

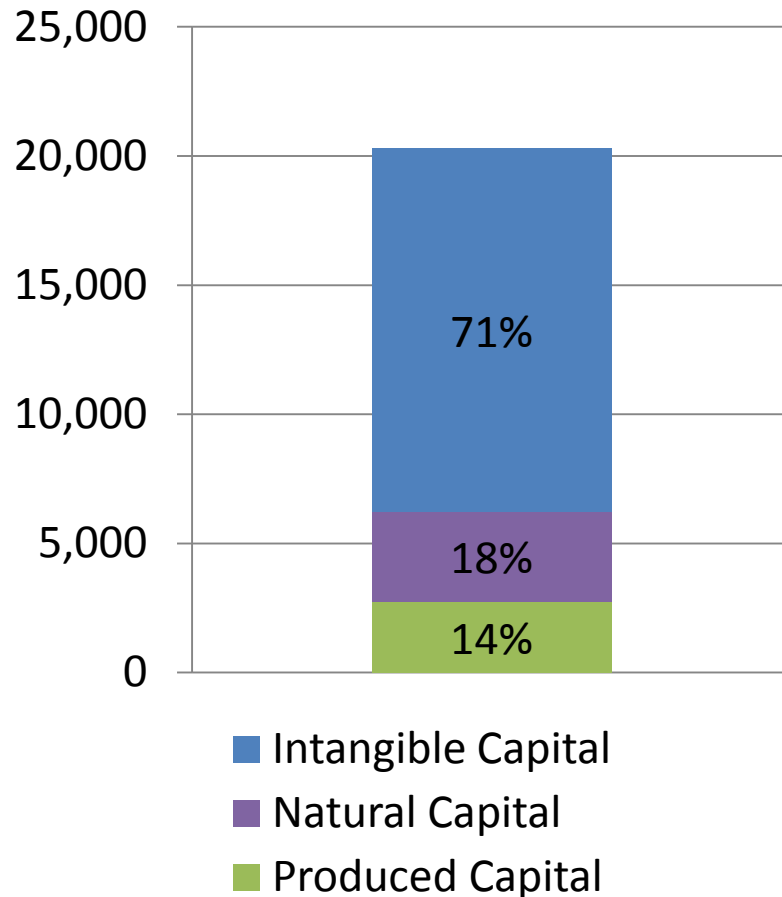
Philippine WAVES Project

**A Presentation to the South Asian Network for
Development and Environmental Economics (SANDEE)**
Paro, Bhutan, 12-13 August 2012

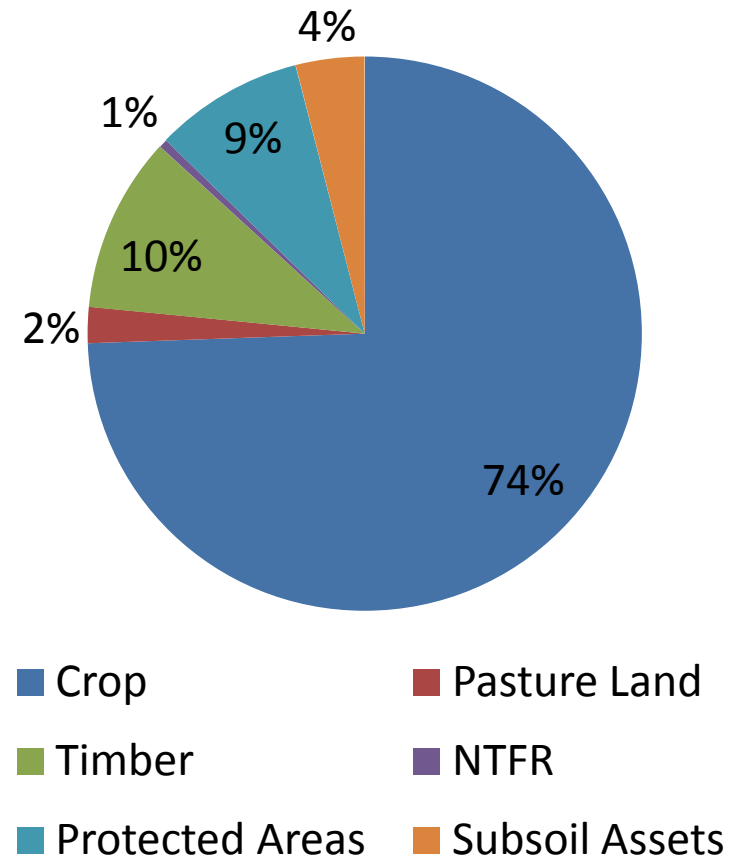
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The Wealth of the Philippines (\$ per capita), 2005

Total wealth



Natural capital



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