. This framework needs to be implemented and tested, and the monetary component of the accounts needs further development.

Out of a total overall budget of \$15 million for the WAVES partnership, approximately \$1.3 million has been allocated for a period of four years to support PTEC-guided activities.

Meeting Goals

Building on previous work and the dialogue initiated at the European Association of Environment and Resources Economics (EAERE) conference in Prague this year, this workshop will continue to focus on

the technical, implementation, and policy challenges (research-to-policy approach) in bringing ecosystem services valuation into the national accounting framework, and economic analysis/planning. The goal of this meeting is to identify research priorities, and establish processes, working groups, and arrangements for working with partners over the next four years to address -

- What issues should PTEC cover?
- How should we do this?

Research Issues previously identified: Underlying these issues is the question of 'fit for purpose', how good do our values have to be?

- What are we trying to measure? Asset values, value of flows, or only change in values of flow?
- Prioritize ecosystem services in terms of how robustly practitioners can measure and value them. That is, for decision-making at the level of landscape management/spatial planning 1) the underlying biophysical structures & processes that provide ES are well understood and can be modelled using a relatively small number of readily available/measurable parameters, and 2) economic valuation of the ES suitable for decision-making at the landscape level is also feasible (methodologies agreed and data reasonably available).
- Assessment of different models for ecosystem services to provide guidance for practitioners
- Representing in the accounting approach certain challenging characteristics of ecosystems, for example, their public goods' nature (national and global), thresholds and irreversibilities, treatment of transboundary ecosystems, and treatment of low-probability, high impact events
- Use of values from financial payment mechanisms set-up for ecosystem services such as Payments for Environmental Services and biodiversity offsets to value ES?
- Scaling up ES flows and values from local/regional estimates to the national level; applying values from one landscape to others? Where and how can we do this?
- Research issues from the SEEA Central Framework
  - Assessment of definitions and methods for the measurement of the value of depletion of renewable biological resources integrating biological models and economic concepts. While there is now agreement in the SEEA Central Framework on methodology for measuring depletion of subsoil assets, depletion of forest timber stocks is still not part of the Central Framework
  - Other issues?

Day 1, November 7: Introductions, Updates, and Identifying Research Priorities  
Room: C 2-150 (C – Building)

Morning, 8:30 – 12:30

8:30 – BREAKFAST

*Moderator: Kirk Hamilton*

9:00 -- Welcome and meeting objectives (Glenn-Marie Lange and Pushpam Kumar)

9:15 -- Round-the-table – Introductions and short description of on-going research and programs

9:40 – Update on WAVES (Glenn-Marie Lange)

10:10 – Background on PTEC (Paulo Nunes/Urvashi Narain)

10:30 – COFFEE/TEA

11:00 – Update on SEEA and Ecosystem Accounting (Michael Vardon)

11:30 – Panel with short presentations to set the stage for discussion on research priorities

*Lars Heins* - prioritizing ecosystem services

*Steve Polasky* – assessing ecosystem services models

*David Simpson* – issues related to economic valuation

*Michele Pittini* – research issues from the Central Framework and Experimental Ecosystem Accounts

*Jeff Vincent* – financial payment mechanisms and scaling up from local/regional estimates

12:30 – LUNCH, on your own

Afternoon, 2:00 – 5:00

*Moderator: Glenn-Marie Lange*

2:00 -- Moderated discussion –

1. How do we prioritize among the research questions?
  - a. What is doable within the time framework and resources available to PTEC?
  - b. What is policy relevant?
2. Are these the right questions?
3. How do we organize this work? Which work streams require working groups?
4. What are some key on-going efforts that we should link to?
5. Who else should we involve?

3:30 – COFFEE/TEA

4:00 – Moderate discussion, contd.

6:00 – Dinner at Kinkead's (2000 Pennsylvania Ave.)

Day 2, November 8: Identifying policy applications and formulating the work plan  
Room: C 2-150 (C – Building)

Morning, 8:30 – 11:45

8:30 – BREAKFAST

*Moderator: Paul van Gardigen*

8:45 – Panel with short presentations to set the stage for discussion on policy applications, addressing

1. What are we trying to measure?
2. How can policymakers use the information available through SEEA?
  - a. What types of policy questions can be addressed?
  - b. What types of models/tools/approaches are required to support policy analysis?
3. How can we assess the impact of SEEA on policy making and decisions?

*Glenn-Marie Lange, Michael Vardon, Haripriya Gundimeda, Ed Barbier, Francisco Alpizar*

9:30 -- Moderated discussion --

1. How should we organize this work stream and pull together best practices, case studies?
2. How do we want to link to green economy/green growth work?
3. Who else do we need to involve?

10:15 – COFFEE/TEA

10:45 – Moderated discussion, contd.

11:45 – LUNCH, on your own

Afternoon, 2:15 – 5:15

*Moderators: Paulo Nunes and Urvashi Narain*

2:15 -- Summary of discussion on research priorities and policy applications

2:30 – Moderated discussion, How should this work be organized? What are the key components?

1. Commissioned papers? What research questions?
2. Specialized technical workshops? What topics?
3. Training workshops? What scope?
4. Pilots on ecosystem accounting?

3:45 – COFFEE/TEA

4:15 – Moderated discussion, contd.

