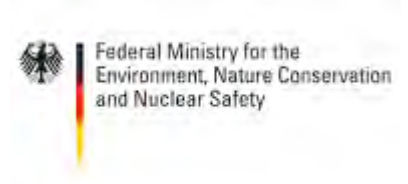




Financing for Development

Doha



The Economics of Ecosystems and Biodiversity (TEEB)

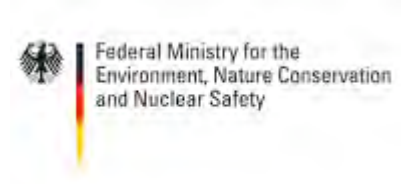


Herman Mulder

On behalf of Pavan Sukhdev, TEEB study Leader



Mission of TEEB



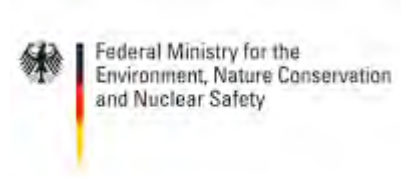
“Society must urgently replace its defective economic compass so that it does not jeopardize human well-being and planetary health through the undervaluation and consequent loss of ecosystems and biodiversity.”

Pavan Sukhdev, TEEB Study Leader
29.5.2008, CBD COP9

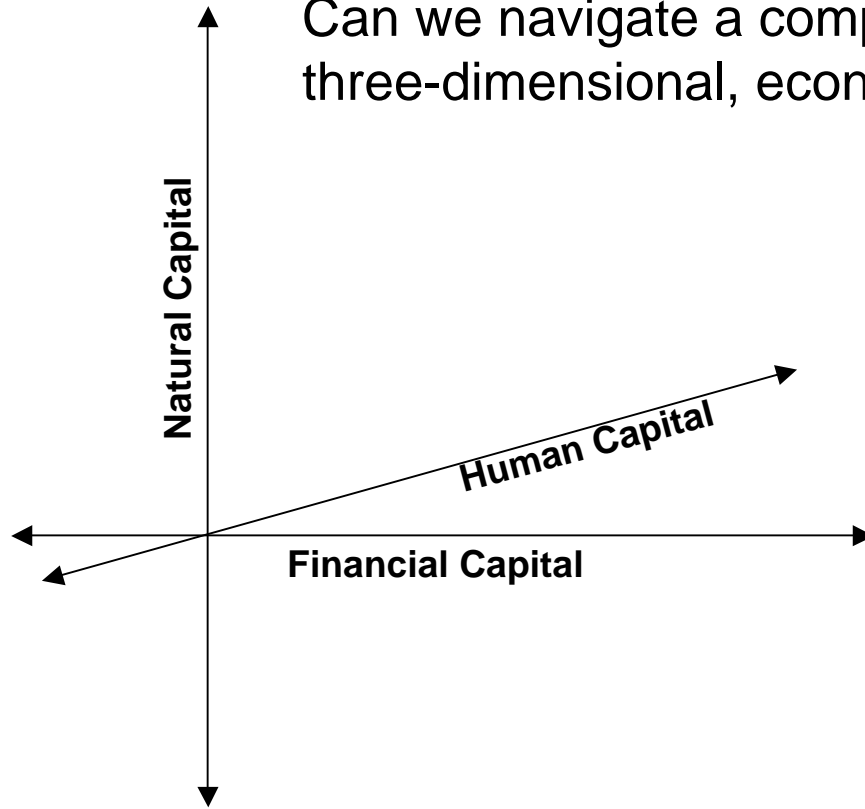




Navigation Challenge Ahead



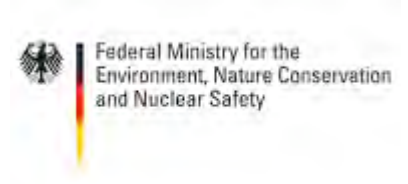
Can we navigate a complex,
three-dimensional, economic space ...



... with a simple economic compass ?



