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Plenary of the Intergovernmental Science-Policy
Platform on Biodiversity and Ecosystem Services

Second session

Antalya, Turkey, 9–14 December 2013

Item 4 (a) of the provisional agenda[[1]](#footnote-1)\*

Initial work programme of the Platform:
work programme 2014–2018

Initial scoping for the fast-track methodological assessment of the conceptualization of value, valuation and accounting of biodiversity and ecosystem services

 Note by the secretariat

 I. Introduction

1. Recognizing that it would be necessary to move forward with the programme of work for 2014–2018 following its approval by the Plenary of the Intergovernmental Science‑Policy Platform for Biodiversity and Ecosystem Services at its second session, the Bureau and the Multidisciplinary Expert Panel agreed to prepare, for consideration by the Plenary at that session, a number of initial scoping documents based on the prioritization of requests, suggestions and inputs put to the Platform and the deliverables set out in the draft programme of work (IPBES/2/2). The present note sets out the initial scoping for a proposed fast-track assessment of the conceptualization of value, valuation and accounting of biodiversity and ecosystem services. It has been developed in accordance with the draft procedures for the preparation of the Platform’s deliverables (IPBES/2/9).

 II. Scope, rationale and utility

 A. Scope

1. The objective of the proposed fast-track methodological assessment is to assess human well‑being (viewed both subjectively and objectively); how value is conceptualized; how values, beliefs and norms guide behaviour and decision-making; value formation; valuation methodologies (for market and non-market economic, human health and individual and shared social (economic and non-economic) values); and accounting methodologies for ecosystems and the provisioning, regulating and cultural services that they provide.

 B. Rationale

1. The assessment is proposed in response to a need for a baseline that will facilitate the undertaking of global, regional, subregional and thematic assessments in a consistent manner that recognizes data availability limitations.

 C. Utility

1. The assessment will result in the development of guidelines for thematic and regional, subregional and global assessments and the development of policy tools for incorporating economic, health and non-economic values into decision-making by Governments, the private sector and civil society.

 III. Chapter outline

1. It is contemplated that the fast-track assessment will be presented in a nine-chapter report, as set out below:
2. Chapter 1 of the assessment report will be an introduction to human well-being and the notion of subjective and objective well-being, constituents and determinants of well-being and the distinction between individual and shared social values.
3. Chapter 2 will discuss how values are conceptualized; how beliefs, values and norms guide behaviour and decision-making; how values have been formed in the past and the factors that contribute to value formation at the individual, household, community, subnational, national, regional and global levels; and value formation under various external and internal conditions.
4. Chapter 3 will introduce the concepts of valuation and accounting (discussing the application, utility and complementarity of these two different approaches) and the importance and use of economic and non-economic values and accounting systems in conducting assessments, reporting and decision-making. The chapter will build on previous work, including work on the economics of ecosystems and biodiversity; the National Ecosystem Assessment of the United Kingdom of Great Britain and Northern Ireland ; the Wealth Accounting and the Valuation of Ecosystem Services programme of the World Bank; the Turkish project to train interest groups and prepare guidelines for the integration of nature conservation into the economic system; work by the United Nations Committee of Experts on Environmental-Economic Accounting; the United Nations System of Environmental-Economic Accounting; and the Inclusive Wealth Report. Issues to be addressed include:

 (a) Total and marginal values, discounting, limitations, uncertainties, principles of economic analysis, stocks and flows of ecosystem services, and sectoral and macroeconomic implications;

 (b) Interactions between the economy and the environment, including stocks and changes in stocks of environmental assets;

 (c) Theoretical issues concerning the valuation of biodiversity; existence value, opportunity costs (non-reversible biodiversity loss), shared values and use of portfolio theory (bundling);

 (d) Strong versus weak sustainability;

 (e) First order and second order marginal rates of substitution and marginal rates of transformation;

 (f) Total economic value: use value (direct use), non-use value (indirect use), [option value](http://en.wikipedia.org/wiki/Option_value), bequest or existence values and individual and shared social values;

 (g) Valuation in the long-term view of changes in linked social-ecological systems;

 (h) Implications of future flows of ecosystem services, including implications for intergenerational equity;

 (i) Theory and practical applications of national accounting systems.

