

# Policy demand for ecosystem valuation and accounting in the the European Union

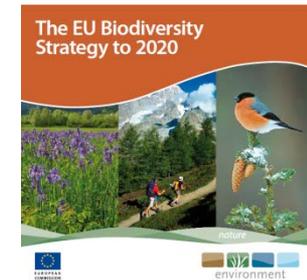
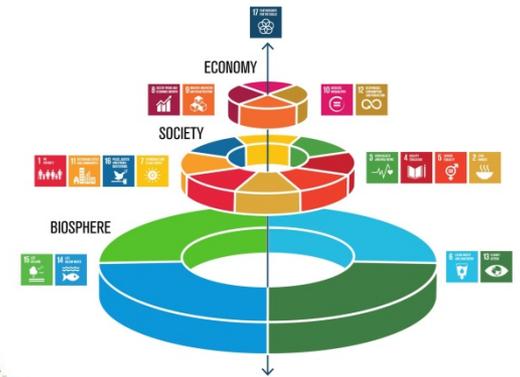


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Expert meeting on Ecosystem Valuation in the context of Natural Capital Accounting, 24-26 April 2018, Bonn, Germany

# Policy Context

- *Sustainable Development Goals*
- *7<sup>th</sup> Environmental Action Plan*
- *EU Biodiversity strategy*
- *Action Plan for nature, people and the economy*
- *EU pollinators initiative*



# 7EAP and Natural Capital



*Natural Capital "includes ecosystems that provide essential goods and services , from fertile soil and multi-functional forests to productive lands and seas, from freshwater and clean air to pollination, flood control and climate regulation and protection against natural disasters"*

The integration of the economic value of ecosystem services into accounting and reporting systems at EU and national level by 2020 will result in better management of the EU's natural capital'

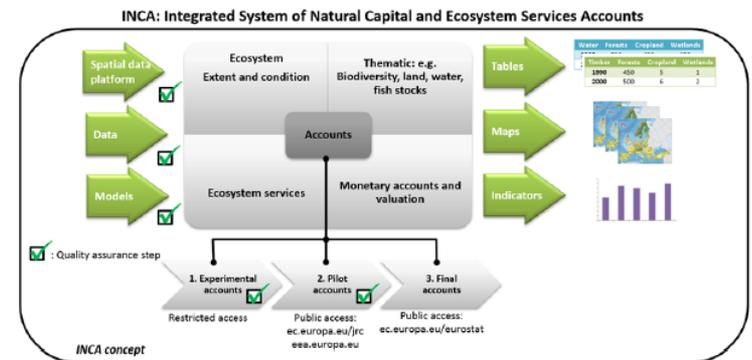
# MAES and Natural Capital Accounting

**Action 5 of EU Biodiversity Strategy: Improve the knowledge of ecosystems and their services in the EU**

*“Member States, with the assistance of the Commission, to map and assess the state of ecosystems and their services in their national territory by 2014, assess the economic value of such services, and promote the integration of these values into accounting and reporting systems at EU and national level by 2020”*

