



# Comments to MAES Pilot 6, natural capital accounting, discussion document

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# 1. Do you agree with the main components of the background document? Is there anything else important to be covered?

In general terms we are agree with the document. We also find that we should not go too much into details, but it is important to identify uncertainties in monetary valuation as much as possible and highlight it in report, as well as recognise limits of natural capital accounting.

**Optional:** Identify related EU policies to consider and highlight, if possible also quantify their negative impact (BG and WWF proposal merged/extended)

We find it important to do, but do not think that it should be part of that pilot.

**Important:** Set up a list of relevant financing sources and (optionally) known past related projects by country (BG proposal)

We think that is good to have this kind of list, but it should not be part of that pilot.

**Essential:** Extensively review and synthesize existent approaches on natural capital and ecosystem accounting (conceptual, experimental, national or regional case studies) (PT proposal).

Agree



# 1. Do you agree with the main components of the background document? Is there anything else important to be covered?

**Essential:** Introduce a part about the limits of the study, in the style “What this paper is and what it is not”. It should contain description of the limitations about methodology (natural capital accounting), cross border impact etc. as identified during the pilot (WWF proposal extended)

Agree

**Essential:** Determine the availability, suitability and use of different data sets for the foreseen analysis in the EU Member States and/or at EU (European) level.

Agree

**Essential:** Analyse the potential for monetary valuation in ecosystem assessments.

Agree. We also think that some bad examples could be pointed out just to show which way monetary valuation should not be done. We find it important since valuation based on wrong methodology, bad data etc. could lead us to wrong decision, which might be harmful for natural capital or ecosystem services.



## **2. Does the focus of the pilot study appear correct to you. In particular, which elements of abiotic flows should be considered part of ecosystem accounts?**

We are agree, that the focus should be mainly on ecosystems capital and it should be determined whether it would be useful to choose certain components or certain ecosystem type for the pilot. From our point of view it seems to be more useful to choose certain ecosystem types, since it would give us more clear idea about ecosystems services ecosystem can provide and also monetary value of different ecosystem. That is valuable information for us as it can support us in our decision about taking areas with high biodiversity under protection, for instance.

We are very supportive to EEA suggestion - an expansion into abiotic factors has to be considered carefully; e.g. what are the most relevant factors, how to set boundaries, are underpinning data sets available, to what degree are abiotic factors interlinked with ecosystems, what is done in the other pilot studies?



## 2. Does the focus of the pilot study appear correct to you. In particular, which elements of abiotic flows should be considered part of ecosystem accounts?

**Important:** A section of the study, and one or more methodological annexes, to be developed on abiotic factors, e.g. including:

- list and rank factors to use
- look at existing data and modelling tools for these
- look at their incorporation in the ecosystem models
- derive their role in valuation and accounting

Agree

Climate change is a vast area and approaching it may be way beyond this pilot's capacity. To be considered only if a MS volunteers

We agree, that dealing with climate change issues are way beyond of this pilot.



## 2. Does the focus of the pilot study appear correct to you. In particular, which elements of abiotic flows should be considered part of ecosystem accounts?

**Optional:** All chapters to end up with approaches to monetary valuation of ESS (EE proposal).

It is not quite correct interpretation of our comments and we do not think it should be done.

Monetary valuation is important part of the pilot, which also have high importance for Estonia as we are in stage of looking for methodologies for economical assessment of ecosystem to carry out ecosystem mapping and assessing in different pilot areas. We find it important:

- To clear up, what is the potential for monetary valuation in ecosystem assessment (examine, to which ecosystems services monetary values is useful to find)
- To get a clear idea about advantages and disadvantages of different valuation methods;
- To find out, what should be the type and quality of input data we need for proper monetary valuation;
- We also find that it could be good idea to rely on TEEB-EU report here.

Although monetary valuation have bigger importance for us, but we are agree that valuation in physical terms are also important and main focus should lie on national ecosystems capital.



**3. Do you agree with the proposed working methods and which ones do have your preference?**

Yes

**4. How comprehensive should the information be on institutional set-up in Member States, country experience and/or use of country examples? Is the use of examples or selected coverage enough, or are EU-27 inventories considered relevant?**

We find that selected coverage of good examples would be sufficient as output for the guidance document.