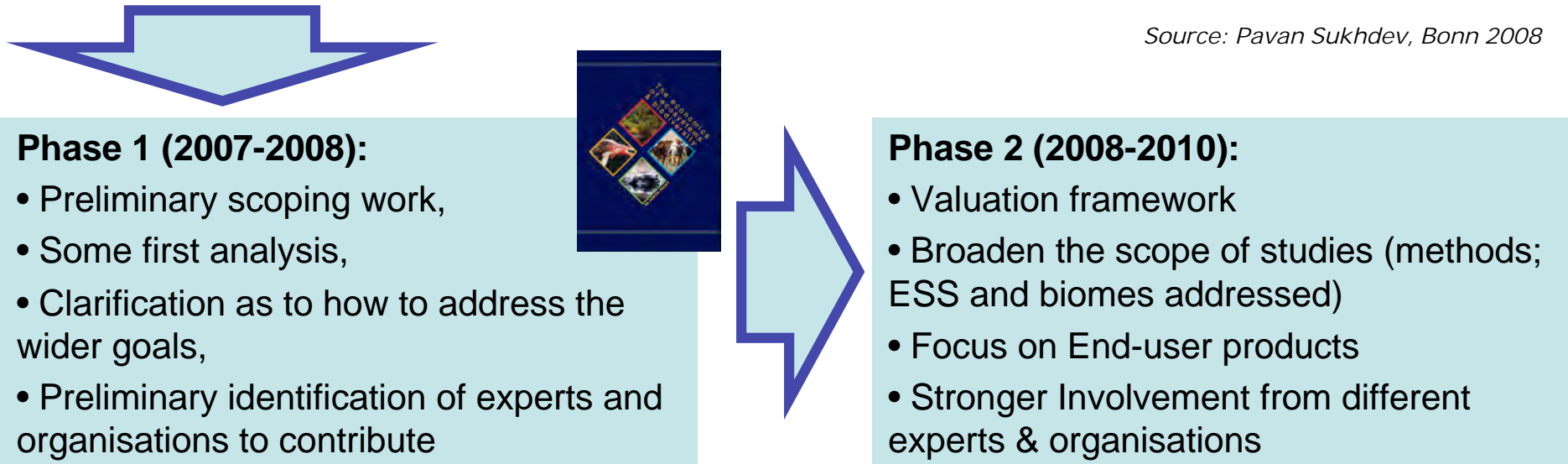
TEEB's goals



The Economics of Ecosystems and Biodiversity - TEEB's goals are

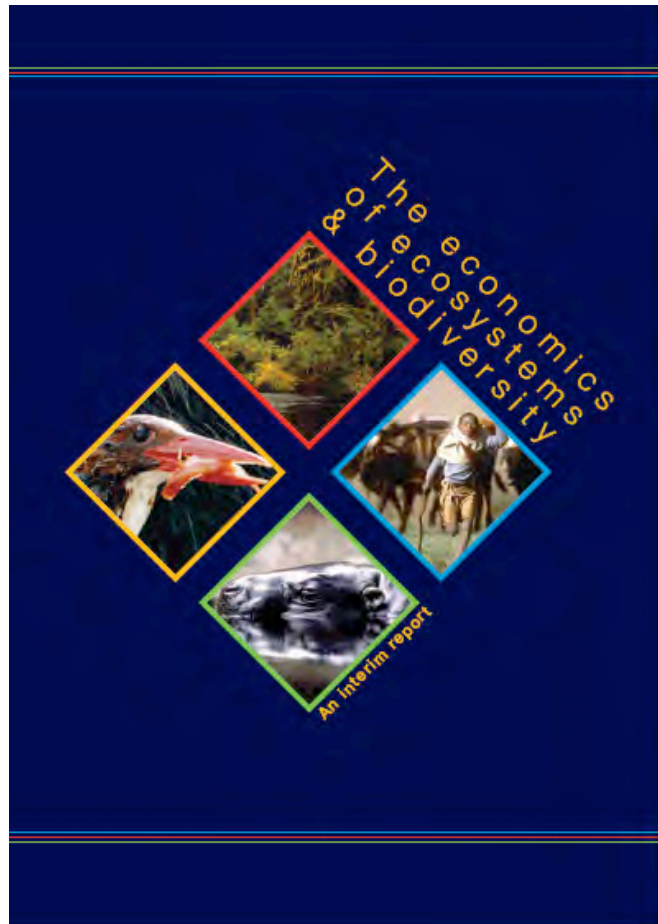
- To mainstream the economics of ecosystems and biodiversity
- To review extensively the current state of the science and economics of ecosystems and biodiversity, and recommend a valuation framework and methodology
- To address the needs of the "end-users" of these economics : policy-makers, local administrators, corporations and citizens

