

REPORT “INVESTING IN HEALTHY ECOSYSTEMS MAKES ECONOMIC SENSE”

Following the release of the TEEB's policy makers report entitled “The Economics of Ecosystems & Biodiversity”, the Dutch Ministry of Foreign Affairs, the Ministry of Agriculture, Nature and Food Quality and the Ministry of Housing, Spatial Planning and the Environment organised a conference on 20 April 2010 on the theme “Investing in healthy ecosystems makes economic sense”.

The guest speakers were:

Patrick ten Brink, co-ordinator of the TEEB for Policy Makers report and Head of the Institute for European Environmental Policy's Brussels Office

Jetske Bouma, researcher at the Institute for Environmental Studies at the VU University Amsterdam

Patrick ten Brink first outlined the goals of the TEEB study, which was launched by Germany and the EU Commission, and which gained subsequent additional support by the United Nations Environment Programme, UK, Norway, Sweden and the Netherlands. These goals include:

- Demonstrating the value of ecosystems, biodiversity and natural resources (natural capital) to the economy, to society and to the wider environment
- Underlining the urgency of action - what we have and what we risk losing, the benefits and opportunities of action as well as an analysis of the costs involved
- Showing how the value of ecosystem services and biodiversity can be assessed, and how we (can) take their value into account in our decisions and choices
- Identifying and supporting solutions, while addressing the needs of policy-makers, local administrators, business and citizens (the “end-users”)

Mr. Ten Brink underlined the fact that current decision making is biased towards short-term economic benefits, as the (long-term) value of ecosystem services is poorly integrated. He added that the concept of *public goods* often has an impact on what constitutes a “good” decision in terms of land or resource use for society as a whole. He underlined that there is an increasing awareness of the value of natural capital, and their importance as public goods. We can expect future legislation - as well as its implementation - to ever increasingly take the value of nature into account. Furthermore, he underlined that there is an increasing evidence base of where working with nature (e.g. for carbon storage, water purification and provision) can be less costly than man-made solutions, and that looking at the potential cost savings of working with nature will be increasingly mainstreamed.

To adequately respond to the value of nature, regulation and economics-based policy instruments that take into account the notions of both public and private goods are needed. There is a need to invest in natural capital, both within protected areas, and in wider ecosystems. There is a continued need for regulation - to avoid pressures on the environment by setting standards, and to set frameworks for markets to work better and encourage the greening of the supply chain and the economy more widely.

Furthermore, both international and national action and cooperation is appropriate - given the global flow of benefits - and necessary - given the different responsibilities and opportunities for action.

In addition, there is also a need for local/regional action:

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- Engagement of the business community (safeguard inputs, business opportunities to realise, and risks and liabilities to manage)
- Citizens, who have a dual role as consumers and responsible agents with an ability to play important roles in their consumption, investment and lifestyle decisions.

Societies need to truly appreciate the value of nature to ensure that our natural capital and with it our wellbeing and livelihoods are not eroded. Mr. Ten Brink concluded by saying that the whole picture of benefits and costs must be appreciated, including the “here and now, the over there and over time, and the private and public”. It is essential that we understand:

- who the winners and losers are
- where there are champions to take things forward and windows of opportunity to make use of
- where there are likely pockets of resistance that need understanding and addressing
- what transition measures need to be put in place to help move to a more resource efficient economy that integrates an appreciation of the value of nature, and works within the limits of our ecosystems.

Following Patrick ten Brink’s presentation, **Jetske Bouma** started off by pointing at the great disparity between stated and the actual willingness-to-pay for biodiversity conservation: although many studies show that people are willing to pay for ecosystem services and biodiversity, the global availability of conservation funds is much lower than what is needed to protect ecosystem services provision worldwide. One of the reasons for this disparity are the so-called free-rider incentives: countries (and people) that do not contribute to global biodiversity conservation and the sustainable use of the components of biological diversity, still benefit from the contributions made by others because biodiversity - and some ecosystem services also - are global public goods.

Therefore, rather than relying on individual and voluntary contributions, we need global commitment to safeguard biodiversity and to convert the economic value of ecosystem services into actual decision-making and financial flows. Given the major uncertainties associated with biodiversity conservation and the institutional, legal, economic, political and organizational issues that need to be addressed in order to effectively manage ecosystem services provision, more research is needed regarding the governance of ecosystem services and effective instruments and tools. Ms. Bouma showed that this information is currently lacking: whereas the number of publications in the field of ecosystem services valuation and ecology are rocketing, the number of publications on ecosystem services governance is still very low.

Thus, to bring about innovation and to make sure that the required investments in healthy ecosystems are actually made, effort must be put into the development and testing of effective instruments and investment tools. In addition, political commitment is needed to translate values into concrete decisions and financial flows. Last but not least, it is important that a better understanding is gained of how biodiversity and the provision of ecosystem services are linked. Currently, biodiversity is still a rather abstract concept, and much about the relationship between biodiversity and the provision of ecosystem services is still unclear. Political commitment requires a broad understanding of the need and urgency of global biodiversity conservation and the sustainable use of its components, an understanding that must get the full attention.

“There is a renaissance underway, in which people are waking up to the tremendous values of natural capital and devising ingenious ways of incorporating these values into major resource decisions.” - Gretchen Daily, Director of Stanford University’s Centre for Conservation Biology