



The Value of Valuation

The Political Economy of Investments in Forest Monitoring and Protection

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Introduction

Forests 2020 is a £14 million UKSA investment to help Brazil, Colombia, Mexico, Ghana, Kenya and Indonesia improve forest monitoring at national and regional scales.

Our theory of change indicates that countries will only sustain monitoring systems if they value the protection and governance of forests.

This study is the first step in understanding how / whether acknowledged forest value informs the resourcing of forest monitoring: *how much should a country pay to monitor its forests?*

Richard Tipper
Executive Chairman, Ecometrica



Forests 2020



To value or not to value, that's the (academic) question?

Let's do valuation:

- Valuation is a growth industry?
- What gets measured gets managed?
- Valuation helps to protect nature?

Don't do valuation:

- Valuation is inaccurate
- Valuation is immoral? (nature is priceless)
- Valuation is bad for nature (bought & sold)?

Wider questions about valuation

1. Valuation methods; scope for academic novelty?
2. Valuation as a useful tool for the private sector?
3. Valuation as a 'narrative device'; for whom, by whom, how effective?
4. Political economy; funding sources, growing community of practice, influence and legacy of valuation work?
5. Political ecology; what is/is not valued? How is valuation used by powerful (global) actors?

Context of Forest Valuation Review

Growth in non-market valuation studies, despite resistance by some on moral & methodological grounds. But what actual impacts have they had on policy?

Question of political economy: (how) have valuation studies been used to inform resource allocation for forest monitoring and protection efforts?

Two pronged approach;

- Identifying prominent generic and country-specific studies that estimate the monetary value of forests and 'followed them'; referenced in policy documents?
- Mapping state policies (text) and funding (\$) to protect or manage forests, indicating a recognition of the value of standing forests. Trends? Associations with valuation?

Project context: (Forests 2020; UK Space Agency) earth observation to monitor tropical forests in 6 countries. (where we come in:) How to sustain the monitoring post-project?

Collation of Valuation Studies, Mexico

Author	Year	Funding	Goods and Services	Area	Total Value
Adger et al.	1995	CSERGE	carbon storage, watershed protection, NTFPs, tourism, option and existence values	National, forest ecosystems	US\$4 bill/yr
Barbier et al.	1998	EPOMEX short course	nursery service for shrimp harvest	Campeche, mangroves	US\$278,704/yr
Martínez et al.	2009	CONACYT	water supply, recreation	Veracruz, montane cloud forest	US\$ 728/ha/yr
Bezaury-Creel et al.	2009	TNC and CONANP	carbon storage, water supply, tourism	National, protected areas	US\$3.4 bill/yr
Perez-Verdin et al.	2011	CONACYT, Instituto Politécnico Nacional	preservation of watershed, secure water supply	Avg. of multiple studies	US\$73/month (WTP)
Torres et al.	2013	Darwin Initiative, CONACYT, SEP	ejido willingness to participate in forest PES scheme	Bosque de la Primavera, Jalisco	US\$144.92/ha/yr
Camacho-Valdez et al.	2013	CONACYT	meta-analysis of 418 values across 186 wetland sites, including 11 ecosystem services	Sinaloa, coastal wetlands	US\$1 bill/year

State Actions to Manage and Protect Forests, Mexico

<i>State Action</i>	Natural Protected Areas	Natural Capital Accounting	Payment for Ecosystem Services	REDD+ Programmes
<i>Dedicated Institution</i>	CONANP	INEGI	CONAFOR	CONAFOR
<i>Context for Development</i>	Domestic Political Agenda	International Collaboration + Discreet Valuation Study	Domestic Political Agenda	International Collaboration
<i>Allocated State Budget, Frequency</i>	Annual, Consistent	Annual, Consistent	Annual, Project-Based	One-Off, Project Based
<i>Monitoring System</i>	SINAP (with support from SNIB)	INFyS + national economic accounts	Annual Sample Monitoring	Developing SNMRV (intended to be Wall-to-Wall)
<i>Evidence Collected</i>	Count, type, and total area of NPAs	Disaggregated environmental costs of degradation + Environmental protection expenditure	Compliance with areas mandated to remain forested/reforested	Carbon stock of forest estate + reduced emissions given baseline (intended)

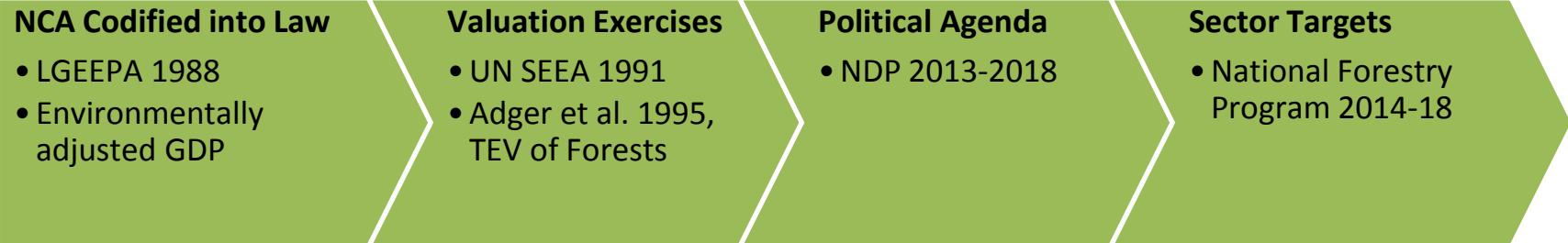
Overview of State Actions

Country	Nat'l Protected Areas	NCA ¹	PES ²	REDD+ ³	FLEGT ⁴	Nat'l Valuation
Mexico	✓	✓	✓	✓		
Brazil	✓		✓	✓		✓
Colombia	✓	✓	✓	✓		✓
Indonesia	✓	✓		✓	✓	✓
Kenya	✓	✓		✓		✓
Ghana	✓			✓	✓	