Source: Pavan Sukhdev, Bonn 2008





TEEB – Interim Report COP-9, Bonn, May 2008



Economic Size & Welfare Impact of Losses



Deep Links with Poverty

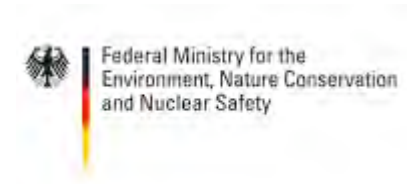


Ethics of Discounting



(1) Economic Size & Welfare Impact of Losses

Scenario of the future : 2050



based on known & conservative models (OECD baseline, Globio-3)

Table 7.1

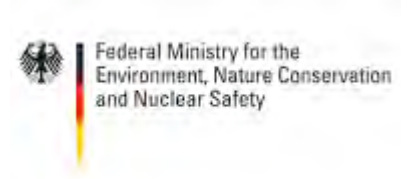
Actual	2000	2010	2050	Difference	Difference	Difference
Area	million km2	million km2	million km2	2000 to 2010	2010 to 2050	2000 to 2050
Natural areas	65.5	62.8	58.0	-4%	-8%	-11%
Bare natural	3.3	3.1	3.0	-6%	-4%	-9%
Forest managed	4.2	4.4	7.0	5%	62%	70%
Extensive agriculture	5.0	4.5	3.0	-9%	-33%	-39%
Intensive agriculture	11.0	12.9	15.8	17%	23%	44%
Woody biofuels	0.1	0.1	0.5	35%	437%	626%
Cultivated grazing	19.1	20.3	20.8	6%	2%	9%
Artificial surfaces	0.2	0.2	0.2	0%	0%	0%
World Total *	108.4	108.4	108.4	0%	0%	0%

Source : Braat & ten Brink (Eds., 2008): Cost of Policy Inaction, (Table 7.1)

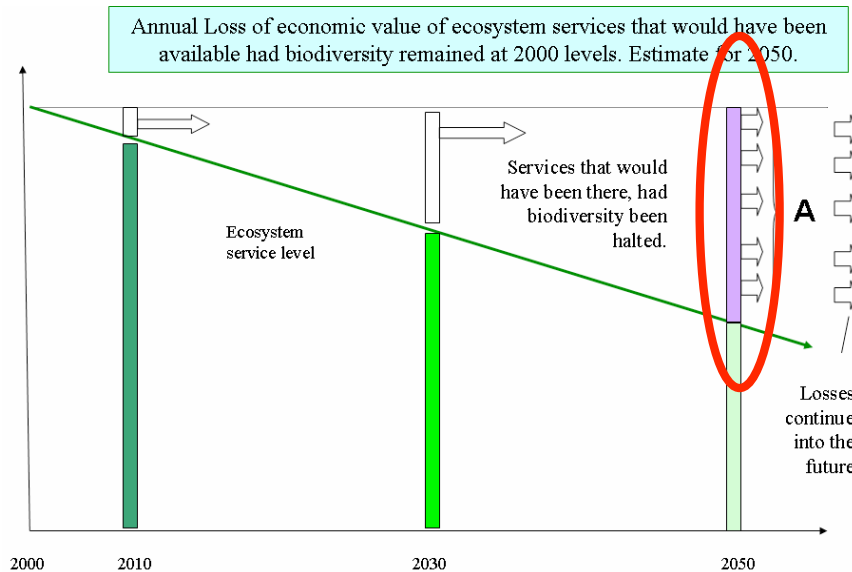


(1) Economic Size & Welfare Impact of Losses

Losses in 'Present Value' terms...

