

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



## Launch Workshop for the Southern Palawan Ecosystem Account

Manila, Philippines – September 3, 2013

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# Outline of the presentation

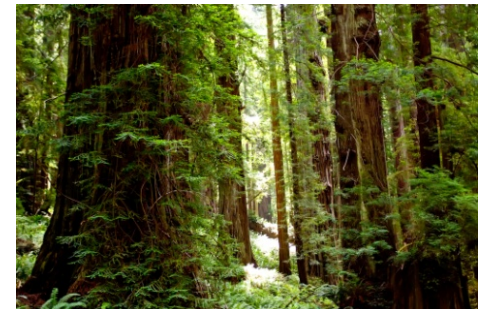
## **Section 1:** Introducing the key concepts

- Comprehensive wealth & natural capital
- Uses of Environmental Accounts



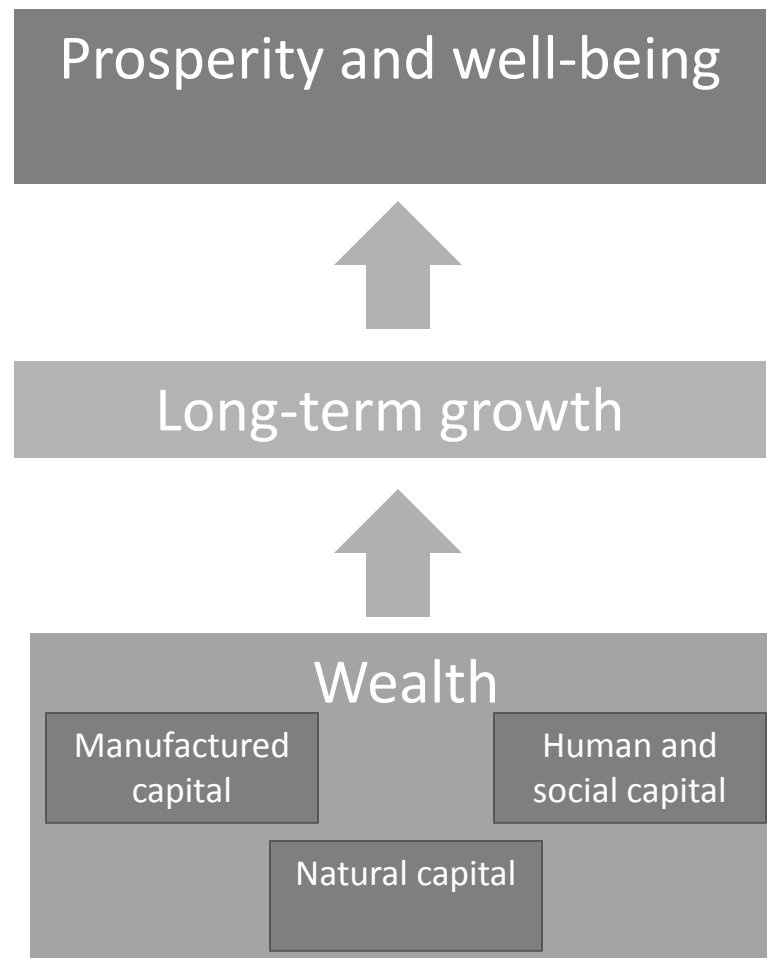
## **Section 2:** Introducing WAVES

- WAVES Global Partnership Program
- WAVES in the Philippines
  - Introduction
  - Ecosystem Account for Southern Palawan



# GDP is an outdated & misleading measure of growth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

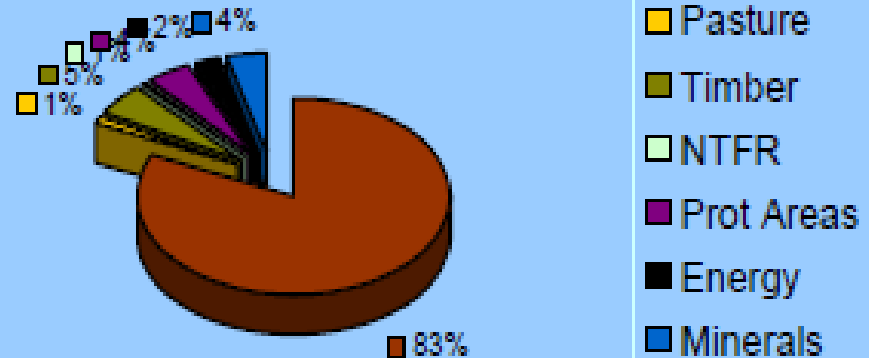
- Especially for less developed countries, where it makes up a **significant share (36%) of total wealth**.
- However, its contribution is **largely unaccounted for**.