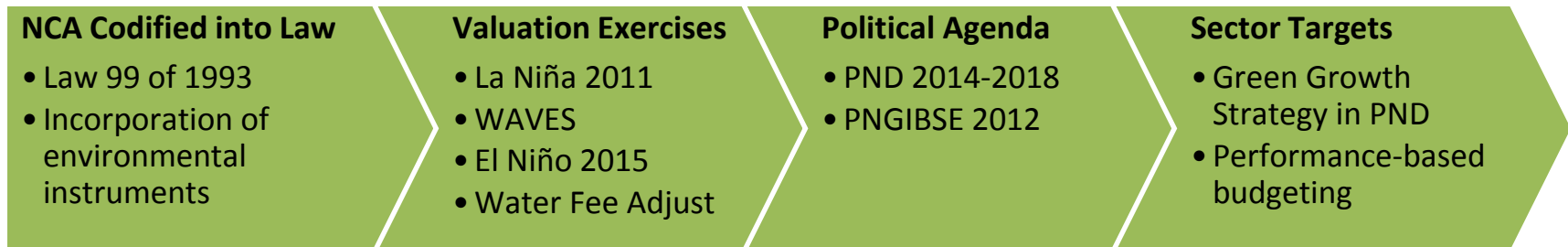
1. Natural Capital Accounting
2. Payment for Ecosystem Services
3. Reducing Emissions from Deforestation and Forest Degradation
4. Forest Law Enforcement, Governance and Trade Action Plan

Pathway through Natural Capital Accounting

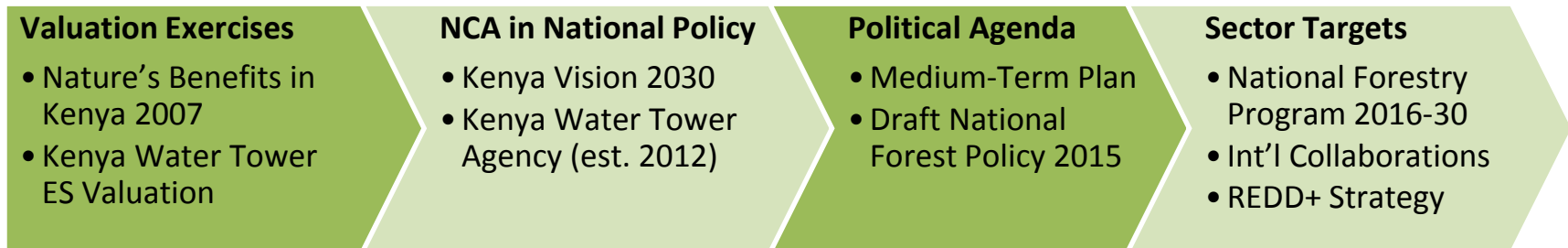
Mexico



Colombia



Kenya



Pathway through Sustainable Supply-Chains

Indonesia

External Driver

- REDD+
- FLEGT Licensing
- RSPO
- Int'l Attention on Deforestation

State Action

- REDD+ met with resistance
- One Map Initiative
- FLEGT Reform of Legality
- Forest & Peat Moratorium

Agricultural Intensification

- Indonesian Sustainable Palm Oil Standard
- First to issue FLEGT license
- Peatland Restoration Agency

Ghana

External Driver

- REDD+
- FLEGT Licensing

State Action

- Public-Private Partnerships to develop REDD+ Cocoa
- Nat'l Plantation Program
- Agricultural R&D

Agricultural Intensification

- Climate Smart Cocoa Program
- Artisanal Mills

Brazil

External Driver

- Int'l Attention on Amazon Deforestation
- Soy Moratorium

State Action

- PPCDAm
- Amazon Fund
- Amazon deforestation rates drop

State Action

- PPCerrado
- Forest Code 2012

NCA Opportunity

- Costs/Benefits of implementing CAR
- National TEEB Study

The Added Value of Valuation

General Trends

- Discrete valuation efforts have primarily been used to advocate for increasing protected area resources, but causal evidence of influence is very weak.
- Countries approach a similar set of state-led actions in diverse ways, highlighting the (political) variation in how each country values the evidence of valuation studies
- Natural Capital Accounting (once established) DOES inform national policy change. Specific valuation studies are associated with NCA capabilities.
- **Where external forces are singular and strong (key commodity for the global market, threat of sustainability certification), countries may react by protecting and prioritising agricultural commodity production**

Next (consultative) phase: co-production of country-specific pathways to impact monitoring efforts (value of & funding for forest monitoring and protection)

Thank You!

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