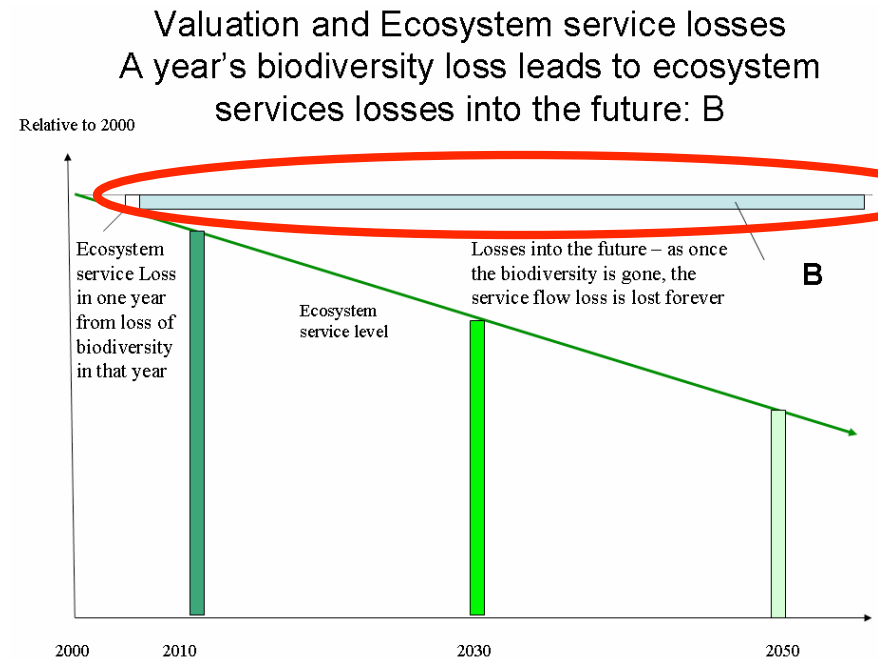


A : 50-year impact of inaction or 'business as usual'



Welfare losses equivalent to 7 % of GDP, horizon 2050

B : Natural Capital Loss every year



Natural Capital Lost : Annually EUR 1.35 x 10¹² to 3.10 x 10¹²

(@ 4% Discount Rate)

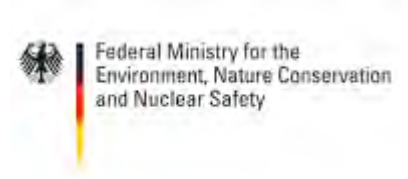
(@ 1% Discount Rate)

