



European Network of Heads of Nature Conservation Agencies (ENCA). ENCA is an informal network which fosters exchange of information and collaboration amongst its partners, identifies future challenges and offers information and advice to decision-makers in the field of nature conservation and landscape protection.

ENCA brings together scientific evidence and knowledge of practical application together with experiences in administration and policy advice in the context of biodiversity and ecosystem goods and services. More details can be found under [www.encanetwork.eu](http://www.encanetwork.eu).

Statements are positions approved on by ENCAs active participants for communication to a wider public.

## **ENCA Position Statement 4/2009 on –**

# **THE ECONOMICS OF ECOSYSTEMS AND BIODIVERSITY (TEEB)**

### **Executive Summary**

Nature is the source of much value to human welfare every day, and yet it mostly bypasses markets, escapes pricing and defies valuation. The absence of valuation either in monetary or qualitative terms is, just one of many causes for the observed degradation of ecosystems and the loss of biodiversity. Gaining a better understanding of the economics of ecosystem services and the benefits of biodiversity may provide a rationale to safeguard and extend protected areas and maintain biodiversity friendly land uses, showing how to realize and share their value with stakeholders and local communities without jeopardizing their biodiversity benefits.

The Economics of Ecosystems and Biodiversity (TEEB) initiative is a project that seeks to address the deficiencies of current economic appraisal instruments and will propose new models that take account of the fundamental and underpinning role of ecosystems and their biodiversity that sustain our planet.

ENCA strongly endorses and supports this ground-breaking initiative. The continuation of the project as an umbrella for the regionalisation of the investigative work, as well as keeping an oversight on the application of the measures that will result from this, are from an expert view essential consequences of TEEB.

**This statement was approved on during the 7<sup>th</sup> ENCA plenary meeting held in Mijet, Coratia on September 7<sup>th</sup> 2010 by the following agencies:**

Agency for Nature Conservation and Landscape Protection (Czech Republic)  
IHOBE S.A. Public-owned Company of environmental management of the Basque country (Spain - Basque Country)  
Countryside Council for Wales (UK - Wales)  
Directorate for nature management (Norway)  
Federal Agency for Nature Conservation (Germany)  
Federal Office for the Environment FOEN (Switzerland)  
Environment Agency (Austria)  
Environmental Board (Estonia)  
European Environment Agency EEA (Europe)  
Institute of the Republic of Slovenia for Nature Conservation (Slovenia)  
Institute for Environmental Protection and Research, ISPRA (Italy)  
Institute for Nature Conservation of Serbia  
Joint Nature Conservation Committee (UK)  
Metsähallitus Natural Heritage Services (Finland)

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Natural England (UK - England)

Netherlands Environmental Assessment Agency (Netherlands)

Scottish Natural Heritage (UK - Scotland)

Staatsbosbeheer (Netherlands)

State Institute for Nature Protection (Croatia)

State Service of Protected Areas under the Ministry (Lithuania)

### Introduction

Inspired by the work of Nicholas Stern, the TEEB initiative was launched following the meeting of the G8+5 Countries' Environmental Ministers in Germany in March, 2007. At this meeting it was resolved by the Ministers to:

*'initiate in a global study the process of analysing the global economic benefit of biological diversity, the costs of the loss of biodiversity and the failure to take protective measures versus the costs of effective conservation'.*

TEEB is headed by Pavan Sukhdev (his professional experience includes being chairman of Deutsche Bank's Global Marketing Centre, Mumbai, India and Founder-Director of the Green Accounting for Indian States Project). In addition to a team of expert staff, the TEEB project is supported by a distinguished Advisory Board of global experts.

The output of Phase I of TEEB was presented at the 9<sup>th</sup> Conference of the Parties on the Convention on Biological Diversity (CBD) held in Bonn, Germany in May 2008<sup>1</sup>. The Phase I report<sup>2</sup> provides strong evidence of significant human welfare impacts and economic losses – at global and local scales – associated with the degradation of ecosystems and reductions in biodiversity. The report also presents a general framework for assessing and addressing the impacts of biodiversity loss.