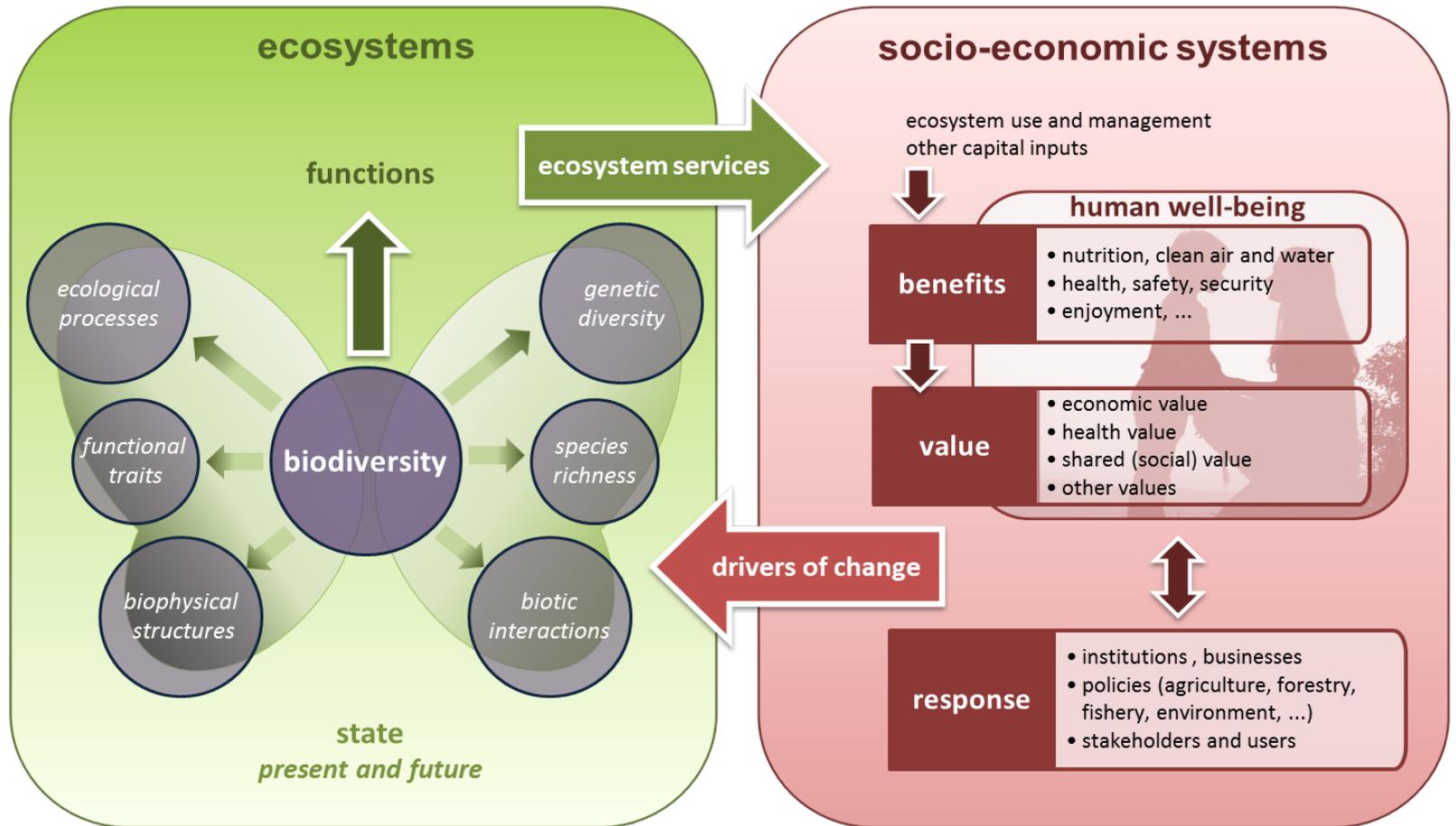


The working group on Mapping and Assessment of Ecosystems and their Services (**MAES**) oversees the implementation of Action 5



Knowledge Innovation Project on Integrated System of Natural Capital and Ecosystem Services Accounts (**KIP INCA**)

# MAES overall conceptual framework



# Valuation and mainstreaming





# Potential policy uses of NCA

Make better decisions by accounting for range of ecosystem benefits and values in decision-making; Determine synergies/trade-offs

## **At macro-level:**

- Develop macro-indicators, both physical and monetary
- Raise awareness; Identify limits and thresholds (sustainability dimension)

## **Sectoral and environmental policies:**

- Show how sectors benefit from and impact on natural capital
- Synergies and trade-off across policies
- Common reference frame for assessing progress towards targets (eg 15% restoration target)
- Streamlined reporting across policies

**Other dimensions: international and corporate**  
**Policy Applications: testing and piloting**





# INCA Study on Valuation for Natural Capital Accounting

Three broad (non-mutually exclusive) categories:

1. Limited extension to national accounts to measure economic activity (linked to SNA)
  - exchange values for final ecosystem services dominant
2. Satellite accounts (physical and monetary) to provide fuller information
  - more flexibility (role of intermediate services, value concepts and methods) and choice of specific purposes of accounts.
3. Comprehensive Wealth Accounts
  - Clearer distinction needed between natural capital asset valuation (stocks) and service valuation (flows) – would help in sustainability of natural capital use