Source: Braat & ten Brink (Eds., 2008): Cost of Policy Inaction

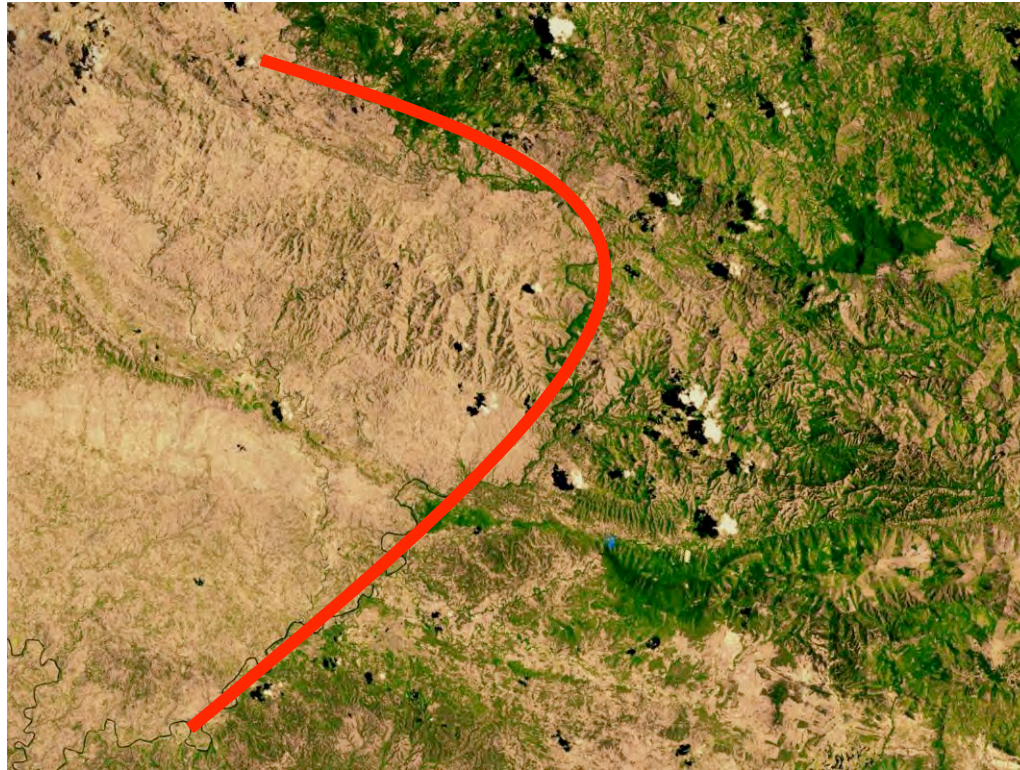


(2) Deep Links with Poverty

Impact on MDG: Example of Haiti



Haiti



