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BRIEF

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WWF Malaysia - Raymond Alfred

The Economics of Biodiversity and Ecosystem Services in the Heart of Borneo

**Workshop on how economic valuation of natural capital can guide policy, finance and private sector decision-making within the Heart of Borneo
December 1-3, 2010, Jakarta, Indonesia**

The Heart of Borneo (HoB) Initiative seeks to encourage the development of an economic environment whereby the forests of Borneo are worth more standing than cut down.

How can we use the value of nature to build the economic case to integrate natural capital into mainstream economic and development planning?

How can we set up sustainable finance mechanisms to support public and private sector decision-making and contribute to a greener development path in the HoB?

A diverse audience of 55 people attended a three-day workshop hosted by WWF-Indonesia, with a view to answering these important questions.

Representatives Present

The workshop was opened by Mr Adam Tomasek, WWF HoB Leader and Mr Andi Novianto, Chair of HoB National Working Group, who welcomed participants from various development partners (UKG, DFID, FAO, UNDP, UN-REDD, JICA) and representatives from Indonesia's Coordinating Ministry of Economic Affairs, Ministry of Environment, Forestry and Public Works, as well as PriceWaterhouseCoopers, Hatfield, Witteveen+Bos, University of Indonesia and WWF US, Malaysia and Indonesia.

The opening session was presented by Mr Tomasek, Dr Andrew Thurley (PriceWaterhouseCoopers), Anna van Paddenburg (WWF HoB Sustainable Finance Leader) and Nirmal Bhagabati (WWF US, InVEST specialist) focusing on the green economy approach and how ecosystem services play an important role in this. The subsequent two and a half days saw WWF staff, partners and external experts continue to address links between ecosystem services and a green economy and learn about the GIS based tool, InVEST (Integrated Valuation of Ecosystem Services and Trade-offs).

WWF staff from Kuala Lumpur, Kota Kinabalu, Jakarta, Kalimantan (and Papua) also played a crucial role in providing realistic context and extensive expertise to the discussions and started the process of valuing the economics of natural capital in HoB through the development of potential 'scenarios'.

Workshop Outcomes

Participants benefited from:

- Gaining an overview of the concept of a green economy within the HoB.
- An improved understanding of the fundamental value of biodiversity and ecosystem services (Natural Capital) within a green economy development path.

- Recognising that spatially explicit development scenarios can provide a structured approach to explore future land use options and policies with stakeholders to develop plausible future development plans where society, environment and economy can all benefit.
- An introduction to InVEST, a GIS tool which maps out and assesses the value of biodiversity and ecosystem services within any given landscape.
- Exploration of how InVEST could be used to demonstrate the benefits of sustainable land management in the HoB, specifically in the areas of livelihoods, climate and watershed services.
- Conceiving development scenarios to ‘predict’ potential future development pathways. For example, how will the landscape look in 30 years, if we don’t consider ecosystem services in development plans, versus how will it look if we do?

Next Steps

- Seek to draw a direct link between each ecosystem services and their benefit to the local economies.
- Work with key decision makers to expand and further develop scenarios.
- Assist key decision makers and the private sector to pursue spatially explicit measurable targets which ensure equitable development and maintain nature’s valuable biodiversity and ecosystem services.
- Hold a follow-up workshop in March 2011.

Background to this Workshop

The tropical rainforests of the HoB are rich in natural capital which is of great value to all three Bornean countries (Indonesia, Malaysia and Brunei). Recognising the importance of this region as a life-support system for climate, food and water security, the three governments jointly committed to conserve and sustainably manage the HoB’s forest ecosystems in February 2007. This 22 million ha region provides a variety of natural ‘services’ to the people and landscape throughout the island of Borneo.

To appreciate the value of nature, all stakeholders (governments, business and communities) who play a role in the management of this landscape need to better understand the economic value of biodiversity and ecosystem services, its potential for carbon emission reduction and the distribution of ecosystem services to users and beneficiaries.

The sustainable finance report *‘Financing the Heart of Borneo – a partnership to economic sustainability’* recently launched at CBD COP10 in Nagoya, Japan, highlights the need to integrate the value of forests and watershed services into national and local development plans. Only with appropriate policies and enabling conditions in place, will a green economy (based amongst others, on the value of biodiversity and ecosystem services) support the sustainability of a landscape.



Why we are here.

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

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