1. Chapter 4 will discuss economic methodologies and approaches relevant to ecosystem services, such as value via adjusted market prices, contribution to output, avoided costs, production function, observed and experimental behaviour and stated preferences, for a range of ecosystem services, including agricultural food production, water quantity and quality, human health, carbon storage, recreation and tourism, pollination, energy production, pollution removal, waste assimilation and biodiversity use and non‑use values, among other things. The need to consider risk and uncertainty, and irreducible uncertainty around the risk distribution for some elements of future events, will also be discussed.
2. Chapter 5 will consider ecosystem services that contribute to health (taking into account and avoiding double counting of ecosystem services that might be considered not only in connection with health but also in connection with other areas such as nutrition and human health, as discussed in chapters 4 and 6).Issues discussed will include methodologies for assessing the value of ecosystem services with regard to mental health (e.g., sense of place), physical health and social engagement.
3. Chapter 6 will consider methodologies for assessing the shared, plural and social value of ecosystems (e.g., conceptualization of cultural, social and shared non-economic values, such as cultural ecosystem services and their spiritual and aesthetic benefits; and methodologies for comparing aggregated individual values (monetary and non-monetary) with shared values).
4. Chapter 7 will feature a discussion of how to achieve a transition from theory to practice in environmental accounting systems such as the System of Environmental-Economic Accounting. Topics will include linkages with national accounts, concepts, principles and procedures, frameworks, methodologies and learning from case studies that test whether such systems meet reporting and policy needs.
5. Chapter 8 will discuss existing capacity to work with the value, valuation and accounting techniques assessed, identifying lacunae in knowledge and expertise. It will consider capacity-building activities needed to enable stakeholders to take account of value, valuation and accounting for the purposes of subregional, regional and global assessments.
6. Chapter 9 will examine the creation of a framework for embedding the ecosystem approach and ecosystem values into appraisals and policymaking and decision-making processes. Topics will include a conceptual framework, a typology of tools, methodologies and an assessment of barriers and opportunities, including the costs associated with implementation.

 IV. Process and timetable

1. The proposed process for undertaking the assessment and the timetable for carrying it out are outlined in the following table.

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| *Time frame* | *Actions* |
| 2013 | Fourth quarter | The Plenary at its second session reviews and approves the initial scoping exercise prepared by the Multidisciplinary Expert Panel (14 December 2013) |
| Fourth quarter | The Panel issues a call, through the secretariat, to Governments and other stakeholders for nominations of experts (report co-chairs, coordinating lead authors, lead authors and review editors) to conduct the assessment based on the results of the scoping exercise approved by the Plenary (9 December 2013–10 January 2014) |
| 2014 | First quarter | The Panel, via e-mail and teleconferences, selects the co-chairs, coordinating lead authors, lead authors and review editors using the approved selection criteria (see IPBES/2/9) (11–24 January 2014) |
| First/second/ third quarters | The report co-chairs, coordinating lead authors and lead authors prepare an initial draft report and summary for policymakers (25 January–25 July 2014). The authors meet in February to further develop the annotated outline and the sections and chapters that have been assigned to them, and again in early July to finalize the report and prepare the summary for policymakers  |
| Third quarter | The draft report and summary for policymakers are reviewed by experts and Governments and other stakeholders (26 July–12 September 2014) |
| Third/fourth quarters | The report co-chairs, coordinating lead authors and lead authors revise the draft report and summary for policymakers under the guidance of review editors and the Panel. The authors and review editors, with a small number of Panel members, meet once to prepare the final draft report and the summary for policymakers (13 September–7 November 2014) |
| Fourth quarter | The summary for policymakers is translated into all the official languages of the United Nations (8 November–5 December 2014) |
| Fourth quarter | The final draft report and summary for policymakers are sent to Governments and other stakeholders for final review (6 December 2014–6 February 2015) |
| 2015 | First quarter | Governments send written comments on the summary for policymakers to the secretariat by 31 January 2015 |
| First quarter | The Plenary reviews and accepts the report and approves the summary for policymakers (starting after 8 February 2015) |

 V. Cost estimate

1. The table below shows the estimated cost of conducting the fast-track assessment and preparing the fast-track assessment report.

(United States dollars)

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| *Year* | *Cost item* | *Assumptions* | *Cost* |
| 2014 | First author meeting (80 co‑chairs, coordinating lead authors and lead authors, plus 4 Multidisciplinary Expert Panel/ Bureau members, plus 1 technical support staff member) | Meeting costs (1 week, 85 participants) (25 per cent in kind) | 15 000 |
| Travel and DSA (64 x $3,000) | 192 000 |
| Second author meeting (80 co‑chairs, coordinating lead authors and lead authors, plus 4 Panel/Bureau members, plus 1 technical support staff member) | Meeting costs (1 week, 85 participants) (25 per cent in kind) | 15 000 |
| Travel and DSA (64 x $3,000) | 192 000 |
| Third author meeting (80 co‑chairs, coordinating lead authors and lead authors, plus 18 review editors, plus 4 Panel/Bureau members, plus 1 technical support staff member) | Meeting costs (1 week, 104 participants) (25 per cent in kind) | 18 750 |
| Travel and DSA (78 x $3,000) | 234 000 |
| Technical support | 1 full-time equivalent professional position (50 per cent in kind) | 75 000 |
| 2015 | Participation by 2 co-chairs and 2 coordinating lead authors in the third session of the Plenary | Travel and DSA (3 x $3,000) | 9 000 |
| Dissemination and outreach (summary for policymakers (10 pages) and report (200 pages)) | Translation of the summary for policymakers into all the official languages of the United Nations, publication and outreach | 117 000 |
| **Total** |  |  | **867 750** |

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1. \* IPBES/2/1. [↑](#footnote-ref-1)