Dominican Republic

MDG1: Eradicate extreme poverty and hunger

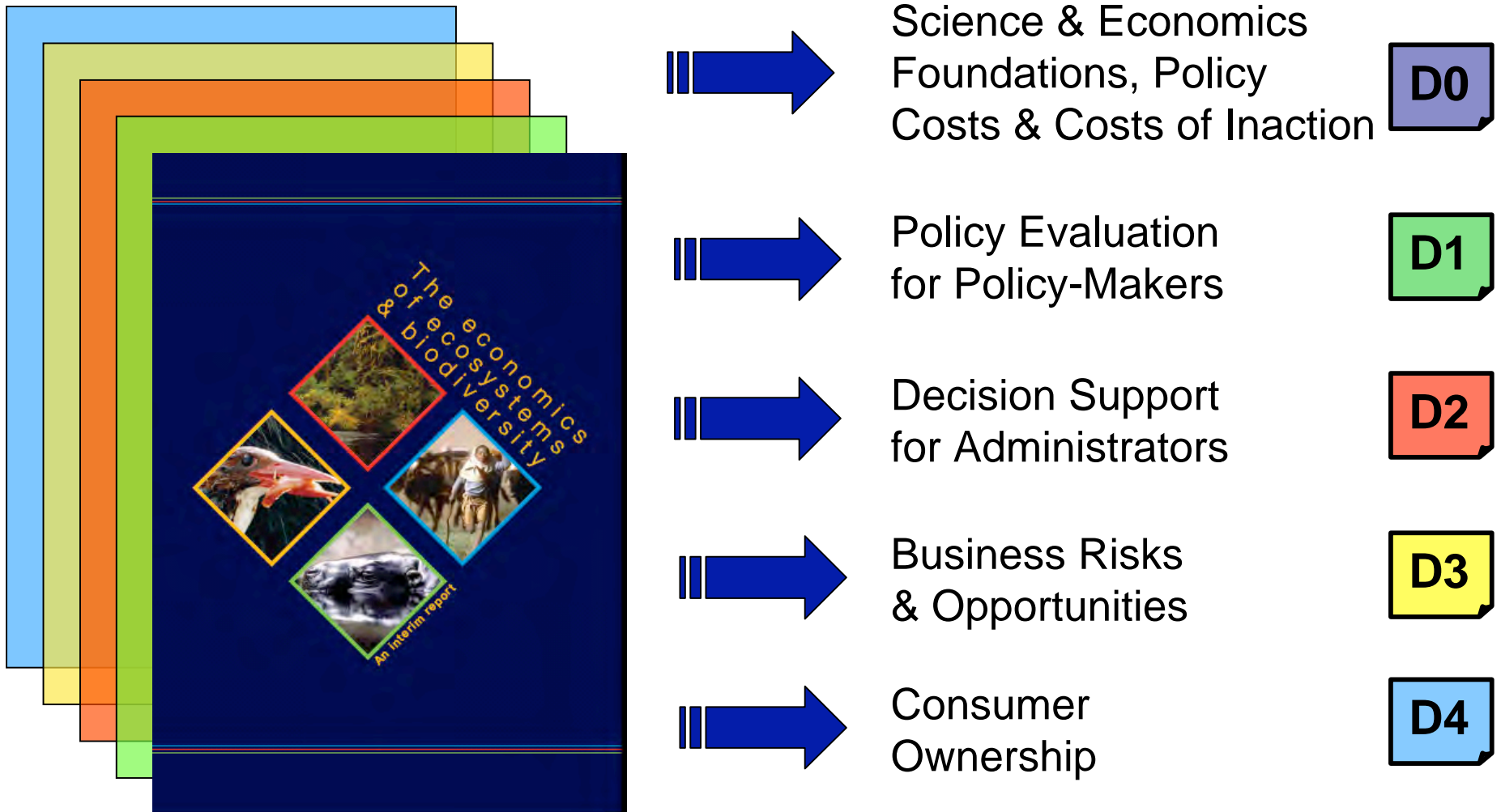
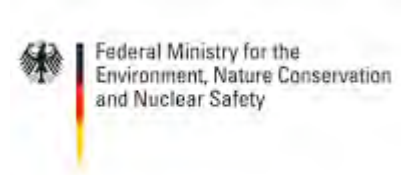
MDG5: Improve material health

