



### **Press Brief**

## **INDIA LAUNCHES MAJOR NEW STUDY FOR VALUATION OF ITS NATURAL CAPITAL AND ECOSYSTEM SERVICES**

*New Delhi, February 18, 2011*

The Ministry of Environment and Forests has initiated a major new programme to value the immense wealth of natural resources and biodiversity in India. Collaborating with *The Economics of Ecosystems and Biodiversity (TEEB)* study, the Ministry has begun the process of valuating its natural capital and ecosystem services in terms of economic value.

The consultations for the TEEB India Programme for Local and Regional Policy Makers in New Delhi was inaugurated last week by India's Minister for Environment and Forests, Jairam Ramesh, who said his country was planning a national economic assessment along TEEB lines.

"India is planning a TEEB for India study to assess its natural capital. We are committed to developing a framework for green national accounts that we can implement by 2015, and we are confident that the 'TEEB for India' study will be the key facilitator."

Thus, the India TEEB project aims to recognize and harness the economic valuation of biodiversity and ecosystem services. It targets action at the policy-making level, the business decision level and the awareness of citizens.

### **What is TEEB**

TEEB is a study of The Economics of Ecosystems and Biodiversity established by the G8 and developing country environment ministers that studies the economics of biodiversity loss. By providing solutions to environmental degradation, TEEB aims to connect decision-makers in the fields of policy, environment conservation and business. It visualizes a new form of economy, which quantifies natural capital and thus makes the ecosystem the supplier of capital, and a new entity in public and private markets.

TEEB proved that taking this 'natural capital' into account could help countries on a global level, as well as enhancing quality of life and boosting the economy at a local level. The next logical step is for countries with an interest in utilizing the potential of their natural capital and 'ecosystem services' to conduct studies of their own natural resources and implement new policies that focus on their benefits and use.

### **The Wealth of India's Natural Resources**

With only 2.4% of the world's land area, India accounts for 7 to 8% of the world's plant and animal species. It is one of 18 megadiverse countries and contains three global biodiversity hotspots. India shows a high degree of endemism, which is why conserving its biodiversity is essential for the future. As a developing country, our dependence on natural capital is more than higher-income countries. Transforming these resources into other forms of wealth is essential for our development, but it must be in a sustainable manner to ensure continued growth and the survival of our resources. Our resources and ecosystem services are often



undervalued, and we should tap their potential while they still exist. Studies show that a per capita increase in wealth is a result of an efficient use of produced and natural capital. It is with the twin aims of biodiversity conservation and economic growth that India TEEB is conceived.

## **The Partnership**

MoEF is responsible for leading the project. Along with this, private donors and funds will be approached for subsequent support. The first step in this partnership was the Stakeholder's Consultation in Delhi, held on the 10<sup>th</sup> and 11<sup>th</sup> of February. This conference was held to develop a framework for assessing the economic value of India's natural resources and strengthening biodiversity conservation programs in the country. Interested states presented conservation initiatives that had been successful at the local level – these will potentially be presented as 'best practice' examples at COP – 11.

Two groups will be created: India TEEB Implementation Taskforce. This Taskforce will be responsible for action countrywide and within the pilot states, and must be comprised of an institution familiar with TEEB and similar evaluation projects worldwide. They will in turn facilitate the creation of a TEEB India Advisory Board to provide overall guidance to the project; this will consist of members from TEEB and the Ministry, from India and abroad, with significant knowledge of the economics of ecosystems and biodiversity.

The next step would be to have these stakeholder meetings in each of the states chosen to take the project forward: Himachal, Andhra Pradesh, Andaman & Nicobar and Arunachal. These meetings will take place in the next two months, and will involve concerned stakeholders particular to each state. TEEB India will have a particular focus on business and ensuring livelihoods. As a measure to include business stakeholders in the process, there will be a India TEEB business conference aimed at the private sector in the next two months.

## **Way forward**

The Taskforce will be responsible for the following steps:

- A survey of biodiversity and ecosystem services coming from various biomes to the socio-economic groups that benefit from them, particularly in terms of livelihoods, health, food, water and energy.
- A framework of what and how to value natural resources in India.
- Mapping ecosystem services and their values
- Calculating EASDP (Environmental Adjusted State Domestic Product) from changes in forests, freshwater, agricultural land and carbon sequestration, (per-capita Natural Capital) etc.
- This includes calculating 'Green Domestic Product' and 'Green State Domestic Product'
- Another GDP to be calculated is the 'GDP of Rural and Forest Dependant Poor'
- These will be expected to be recalculated on a bi-annual basis.



Within the pilot states, the Taskforce will be responsible for six steps:

- Identify specific ecological and economic problems in the state
- Specify the ecosystem services and natural capital that are relevant to state policy
- Select appropriate methods for disseminating information
- Identify and assess policy options
- Assess distributional impacts of policy options
- The capacity-building exercises for economic valuation of natural resources should be at the most basic organizational level – the results of the valuation process should be owned by local *panchayats* and block-level institutions.

### **Timeline**

#### **2012:**

- The first phase of the five pilot states is expected to take two years and will be completed to present at the 11<sup>th</sup> Conference of Parties in 2012, which India will be hosting. In addition, we hope to compile enough successful case studies of local conservation to present at the conference.
- In addition, a model for calculating Green Domestic Product is also expected to be in place by the conference

#### **2013:**

- The final India TEEB report should come out in December, 2013.

#### **2015:**

- A final calculation of Green Domestic Product and a framework for state governments to evaluate their own GDP on a bi-annual basis in the future

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