Philippine WAVES Project

A Presentation to the South Asian Network for Development and Environmental Economics (SANDEE)

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The Wealth of the Philippines ($ per capita), 2005

Total wealth

- Intangible Capital: 71%
- Natural Capital: 18%
- Produced Capital: 14%

Natural capital

- Crop: 74%
- Pasture Land: 4%
- Timber: 9%
- NTFR: 2%
- Protected Areas: 1%
- Subsoil Assets: 10%

[Bar and pie charts showing distribution of wealth]
Philippine Wealth Accounting and the Valuation of Ecosystem Services
(In partnership with the World Bank WAVES Project)

Features of WAVES
- wealth accounting (construction of natural asset accounts)
- valuation of ecosystem services (valuing flow of services)
- Philippine focus: coastal and marine resources, minerals (archipelagic, climate change risk, management problems)

World Bank: conceptual framework, global estimates
UN Statistical Commission: SEEA, 2012 Revised System of Environmental-Economic Accounts (SEEA)
Why Environmental Accounting

There is need to make good economic use of natural assets – environmental accounting is a tool for policymaking and management.

>>> tool to aid in evaluating tradeoffs in resource allocation for more informed, objective decision-making
Policy Uses of Natural Capital Accounting

Efficient use of natural capital

- compare economic benefits and costs
- consider income distribution effects
- design incentives for local stakeholders for sustainable management
- policy options: institutional, regulatory and legal measures, economic instruments (environmental taxes, etc.)
- wise investment of income from natural capital; government use of revenue from ENR sector
Philippine Development Plan, 2010-2016

• use of ecosystem approach in management
• enhanced environmental governance at the local level
• “establish valuation of resources and develop a system of natural resources accounting”
• “determine the values and potential benefits of the natural resources”
• use of appropriate valuation methods: fees and taxes, PES
Philippine WAVES
Objectives in Support of the PDP

1) to develop indicators of medium- and long-term, sustainable and inclusive growth

2) to analyze management options where resource use conflicts are pervasive, climate risk considerable, and policy reforms are being considered

3) to strengthen the institutionalization of PEENRA based on internationally accepted standards

>>>>> Focus on poverty and income distribution issues related to resource use
End of Presentation