MDG4: Reduce child mortality

Credits: NASA/Goddard Space Flight Center
Scientific Visualization Studio

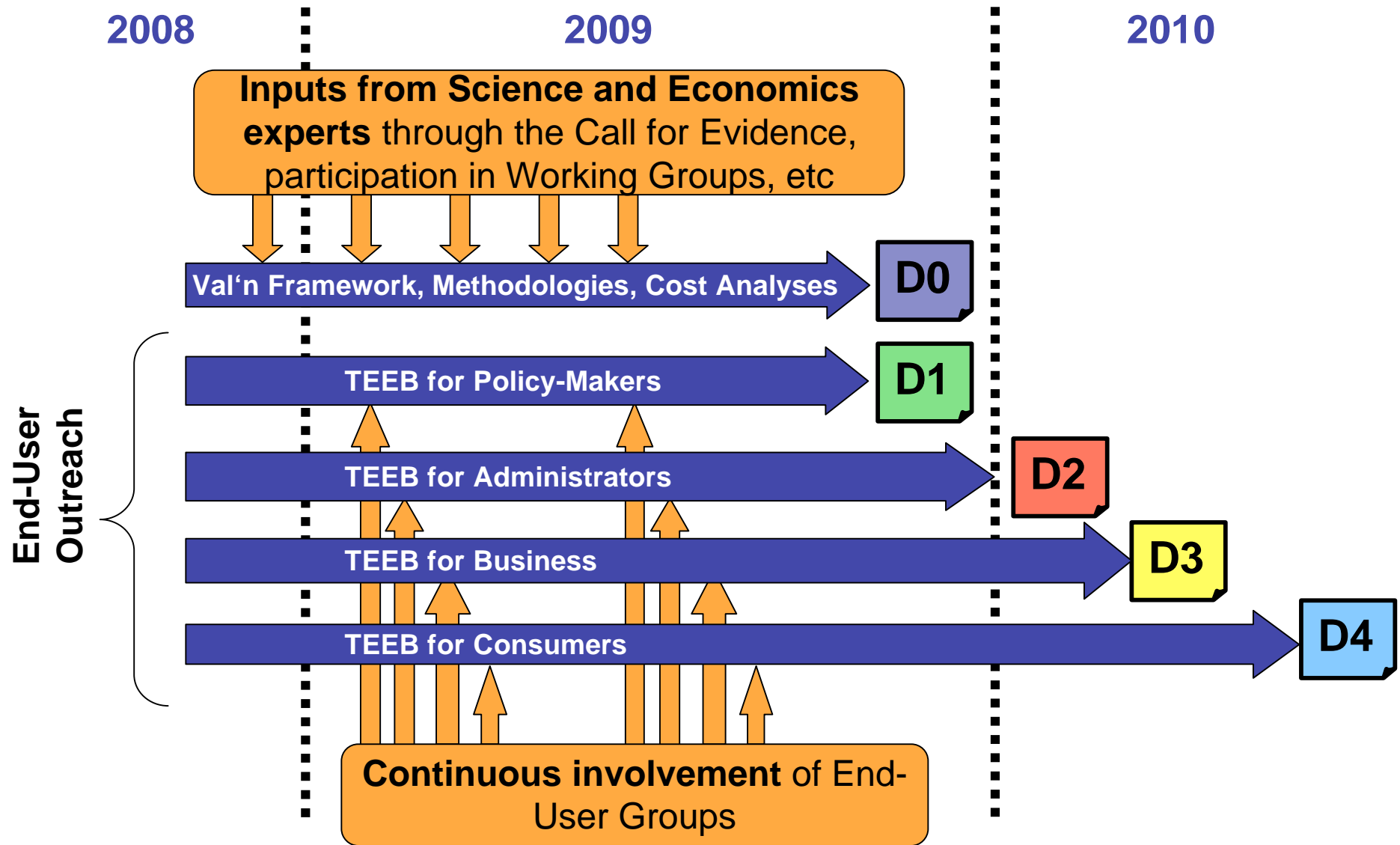
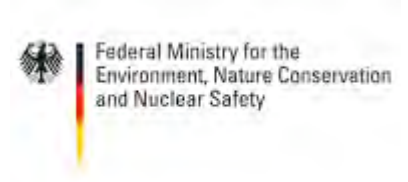


TEEB – Final Reports Sep 2009 - June 2010





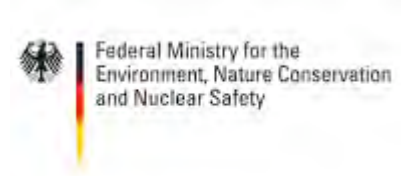
The Process for TEEB Phase 2





TEEB Phase 2

D3: TEEB for Businesses

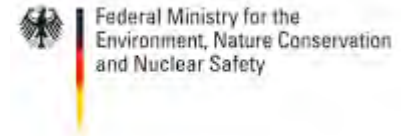


Topics to be addressed:

- Tools to help business managers **identify biodiversity risks and liabilities**
- The concept of “**no net loss**” or “**net positive impact**” on biodiversity and implications for business accounting systems
- New **biodiversity business opportunities**, including bio-friendly segments within established sectors, e.g. eco-agriculture, eco-tourism, certified forestry, as well as new sectors, e.g. biocarbon, biodiversity banking
- How to make business assets / capacities / skills more relevant to conservation through **public-private partnerships**
- Mainstreaming ecosystem indicators and values in corporate management and annual **reporting systems**
- The role of environmental regulation and market structures in **pricing ecosystem assets and liabilities**
- How business can help build a **green economy and green jobs**

