

Southern Palawan: Frequently Asked Questions

What is ecosystem accounting?

Ecosystems are an intricate web of interdependence between humans and nature. We depend on ecosystems for our basic needs such as food, water and fuel. We also use its natural resources to drive our economies.

Some of these resources are reflected in our country's GDP. But services naturally provided to us by a healthy, well-functioning ecosystem such as flood control, air and water filtration and soil erosion prevention are neither quantified nor assessed for their economic value.

Ecosystem accounting is a way of accounting for all the benefits -- both concrete and intangible -- that ecosystems give us. In accounting for all the value nature provides us, we can manage these resources more sustainably and leave a healthier planet for future generations.

The framework of ecosystem accounting is based on the System of Environmental-Economic Accounting (SEEA), an internationally agreed standard of concepts, definitions, classifications, accounting rules and tables for producing internationally comparable statistics on the environment and its relationship with the economy.

What are ecosystem services?

Ecosystem services are the benefits people obtain from nature's ecosystems. Tangible benefits are used in economic and other human activity such as the use of timber to build houses or for energy. There are other ecosystem benefits that are intangible like water purification and flood control. Without these ecosystem services, our quality of life would be reduced.

Ecosystem services are classified into three types:

1. **Provisioning services** - reflects material and energy contributions generated by or in an ecosystem. For example, a fish or a plant with pharmaceutical properties. The associated benefits may be provided in agricultural systems, as well as within semi-natural and natural ecosystems.
2. **Regulating services** - results from the capacity of ecosystems to regulate climate, hydrological and bio-chemical cycles, earth surface processes, and a variety of biological processes. It is also commonly referred to as "regulating and maintenance services".
3. **Cultural services** - relate to the intellectual and symbolic benefits that people obtain from ecosystems through recreation, knowledge development, relaxation, and spiritual reflection.

What is the WAVES partnership and how is it related to ecosystem accounting?

WAVES stands for Wealth Accounting and the Valuation of Ecosystem Services. WAVES is a World Bank-led global partnership that aims to promote sustainable development by ensuring that natural resources are mainstreamed in development planning and national economic accounts. The Philippines has been selected as one of the eight core implementing countries where the WAVES Global Partnership Program (WAVES - GPP) has been implemented.

Why was Southern Palawan chosen as the pilot site for the ecosystem account?

Southern Palawan is an area that is highly mineralized, has rich levels of biodiversity, relatively rich fishing grounds supported by extensive mangrove forests, seagrass beds and coral reefs. The area is home to a number of indigenous tribes with strong potential for conservation, tourism and agriculture.

Southern Palawan was selected as one of the two pilot sites for ecosystem accounting because of the competing demands on its natural capital where ecosystem accounting following the "ridge-to-reef" approach can be demonstrated in an island setting.

What were the accounts produced for the Southern Palawan and who were the agencies/organizations involved in putting together these accounts?

The variety of ecosystem services supplied and the need to address competing resource use claims makes Southern Palawan an excellent case study area for testing the ecosystem accounting approach.

The Southern Palawan ecosystem account has been tested in three different levels of management areas:

- (i) the Southern Palawan region
- (ii) Pulot watershed which is the largest watershed in the region
- (iii) the coastal zone of Sofronio Espanola municipality

A Technical Working Group consisting of members from the Department of Environment and Natural Resources (DENR), the Palawan Council for Sustainable Development (PCSD), Western Philippines University, the local government of Sofronio Espanola, as well as international and national experts led the development of the ecosystem accounts. The technical experts of the group covered the disciplines of ecology, agronomy, forestry, hydrology, marine fisheries, policy analysis, GIS analysis and economics.

But we already know about deforestation, declining quality of coastal areas in Southern Palawan, what is new about this information you are telling me?

True, but this is the first time that we have scientific evidence-based information that will tell us a number of things. For example, the data can show us how much resources we have in physical terms and the monetary value of services of selected ecosystems, the degree of deterioration; and because of the mapping technology used, where these areas are. In addition, the accounts show how changes in ecosystems are impacting the sustainable use of natural resources and people.

More importantly, the Philippine government expects that the resulting methodologies and framework of this pilot study can be applied in different settings in other parts of the country where indicators, tools, and methodologies are required to inform development planning and policy analysis in support of the goals of sustainable use of natural resources, economic growth, and alleviating poverty.

Ok, so how will this information help the Department of Environment and Natural Resources, the Palawan Council for Sustainable Development and the local government units (LGUs) manage the ecosystem services?

The key findings from the developed ecosystem accounts can help inform management and governance decisions at both the municipal and provincial level.

The information provided by the accounts include the value of ecosystem services generated by our natural capital and how these contribute to the local economy.

At the municipal level, the accounts can help policymakers analyze the different development options for the municipality and rationalize the Comprehensive Land and Water Use Plan. For example, given the competition for water, what are the trade-offs of developing large tracts of land into industrial plantations such as oil palm and pineapple?

Additionally, the accounts can help direct local government investments by providing answers to questions like: "How much is the municipality losing in fishery resources with the continuing degradation of its coastal resource base?"

At the provincial level, the accounts can be used to monitor the effectiveness of the Environmentally Critical Areas Network (ECAN), the provincewide land and water use zoning scheme as a strategy to attain sustainable development. More importantly, the Philippine government expects the resulting methodologies and framework of this pilot study can be applied to different settings in other parts of the country.

Indicators can inform development planning and policy analysis in support of sustainable use of natural resources, economic growth and poverty alleviation.

Sources:
System of Environmental - Economic Accounting (SEEA) 2012
http://unstats.un.org/unsd/envaccouting/eea_white_cover.pdf



WORLD BANK GROUP
1818 H Street, NW,
Washington, DC 20433 USA

Facilitated by the World Bank, Wealth Accounting and the Valuation of Ecosystem Services 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.