## 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

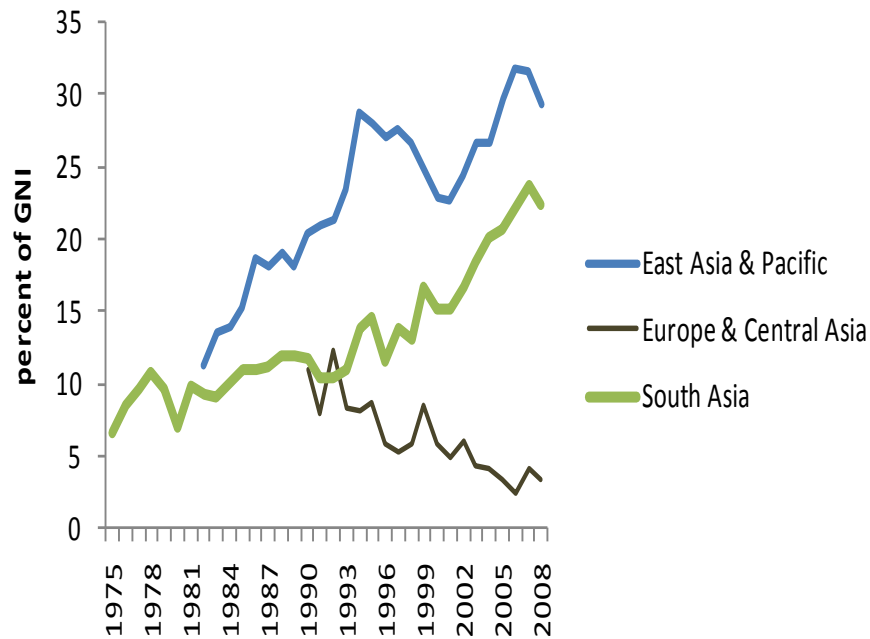
Natural capital composition



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

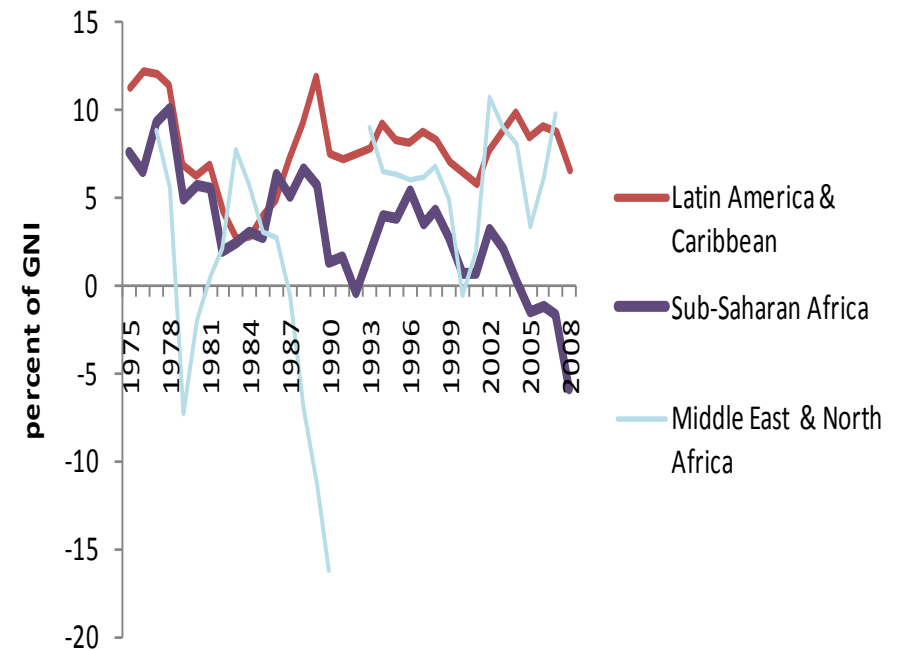
**Building wealth ensures sustainable development**

**Adjusted Net Savings in EAP, ECA & SAR**



**Depleting wealth – what will be left for future generations?**

**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 in Southern Palawan





# What will WAVES do globally?

## Issues

## WAVES solution

Lack of a clear policy link



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?

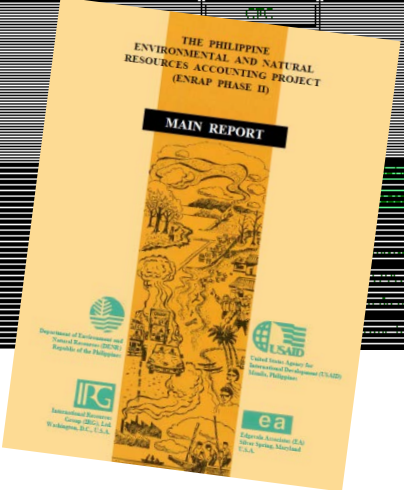
## Four main perspectives:

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



			Produced Assets	Non-Produced Economic Assets	Non-Produced Environmental Assets
			Gross Stock	Gross Stock	
Output	Inputs				
Output for GDP	Inputs for GDP				
Intermediate Input	Inputs	Final Consumption	GDP	GDP	
GDP for GDP	Inputs for GDP	FC for GDP	GDP for GDP	GDP for GDP	
GDP			GDP		
GDP for GDP					
MDP					
COE					
Expenditure, Supply					
Net Income					
Capital Income					
Government					
Private					

# What will WAVES do in the Philippines?

- **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?
- **National Mineral Accounts:** What is the mineral wealth of the Philippines & how could it be shared equitably & sustainably?





# 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+?



# 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 Southern Palawan** related to the competing resource uses of, e.g.
  - Mineral extraction
  - Fisheries
  - Forestry
  - Protected areas & biodiversity
- **Data availability** will determine which questions can be answered



# What are the next steps?

- **22-23 August 2013:** information sharing session in Southern Palawan to identify policy issues
- **3-4 September 2013:** launch workshop in Manila to define key policy questions and identify data gaps/needs
- **Autumn 2013:** development and public consultation of the TOR
- **Winter 2013:** hiring of technical staff & consolidation of existing data sources
- **Spring/Summer 2014:** Compilation of ecosystem account



# Wealth Accounting and Valuation of Ecosystem Services



**WAVES**

**Maraming Salamat Po / Thank you**