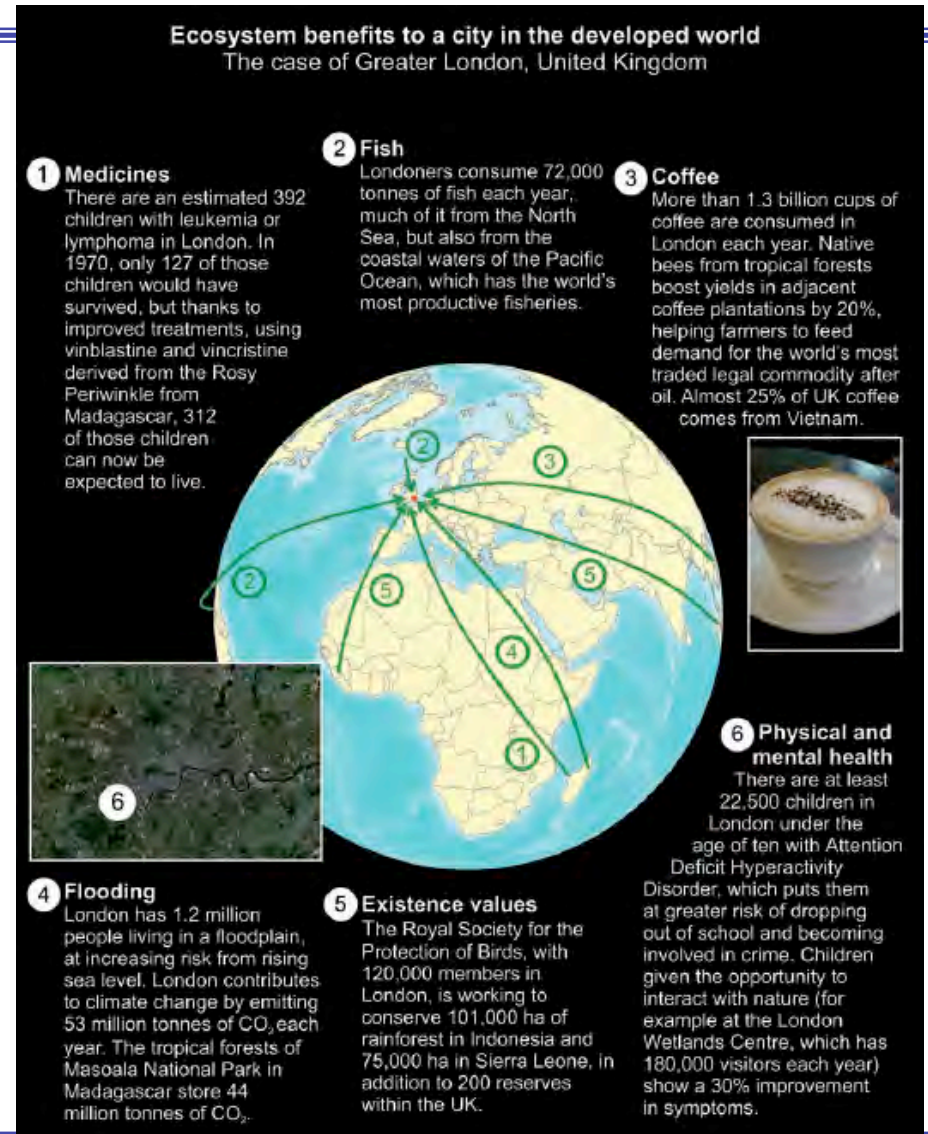


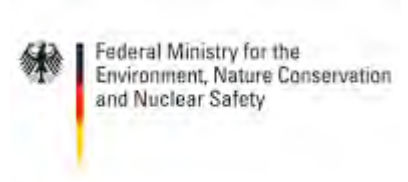
Insert: Trade and biodiversity ... from a TEEB perspective



- Trade as one main driver for biodiversity loss and degradation of ecosystem services
- **BUT** also main driver for the sustainable use of natural resources by ensuring
 - production standards, labelling
 - ensuring livelihoods for the poor
- TEEB will outline / exemplify these positive links
- TEEB D1 to address the issue for policy-makers

Source: Andrew Balmford & Ana Rodrigues 2008 *Scoping the Science report. Contribution to TEEB Report*





Thank You !

For further information:

http://ec.europa.eu/environment/nature/biodiversity/economics/index_en.htm

(or google „TEEB Europa“)

For contributions: Call for Evidence

http://ec.europa.eu/environment/nature/call_evidence.htm

Contact: TEEB Scientific Coordination via teeb@ufz.de

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