## 5. Are you happy with the final output that is proposed for the pilot study?

We are mostly ok with the final output. Additional issues which should be covered in pilot have highlighted in point 1 and 2

Our earlier comment to the question:

*For us most important is to have really practical guidance about the assessment of economical value of ecosystem services. As well as how to incorporate these values into accounting and reporting systems of the member states as foreseen in the EU Biodiversity Strategy.*

Correction to the comments!

That would be good to have that kind of guideline, but the we do not think that this kind of “really practical guideline” could be output of the pilot.

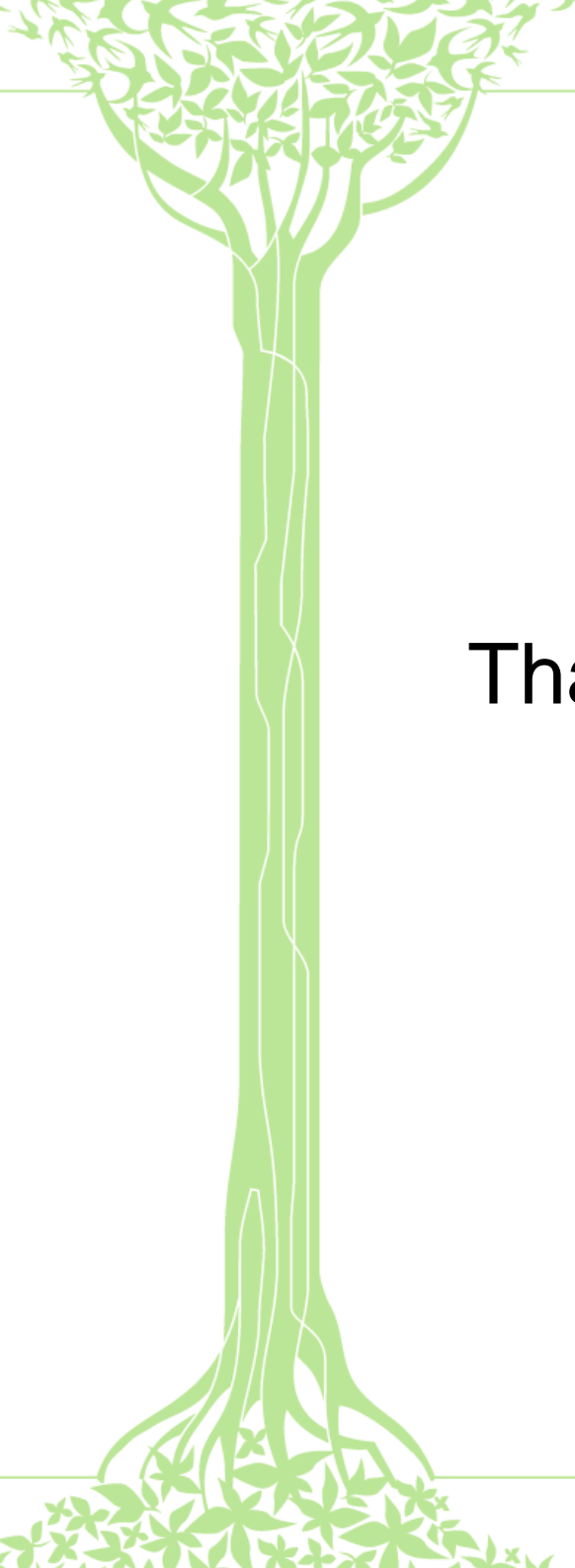




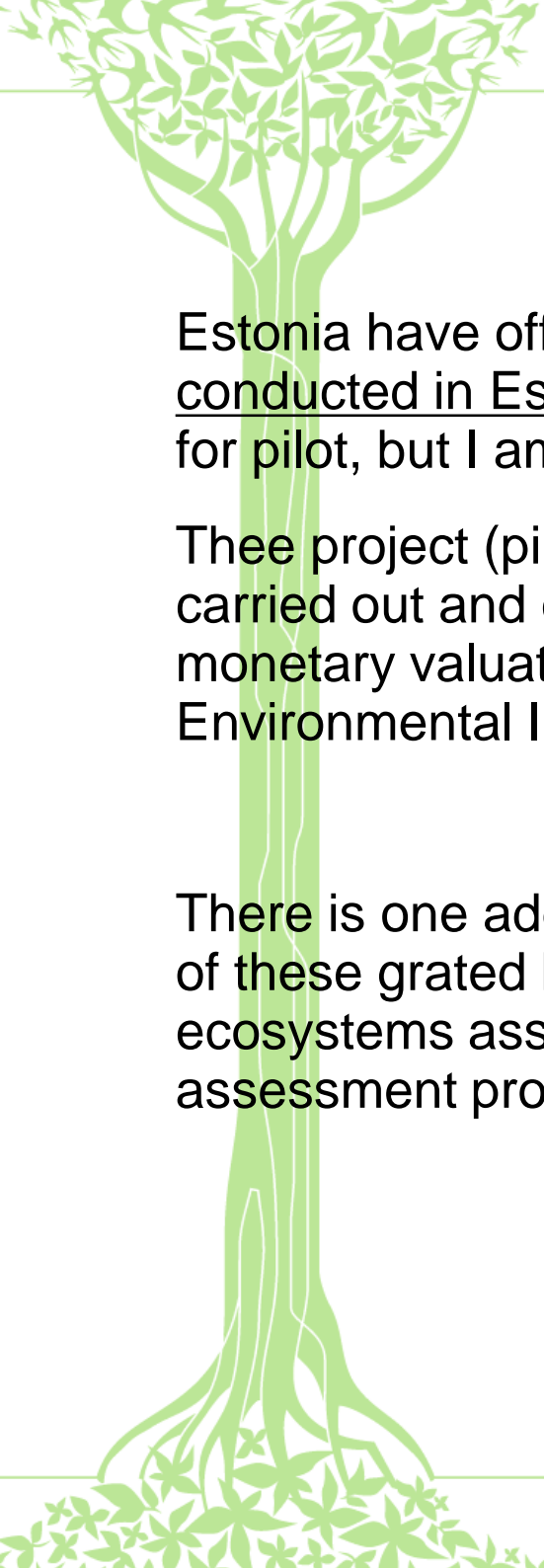
## 6. Do you have any other comments?

**Discussion point:** As countries have different sector priorities, sectoral accounts would be difficult to agree on in the EU context (unless justified by other reasoning, e.g. scientific proof). What is the value added of such approach? Is it not “piecemeal” again.

We find that sectoral accounts should not be included in that pilot.



Thank you for your kind attention



Estonia have offered examples about the pilot-studies that have been conducted in Estonia. We are not sure that there is something really useful for pilot, but I am going to give very short review of what we have.

Three project (pilot study) about ecosystems services assessment have carried out and one paper about the review of ecosystem services and monetary valuation of a services have published (SEI/Stockholm Environmental Institute, 2012).

There is one additional study available about public services and assessment of these graded by agriculture, but this does not match exactly as an ecosystems assessments. Although, it can support the ecosystems assessment process in general.



