

Wealth Accounting and Valuation of Ecosystem Services in the Philippines – Phil-WAVES



Launch Workshop for the Laguna Lake basin Ecosystem Account

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Outline of the presentation

Section 1: Introducing the key concepts

- Comprehensive wealth & natural capital
- Uses of Environmental Accounts



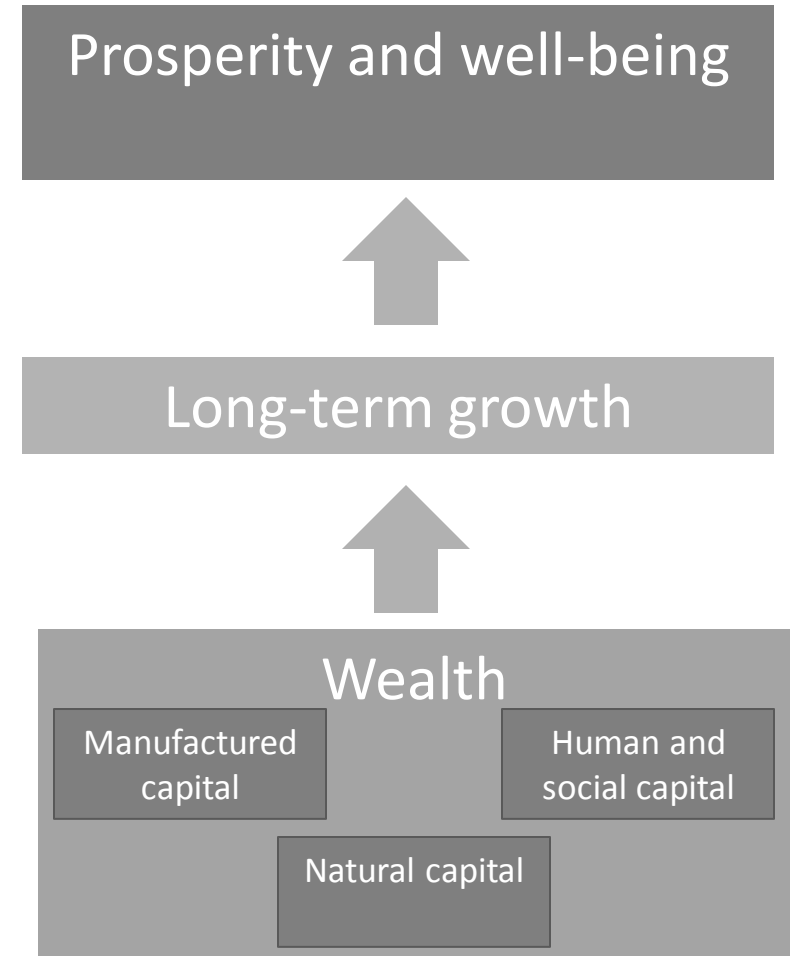
Section 2: Introducing WAVES

- WAVES Global Partnership Program
- WAVES in the Philippines
 - Introduction
 - Ecosystem Account for the Laguna Lake basin



GDP is an outdated & misleading measure of growth

- Change in GDP tells us if **growth is occurring**.
- Changes in wealth tell us if **growth is sustainable**.
- The process of building wealth involves **managing a portfolio of assets**, including
 - Manufactured capital
 - Human & social capital
 - **Natural capital**



Natural Capital is a critical component of wealth

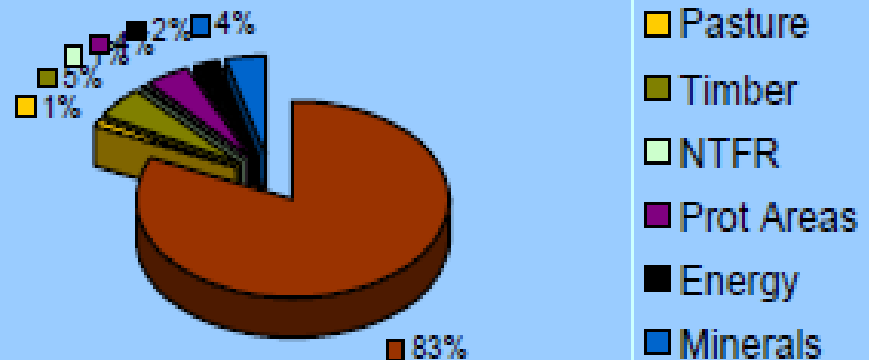
- Especially for less developed countries, where it makes up a **significant share (36%) of total wealth.**
- However, its contribution is **largely unaccounted for.**

Wealth of the Philippines (\$ per capita, 2005)