5:15 - EVENING RECEPTION

Day 3, November 9: Working through partnerships, and wrap-up  
Room: C 2-150 (C – Building)

Morning, 8:30 – 12:00

8:30 – BREAKFAST

*Moderator: Pushpam Kumar*

9:00 – Panel discussion on potential partnership arrangements and opportunities for collaboration, and relationship to work on the SEEA

*Jim Boyd (CMEW), Francisco Alpizar (LACEEP/EfD), Priya Shyamsunder (SANDEE), Paul van Gardigen (ESPA), Michael Vardon (SEEA), Giles Aktinson(NCC), Jeff Vincent (Duke)*

Discussion questions --

1. How do we work with partners to achieve these goals given we have limited resources?
2. Where are the possibilities for collaboration on research programs and priorities?
3. What resources, financial and in-kind, can partners contribute to this agenda?
4. Who else should we reach out to?

10:30 – COFFEE/TEA

11:00 – Discussion, contd.

12:00 – LUNCH, on your own

Afternoon, 1:30 – 4:30

*Moderator: Kirk Hamilton*

1:30 -- Communication needs for PTEC - Should we, for example, also evaluate the processes for policy engagement/motivation that have worked (e.g., how can we explain Australia's momentum from an audience perspective)? – Sonu Jain

3:00 – COFFEE/TEA

3:30 -- Next Steps -- Paulo Nunes and Urvashi Narain

4:00 -- Wrap-up and Thanks! -- Glenn-Marie Lange and Pushpam Kumar

## **Background Information**

### **1. Update on WAVES**

Wealth Accounting and the Valuation of Ecosystem Services (WAVES) is a global partnership that aims to promote sustainable development by ensuring that the national accounts used to measure and plan for economic growth include the value of natural resources. This global partnership brings together a broad coalition of UN agencies, governments, international institutes, nongovernment organizations and academics to implement environmental accounting where there are internationally agreed standards, and develop standard approaches for other ecosystem service accounts.

By working with central banks and ministries of finance and planning across the world to integrate natural resources into development planning through environmental accounting, we hope to enable more informed decision making that can ensure genuine green growth and long-term advances in wealth and human well-being.

#### Our Objectives

- Establish environmental accounts in six to ten countries and incorporate these into national policy analysis and development planning
- Develop internationally-agreed guidelines for ecosystem accounting
- Spread environmental accounting through a global partnership

#### The story so far

WAVES was launched by the World Bank President, Robert B. Zoellick at the Convention on Biological Diversity meeting in October 2010. The program will be implemented in two phases: an on-going, preparation phase (January 2011 to June 2012) and the subsequent, four year implementation phase (2012-2015).

These are some highlights from the `preparation phase`:

- A global partnership has been established - we are building on efforts by TEEB, UN Green Economy, OECD Green Growth, Poverty Environment Initiative (UNDP/UNEP) and many others partners in academia, NGOs, national governments, and the private sector.
- A Policy and Technical Experts Committee to develop a methodology for ecosystem accounting has been set up.
- Work plans are being prepared for implementation of natural capital accounting in five developing countries.
- A Multi-Donor Trust Fund has been established and fundraising for implementation phase (2012 through 2015) is ongoing with a proposed budget of \$15 million.

### Partners and implementing partners

To support countries with the move to Natural Capital Accounting, the World Bank and UNEP are leading a global partnership called WAVES - Wealth Accounting and the Valuation of Ecosystem Services – which includes several UN agencies – UNDP, UN Statistical Commission – national governments, NGOs, academic and other institution, and together will be committed in reviewing scientific evidence and environmental accounting methods as well as testing the implementation of a WAVES internationally agreed methodology for ecosystems accounting.

Some are developing countries - Botswana, Colombia, Costa Rica, Madagascar, Philippines - working to establish environmental accounts in practice. In addition, developed countries like Australia, Canada, Japan, Norway, France, and the United Kingdom that are already exploring environmental accounting and have valuable lessons to share are also part of the partnership.

For more information on WAVES country work across the implementing partners:

Botswana

<http://www.wavespartnership.org/waves/botswana-natural-capital-diversification-tool>

Colombia

<http://www.wavespartnership.org/waves/colombia>

Costa Rica

<http://www.wavespartnership.org/waves/costa-rica>

Madagascar

<http://www.wavespartnership.org/waves/madagascar-tapping-biodiversity-sustainable-growth>

Philippines

<http://www.wavespartnership.org/waves/philippines>

And for more general information on WAVES

<http://www.wavespartnership.org>

### **2. Policy and Technical Expert Committee (PTEC)**

The Policy and Technical Experts Committee (PTEC) has been established to guide development and implementation of scientifically credible methodologies for ecosystem accounting; identify opportunities to contribute to policy and mainstreaming, and ensure cohesion, consistency and scalability among the country studies. The committee consists of experts in environmental accounting and key technical sciences; it includes individuals with demonstrated experience to coordinate ecological and economic assessments. Since policy makers are not always sure how environmental accounting can help them make decisions, the Committee also includes policy experts to work with technical experts (natural scientists and social scientists) in order to 1) ensure the policy-relevance of technical work and 2) compiling a body of case studies that demonstrate how environmental accounting has contributed to policy and environmental management.

The major outcomes proposed to the PTEC are:

- Identification of methodologies for ecosystem accounting that have been tested and demonstrated at the country level and can be applied to other regions and countries;
- Provide of substantial input to the Handbook for the System of Environmental and Economic Accounting (SEEA), Volume 2 on ecosystem accounting;
- Demonstrate policy applications through work in WAVES countries and compiling evidence from other case studies.

Glenn-Marie Lange (World Bank) and Pushpam Kumar (UNEP) are the co-chairs of PTEC, Paulo Nunes (CIESM – Mediterranean Science Commission), and Urvashi Narain (World Bank) are the coordinators.