Phase II of TEEB, which is programmed to run until the end of 2010, is an important contribution that will be presented to the CoP 10 in Nagoya, Japan, and aims to:

- Strengthen economics as an instrument in biodiversity policy through improved understanding of the benefits from biodiversity, ecosystem services and the costs of their loss
- Synthesise state-of-the-art scientific and applied knowledge for the main types of ecosystems worldwide and to propose a selection of cost-effective policy options for protecting biodiversity and ecosystem services
- Help policy makers, local authorities, companies and individuals in making decisions with respect to their responsibilities in safeguarding biodiversity.

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<sup>1</sup> COP 9 participation: <http://www.cbd.int/doc/meetings/cop-bureau/cop-bur-2008/cop-bur-2008-10-teeb-en.pdf>

<sup>2</sup> Teeb Phase 1 report:

[http://ec.europa.eu/environment/nature/biodiversity/economics/pdf/teeb\\_report.pdf](http://ec.europa.eu/environment/nature/biodiversity/economics/pdf/teeb_report.pdf) and TEEB Phase 1 final summary: <http://ec.europa.eu/environment/nature/biodiversity/economics/pdf/scoping.pdf>

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### Statement

1. We consider that the role of the natural environment – the ecosystems of the planet – as the life support system of the human race is absolutely irrefutable; and that if anthropogenic damage to ecosystems and the loss of biodiversity continues unabated it is likely to impair the ability of these natural systems to support human life.
2. We note that the goods and services provided by ecosystems and the benefits of biodiversity are generally free at the point of delivery and therefore largely escape the embrace of the market.
3. We consider that the benefits to mankind from the goods and services provided by ecosystems and biodiversity are consequently poorly understood and are frequently undermined by deficient economic analyses and inappropriate policy interventions. Assigning property rights, offering payments for ecosystem services and benefits from biodiversity and introducing tradable conservation obligations may assuage such market failure and make market forces work in favour – instead of against – biodiversity.
4. It is our opinion that Gross Domestic Product (GDP) should include additional indicators of human welfare – and that consideration should be given to how GDP may be directed in a more equitable and sustainable way between and within countries and future generations.
5. We conclude that the measurement of changes in human welfare through analysis and monitoring of human, social and natural capitals may provide a more meaningful measure.
6. We concur with the benefits identified in the Phase 1 report, that better understanding of biodiversity economics can help:
  - Gain political support: to match that achieved in other sectors.
  - Improve policy making: to support better decisions about sustainable land use.
  - Improve the governance structures: taking into account the distribution of relevant competences and the concerns of those most affected by protection.
  - Create cashflow: a key to funding ecosystem services and biodiversity.
  - Endeavour in ENCA member states to undertake studies on the valuation of ecosystem goods and services (EGS) and on financial reward systems for land managers who protect and assure the EGS and the components of biodiversity that are provided by their land holding.
7. We will share our information within the network and with TEEB. We hope that the results of the study will have a huge impact on political decisions in future. However, ascribing a monetary value to certain ecosystems and benefits of biodiversity should not be the only argument being consulted, when it comes to trade-offs between different ecosystems, all being potentially rich in biodiversity.
8. Having this in mind and acknowledging, that a global study like TEEB cannot be a concrete manual to be used in all regions of the world without any further processing, we encourage that in addition to TEEB regional studies will:
  - be spatially specific
  - focus on how ecosystems function and get deeper into the relations between biodiversity and ecosystem services

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- explore the response of ecosystems, EGS and biodiversity to particular policy interventions
  - incorporate ethical considerations and equity
  - take account of the risks and uncertainties inherent in natural processes and human behaviour.
9. Our understanding of the services and benefits to mankind arising from ecosystems has been considerably improved by the TEEB study. However, it is clear that our knowledge is incomplete and that further work under the umbrella of TEEB or a successor overseeing body will be essential.
10. We unequivocally support the work of the TEEB initiative and resolve to provide every assistance to this essential and long-overdue study.