<i>US\$ per capita (2005)</i>	
Total Wealth	18,274
Produced Capital	2,485
Natural Capital	6,500
Intangible Capital	9,289

* Source: World Bank, 2006, *Where is the Wealth of Nations?*, World Bank: Washington DC

Natural capital composition

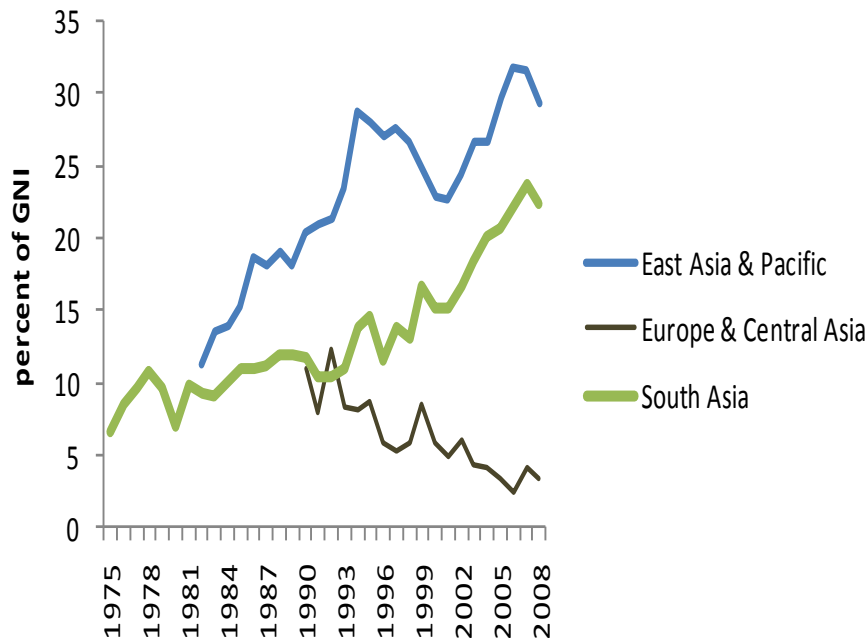


It can tell us whether wealth is growing or declining...

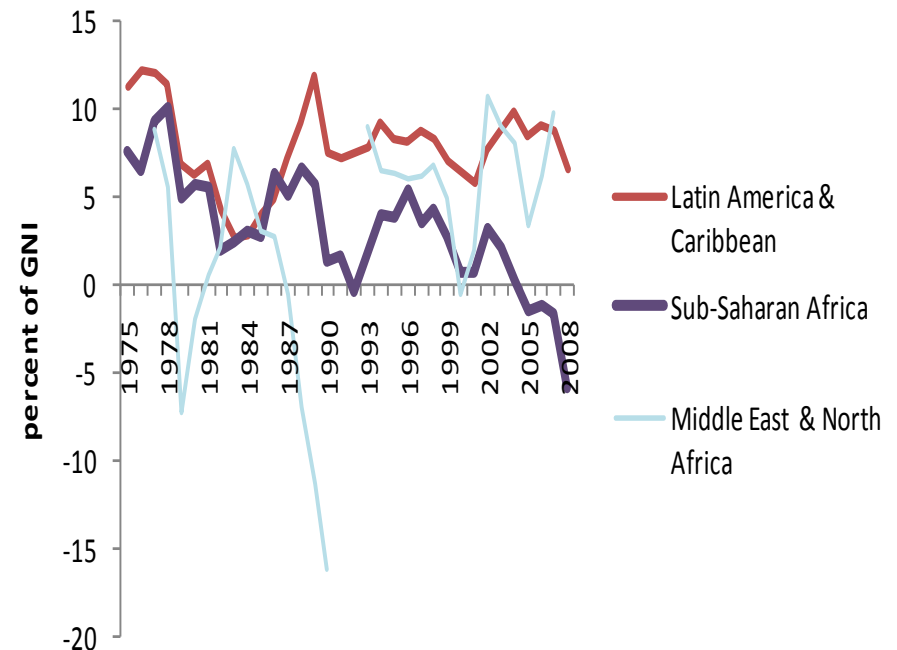
Building wealth ensures sustainable development

Depleting wealth – what will be left for future generations?

Adjusted Net Savings in EAP, ECA & SAR



Adjusted Net Savings in LCR, MNA & SSA



... and help make informed decisions about land use

Asset Accounts for Mangroves in Thailand

Value of mangrove

- Accounting only for marketed goods (timber and NTFPs): **\$864** per ha
- Accounting also for coastal protection: **\$16,861** per ha

Value if converted to shrimp farm

- **\$9,632** per ha



Source: Barbier, 2011

What is WAVES?



