India and Brazil head move to 'green' economic future

By Richard Black Environment correspondent, BBC News, Nagoya

A number of countries have systems in place to reward forest conservation. Governments are increasingly taking the economic value of nature into account in policy-making, with growing interest in results from a UN-backed analysis.

The Brazilian and Indian governments are among those keen to use findings from The Economics of Ecosystems and Biodiversity (Teeb) project.

"You cannot manage what you do not measure"

End Quote Pavan Sukhdev Deutsche Bank

Final results from the three-year study were unveiled here at the UN Convention on Biological Diversity meeting.

Nature's services must be counted if they are to be valued, its leader said.

Pavan Sukhdev, a Deutsche Bank capital markets expert who leads Teeb on secondment to the UN Environment Programme (Unep), said that if society did not properly account for services that nature provides, they would be lost.

In an earlier analysis, Teeb calculated that the economic value of services being lost - including water purification, pollination of crops and climate regulation - amounts to $2-5 trillion dollars per year, with the poor hardest hit.

Here, Mr Sukhdev and his team concentrated on ideas for implementation - how to turn the findings of the study into real politics.

And the first thing for governments to do, he said, was to carry out national equivalents of the
global Teeb study - to analyse the real value of ecosystem services to their economies.

"Conventional methods of accounting such as GDP accounting will not capture them - so we need... to rapidly upgrade the system of national accounts," he said.

"You cannot manage what you do not measure."

Global uptake
Mr Sukhdev said that so far, 27 governments from Africa and Latin America, and one from Asia, had approached the Unep team for help in "greening" their economies.

Many of these are looking to translate the global Teeb findings into their national context, with Brazil and India in the vanguard.

Some governments give "huge subsidies" to oil and gas production, said Mr Sukhdev.

India's Minister for Environment and Forests, Jairam Ramesh, said his country was planning a national economic assessment along Teeb lines.

"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," he said.

And Braulio Dias, secretary for biodiversity and forests in Brazil's Environment Ministry, said his country was also looking to Teeb for a change of direction - in fact, without the pending election, it might be happening already.

"The tradition of many countries including Brazil has been one of utilising regulation - command and control instruments - and we need to work more on incentive measures and get the different sectors on board," he told BBC News.

"The Teeb approach is very useful to make them understand the implications of loss of biodiversity, and also the return on investment in terms of biodiversity conservation.

"We have several bills before the national congress to establish a national mechanism for payment for ecosystem services - if they're approved, I think we will have a better possibility of
implement some of those economic measures."

"Collectively, $650bn of subsidies for oil and gas?"

End Quote Pavan Sukhdev Deutsche Bank

But he echoed the concerns of many other developing countries by emphasising that some kind
of international payment system, transferring money from the West to the rest for conserving
resources, might be needed in the long run.

The European Union also supports the Teeb principles, with many countries and the EU itself
set to examine the potential for greening their economies along Teeb lines.

"Teeb can have the same impact for biodiversity as the Stern Review had for climate change,
and will be a useful tool to help reduce the loss of species and habitats," said UK Environment
Secretary Caroline Spelman.

"The UK Government has been a major supporter of Teeb since it started and we will be
funding the roll out of the report across the world to communicate the central message that,
economically, we have to take action to reduce the loss of our natural environment before the
cost becomes too high."

Politics of conservation
While a number of countries including Brazil and India do have systems in place to reward
forest conservation, implementing the full Teeb vision would amount to a root and branch
overhaul of economic incentives and taxes.

But some moves could and should be quickly made, said Pavan Sukhdev.

The first thing was to "flatten the football field", which currently sees huge subsidies given to
oil and gas production - largely in richer countries.

"Collectively, $650bn of subsidies for oil and gas?

"Surely, this is not a Mother Theresa business - it is not a charity - it doesn't need subsidy," he
told BBC News.

"I would like governments to look at and start disclosing their subsidies, and gradually work to
reduce them and indeed eliminate them; because if want businesses to arise which have a better
footprint and a lower cost to society, the first thing you have to do is to stop favouring those
that don't."

The draft agreement from this CBD meeting would see countries agreeing to incorporate
biodiversity values into their national accounting by 2020, and eliminating by the same date
subsidies that are detrimental to biodiversity.

But many nations are holding to the point, in negotiations, that "nothing is agreed until
everything is agreed"; and although many developing countries support the Teeb concept,
factional politics could yet prevent the endorsement of such a vision here.