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Item 4 (a) of the provisional agenda*

**Initial work programme of the Platform:
Work programme 2014-2018**

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

1. Recognizing that it would be necessary to advance with the work programme for 2014–2018 once it was approved by the Plenary of the Intergovernmental Science-Policy Platform on 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 in the draft work programme (IPBES/2/2). As referred to in document IPBES/2/16, the present note is one such scoping document, and it sets out below 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 fast-track and standard approaches to the preparation of deliverables in the draft procedures for the preparation of the Platform's deliverables (IPBES/2/9).

I. Scope, rationale and utility

A. Scope

2. The objective of the proposed fast-track 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

3. 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.

* IPBES/2/1.

C. Utility

4. 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

II: Chapter outline

5. It is contemplated that the results of the fast-track assessment will be presented in a report featuring nine chapters. Those chapters are outlined in the following paragraphs.

6. 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.

7. 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.

8. 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 building on previous work, including work on the economics of ecosystems and biodiversity; the United Kingdom of Great Britain and Northern Ireland's National Ecosystem Assessment; the World Bank's Wealth Accounting and the Valuation of Ecosystem Services programme; INCIES – Turkish Project of Training of Interest Groups and Guideline Preparation for Integration of Nature Conservation into Economical 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 (TEV) - use value (direct use), non-use value (indirect use), 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.

9. 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.

10. 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.
11. 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, e.g., cultural ecosystem services and their spiritual and aesthetic benefits; methodologies for comparing aggregated individual values (monetary and non-monetary) to shared values).
12. 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 Environment - Economic Accounting (SEEE). 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.
13. 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 value, valuation and accounting into account for the purposes of subregional, regional and global assessments.
14. Chapter 9 will examine the creation of a framework for embedding the ecosystem approach and ecosystem values into appraisals and policy-making 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.

III. Process and timetable

15. The proposed process for undertaking the fast-track assessment and the timetable for carrying it out are outlined in the following table.

2013	Q4	The Plenary at its second session reviews and approves the initial scoping prepared by the Multidisciplinary Expert Panel (14 December 2013).
		The Panel issues a call, through the secretariat, to Governments and other stakeholders for nominations of experts (report co-chairs, coordinating lead authors (CLAs), lead authors (LAs) and review editors (REs) to conduct the assessment based on the scope approved by the Plenary (9 December 2013-10 January 2014).
2014	Q1	The Panel, via e-mail and teleconferences, selects the co-chairs, CLAs, LAs and REs using the approved selection criteria set out in document IPBES/2/9 (11-24 January 2014).
	Q1-Q3	The report co-chairs, CLAs and LAs prepare the first draft report and summary for policymakers (25 January –25 July 2014). The CLAs and LAs 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. A web-based portal could be used to solicit inputs from the wider scientific community for this purpose.
	Q3	The draft report and summary for policymakers are reviewed by experts and Governments and other stakeholders (26 July – 12 September 2014).
	Q3-Q4	The report co-chairs, CLAs and LAs revise the draft report and summary for policymakers under the guidance of review editors and the Panel. The CLAs, LAs and REs, with a small number of Panel members, meet once to prepare the final draft report and summary for policymaker (13 September–7 November 2014).
	Q4	The summary for policymakers is translated into the six official United Nations languages (8 November – 5 December 2014).
	Q4	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	Q1	Governments send written comments on the summary for policymakers to the secretariat by 31 January 2015.
	Q1	The Plenary reviews and accepts the report and approves the summary for policymakers (starting after 8 February 2015).

IV. Cost estimate

16. The table below shows the estimated cost, in United States dollars, of conducting the fast-track assessment and preparing the fast-track assessment report.

Year	Cost item	Assumptions	Cost
2014	First author meeting (60 co-chairs, CLAs and LAs + 4 MEP/Bureau + 1 technical support staff)	Meeting costs (1 week, 65 participants) (25 percent in kind)	15 000
		Travel and DSA (49 x \$3000)	147 000
	Second author meeting (60 co-chairs, CLAs and LAs + 4 MEP/Bureau + 1 technical support staff)	Meeting costs (1 week, 65 participants) (25 percent in kind)	15 000
		Travel and DSA (49 x \$3000)	147 000
	Third author meeting (60 co-chairs, CLAs and Las + 12 REs + 4 MEP/Bureau + 1 technical support staff)	Meeting costs (1 week, 77 participants) (25 percent in kind)	15 000
Travel and DSA (58 x \$3,000)		174 000	
	Technical support	1 full-time equivalent professional position (50 percent in-kind)	75 000
2015	Participation in the third session of the Plenary by two co-chairs and two CLAs	Travel and DSA (3 x \$3000)	9 000
	Dissemination (10-page summary for policymakers + 200-page report + fast-track assessment outreach)	Publication of summary for policymakers in six official United Nations languages, outreach	117 000
Total			714 000