Implement green accounting in developed & developing countries

Comprehensive wealth
Phil-WAVES:

Uses of Environmental Accounts
Introduction

WAVES Partnership
Ecosystem Account for the Laguna Lake basin



What will WAVES do globally?

Issues

Lack of a clear policy link



WAVES solution

Help countries adopt and **implement accounts** that are **relevant for policies**

Lack of an internationally agreed methodology



Use **System of Environmental-Economic Accounting (SEEA) 2012** adopted

Partnership to develop ecosystem accounting **methodology**

Limited capacity



Global platform for training and knowledge sharing with support from international experts

Lack of leadership

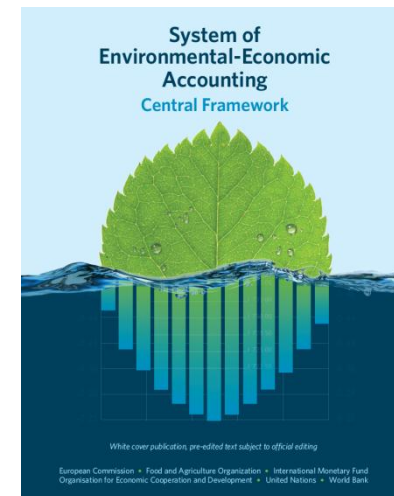


World Bank using **convening power** to build on renewed consensus

Why is it a good time to promote NCA?

Four main perspectives:

- **Policy:** there is strong demand for **evidence-based decision-making** in the President's social compact & key development plans.
- **Technical:** **methodological issues have been resolved** through the recent endorsement of SEEA 2012, overcoming institutional obstacles faced by earlier initiatives.



Why is it a good time to promote NCA?

- Institutional: Government capacity** from earlier initiatives facilitates implementation with targeted support for key institutions (e.g. NSCB & NEDA).

			Produced Assets	Non-Produced Economic Assets	Non-Produced Environmental Assets
			Opening Stock	Opening Stock	
Output	Imports				
Output for E/P	Imports for E/P				
Intermediate Input	Exports	Final Consumption	GCF	GCF	
II for E/P	Exports for E/P	FC for E/P	GCF for E/P	GCF for E/P	
CFC			CFC		
CFC for E/P					
NDP					
COE					
Operating Surplus					
Net taxes					
					Accumulation
					OVC
					valuation
					Opening Stock
					Depletion
					Degradation
					EDP



- Process: broad and early involvement of Government agencies & key stakeholders** to build ownership & promote institutionalization.

What will WAVES do in the Philippines?

- **Ecosystem account for Laguna Lake basin:** How can the Laguna Lake basin be managed sustainably to ensure ecological integrity whilst promoting inclusive economic growth? How can competing water uses be managed sustainably?
- **National Mangrove Accounts:** What is the value of mangroves? For coastal zone protection? For fisheries & tourism? For REDD+?



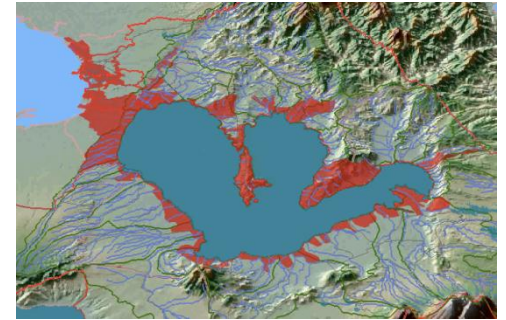
What will WAVES do in the Philippines?

- **National Mineral Accounts:** What is the mineral wealth of the Philippines & how could it be shared equitably & sustainably?
- **Ecosystem account for Southern Palawan:** What are the social, economic & environmental trade-offs of different resource use scenarios (e.g. minerals vs. ecotourism) & what are the implications for sustainable management?



Launch workshop to discuss the what & how

- The **policy question** will determine scope, scale and time frame of the accounts
- There are **many possible policy questions in Laguna Lake** related to the competing resource uses of
 - Agriculture
 - Ecotourism
 - Forestry
 - Shoreland reclamation
 - Water supply
 - Waste Water
 - Flood mitigation
 - Fisheries
- **Data availability** will determine which questions can ultimately be answered



What are the next steps?

- **28 August 2013:** information sharing session in Manila to identify policy issues
- **5-6 September 2013:** launch workshop in Manila to define key policy questions and identify data gaps/needs
- **4th Quarter 2013:** development and public consultation of the TOR
- **1st Quarter 2014:** hiring of technical staff & consolidation of existing data sources
- **2nd & 3rd Quarter 2014:** Compilation of ecosystem account



Wealth Accounting and Valuation of Ecosystem Services



WAVES

Maraming Salamat Po / Thank you