# INCA Study on Valuation for Natural Capital Accounting

Ways forward suggested:

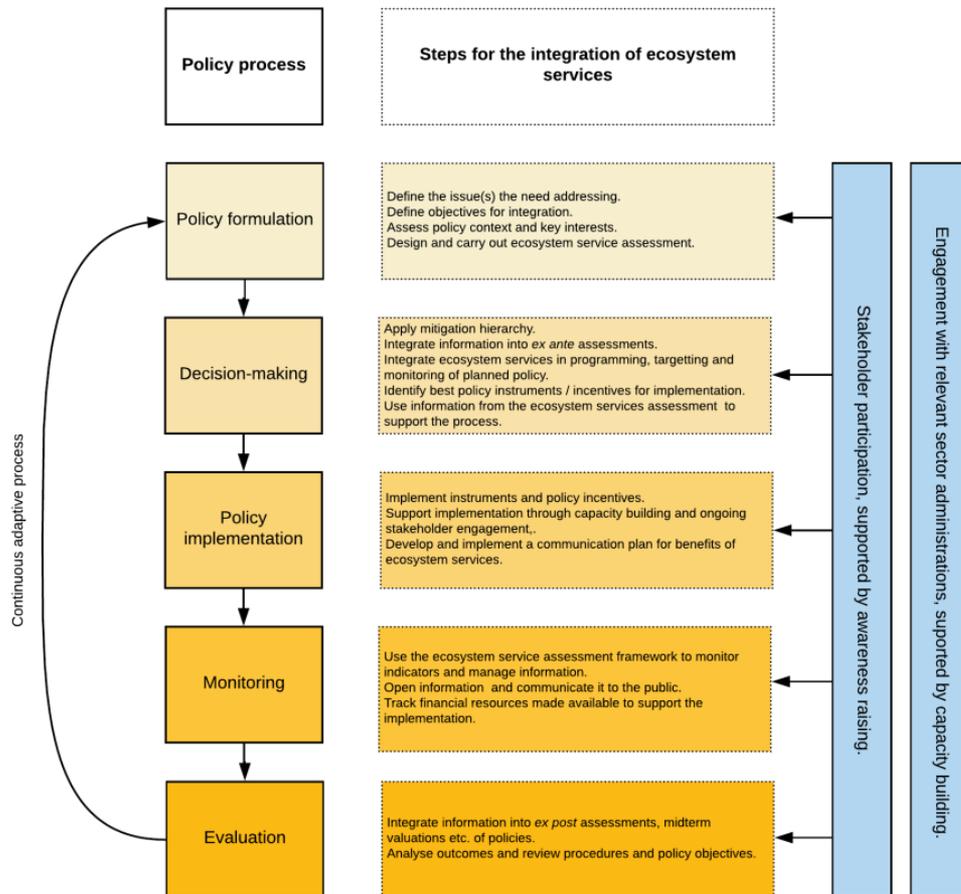
- Specific extensions to SNA can be researched
- Mainly work on sets of satellite accounts without push for integration – fit for various policy purposes and link SNA/ecosystem accounts
- More experimentation: comparisons of different approaches (e.g. exchange and welfare) and on sustainability

2018 tasks:

- Support testing of Ecosystem Accounts in specific policy areas: e.g. restoration, GI, Natura 2000 site management, agriculture, pollinators/pollination, bioeconomy...)
- Integration of broader set of values, welfare and exchange values; non monetary. Incorporate into decision making, based on test cases.

# EU Guidance: Integration of ecosystem services in decision-making

(summer 2018)



- Acknowledgement of the value of nature & multifunctional ecosystems
- **Enhancing ecosystem resilience & broad range of ecosystem services**
- Integration at every stage of the policy process
- **Call for case studies:** (un)successful experiences & lessons learned



# EU Guidance: Integration of ecosystem services in decision-making

Assessing & valuing ES with a multiple approach combining qualitative and quantitative data

