



## Report of the Ad Hoc Committee on Economic Valuation

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### Background

1. During the Tokyo General Meeting in April 2007, ICRI members, "Reiterated the need for a central area on the ICRI Forum to share [economic valuation] information and invited interested members to contribute information, case studies, relevant experts and approaches/methods relating to economic valuation activities."
2. Taking forward this direction from ICRI Members the Mexico-U.S. Secretariat determined there was further value in returning to this issue at the January 2008 General Meeting.
3. During the January 2008 General Meeting, a break-out session was held on economic valuation of coral reef ecosystems during which ICRI members had the opportunity to hear from a number of experts in the field of economic valuation. At that meeting, ICRI members decided to form an Ad Hoc Committee on Economic Valuation to take forward the work on this matter where ICRI could best provide value.
4. At the July 2008 general meeting, The Ad Hoc Committee was extended through the next two ICRI General Meetings (until this GM) under the chairmanship of the ICRI Secretariat and the World Resources Institute (WRI) and will continue to include but not be limited to the following ICRI Members: Australia (Great Barrier Reef Marine Protected Authority), Colombia, Conservation International, CRISP, IUCN, NOAA and UNEP-WCMC.
5. Also at the July 2008 General meeting, the TOR for the Committee was revised (See Attachment 1). This TOR requests the Ad Hoc Committee to develop cost estimates and post them on the ICRI Forum for the following activities:
  - a. Develop and maintain a searchable database providing summaries of economic valuation literature;
  - b. expand the current compilation of literature / references on economic valuation within this user community (including copyrighted journals with permission of publishers.)
  - c. host of webinars (web-based seminars) on economic valuation of coral reefs and facilitate timely discussions on the state of the art in coral reef economic research and applications

### Current Activity

6. Members of the Ad Hoc Committee met with Linwood Pendleton (formerly of Ocean Coastal Values Center \ Coral Reef Community of Practice, now with Duke University) to discuss the interests of ICRI. Linwood developed a proposal which was shared with the full committee and was posted on ICRI Forum. The proposal includes two distinct tasks— 1) Develop and maintain a searchable database of values and data on human uses of marine ecosystem services, and 2) Develop and maintain a community of practice for human uses (especially economic values) of marine ecosystems.

7. Since the proposal was shared and posted on the ICRI Forum, several organizations have committed support to for this effort: US NOAA (US\$15,000), CRISP (US\$5,000) and U.S. Dept of State (US\$10,000). These funds are sufficient to support the first task – Development of a searchable database. Within this task, economic valuation literature will be consolidated, organized and made much more assessable. Several existing, but unmaintained compilations will be integrated and updated, and useful search features will be added. The database will be housed at Duke University.
8. The U.S. Department of State / ICRI are providing US\$55,000 for support for the Social Vulnerability component of the Reefs at Risk Revisited analysis, which is implemented by the World Fish Center and WRI. The analysis will assess human dependence upon reefs and the potential of reef-dependent communities to cope with or respond to the impacts of reef loss. This analysis will reveal where the loss or degradation of reefs is likely to have the most severe social and economic consequences for coastal communities (e.g., villages that depend on reefs for food or protection from storm surges).
9. CRISP is supporting several activities related to economic valuation of coral reefs:
  - a. Total Economic Valuation (TEV) of New Caledonia coral reef ecosystems with emphasis on fisheries yields (incl. a choice experiment analysis)
  - b. TEV of an MPA in Fidji, includes valuation of use and non-use values of fishing grounds
  - c. Cost Benefit Analysis of several MPAs in Vanuatu, evaluating the effects of MPAs on fisheries, tourism, and social capital
  - d. business plan development for Moorea MPA management, in French Polynesia
  - e. an economic assessment of Coastal zone management, including analysis of factors contributing to success

### **Action Requested**

10. The ToR for the Ad Hoc Committee on Economic Valuation expires at this GM. Activities identified under this Committee, however, are not complete. We propose discussion of a one year extension of the Ad Hoc Committee, to allow completion and reporting on the new database. The Ad Hoc Committee welcomes additional members.

## ANNEX 1

### ICRI Ad Hoc Committee on Economics Valuation of Coral Reef Ecosystems Revised Terms of Reference

16 July 2008

- (1) The Ad Hoc Committee is extended through the next two ICRI General Meetings under the chairmanship of the ICRI Secretariat and the World Resources Institute (WRI) and will continue to include but not be limited to the following ICRI Members: Australia (Great Barrier Reef Marine Protected Authority), Colombia, Conservation International, Crisp, IUCN, NOAA and UNEP-WCMC.
- (2) The Ad Hoc Committee will develop cost estimates and post them on the ICRI Forum for each of the following activities, building on the compilation of references and materials on economic valuation methodologies, manuals and examples of applications/case studies developed by the Committee based on a survey of ICRI members and other experts and now available through the ICRI Forum and at the WRI web site ([www.wri.org/project/valuation-caribbean-reefs](http://www.wri.org/project/valuation-caribbean-reefs)):
  - a) Expand the current online compilation to include additional examples and case studies of applications of economic evaluation information to public policies and private sector actions.
  - b) Develop an online searchable data base providing summaries of key economic valuation literature with emphasis on coral reefs, utilizing the expertise of UNEP-WCMC and the Coral Reef Economics Community of Practice (Coral CoP) among others, and taking into account the potential fields contained in the annex to these terms of reference. Such a database should integrate existing efforts and avoid duplication.
  - c) Develop a web-based site to access additional literature and references on economic valuation within the user community, including copyrighted journals with permission of the publishers, in coordination with the Coral CoP. The user groups that will have access to the site should be delineated.
  - d) Host web-based seminars (“webinars”) utilizing expert facilitators for timely discussion of matters related to the economic valuation of coral reefs;
- (3) The Ad Hoc Committee will initiate the activities in (2) above pending the availability of sufficient funds.
- (4) The Ad Hoc Committee will report progress and make recommendations for continued work of the Committee at the next two ICRI General Meetings.

## ANNEX

Potential fields in a database summarizing key economic valuation literature with an emphasis on coral reefs

- a. Citation
- b. Year of study (date of valuation – not date of publication)
- c. Number of surveys (if relevant)
- d. Ecosystem valued (i.e., coral reefs, mangroves, forests, etc.)
- e. Total ecosystem valuation or marginal or average valuation?
- f. Geographic area
- g. Goods and services evaluated
- h. Method(s) used
- i. Area (km<sup>2</sup>) covered
- j. Type of value(s) estimated (described by category, such as direct use value, indirect use value, non-use value)
- k. Management issue/research question being addressed
- l. Summary of results
- m. Link (provide a link if the study is available on-line)

Note: Fields a, d, f, and g comprise the simplest summary for a reference catalogue.