**Thee mentioned project are:**

- 1) Review of forest ecosystem services under protection, using one nature protection area (Järvselja) as an example (Estonian Agricultural University, 2012); Economical (monetary) valuation of forest ecosystems services using one nature protection area (Järvselja) as an example (Estonian Agricultural University, 2013 still under work).
- 2) Review of ecosystem services Estonian bogs can supply and their economical (monetary) valuation (Estonian Agricultural University, 2012)
- 3) Demand for forest under protection by the population in working-age (Tallinn University of Technology, 2012) – It was conducted base on questionnaire.



## **Main steps in forest and bogs ecosystems assessment:**

- 1) General information about most important forest (bogs) ecosystems services were provided;
- 2) Description of economical value of the given services;
- 3) Methodologies for economical (monetary) assessment for most important services were described;
- 4) Advantages and disadvantages of described methodologies were pointed out;
- 5) Economical (monetary) value of forest ecosystems services were given;
- 6) Short review of Estonian forest (bogs) under protection and details about one protection area (forest and bog);
- 7) Information about ecosystem services of one pilot area (forest and bog) were given and economical (monetary) valuation were conducted to the area.



## **Couple of issues to think about in that pilot:**

- 1) Temporal aspect - change in value during the time. Ecosystems are in change.
- 2) Functional aspect - value of functions basing on interaction between components is crucial for overall value of capital;
- 3) How to make data comparable between different locations.

As baseline data are very seldomly with similar quality and most likely people start comparing results. I suppose it is important to think how to make data comparable.

Which kind of data should be available in global level, which one on EU level, which one on state level and which one in local level. I suppose data should be comparable.