

# Biodiversity conference mulls true cost of nature

October 16 2012, by Mariette Le Roux

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A woman performs a traditional dance during the launch of the world's first 'Green Kumbh Yatra' for biodiversity on the margins of the eleventh meeting of the Conference of the Parties (COP 11) in Hyderabad, India, on October 14, 2012. The world's top biodiversity conference is seeing policymakers seek ways to preserve the world's dwindling plant and animal resources.

Should European farmers pay for pollination provided by bees? Should city dwellers in Brazil pay for the abundant rain generated over the Amazonian forest? And if mangroves are a shield against tsunamis,

shouldn't seaside resorts in Thailand be paying for them?

These are the kinds of questions being asked at the world's top biodiversity conference in India, where policymakers are desperately seeking ways to preserve the world's dwindling plant and animal resources.

A strong consensus is emerging that putting a price on nature may be the only way to get people to prevent Earth's bounty being squandered, sometimes to [extinction](#).

Less clear, though, is how this can be achieved.

"The benefits have no price tag associated with them, which mean they are not accounted for ... when other decisions are made," said Neville Ash, chief of the UN Environmental Programme's biodiversity unit.

According to the IUCN, human expansion has led to the destruction of six million hectares of primary forest every year since 2006.

Thirty-five percent of mangroves—which are vital sources of food, fuel, fibre and pharmaceutical molecules—have also been lost in just 20 years.

The idea of putting a price on some hitherto "free" resources has gained traction in recent years as pressure to halt the decline forces policy makers to think innovatively.

Nearly half of amphibian species, a third of corals, a quarter of mammals, a fifth of all plants and 13 percent of the world's birds are at risk of extinction, according to the "Red List" compiled by the International Union for [Conservation of Nature](#) (IUCN).

So academics and economists attempt to calculate the value of nature in dollars and cents, hoping that governments will include the estimates in their long-term planning and short-term awarding of exploitation contracts.

"Economics has become the currency of policy," environmental economist Pavan Sukhdev told AFP.



Hindu religious priest Sri Chinna Jeeyar Swamiji (left) and executive secretary of the Secretariat of the Convention on Biological Diversity Braullo F. de Souza take part in the launch of the world's first 'Green Kumbh Yatra' for Biodiversity on the margins of the eleventh meeting of the Conference of the Parties (COP 11) in Hyderabad, India, on October 14, 2012.

"In order to make politicians see how important biodiversity is, you need to tell them the dollar value of ecosystem services their economy is losing because of their mismanagement and loss of ecosystems and biodiversity."

Researchers made a first stab at putting a value on Earth's biosphere in 1997, submitting that ecosystems made an unseen annual contribution of \$33 trillion (25 trillion euros in today's terms).

The number amounted to double the annual global GDP at the time and was slammed by some for being grossly overinflated. Others scoffed at the "dollarisation" of Earth's natural treasure.

Since then, smaller studies have tried to value everything from [bee pollination](#) (about \$190 billion or 150 billion euros, based on one estimate) to mangrove storm protection (up to about \$1,000 or 780 euros per hectare per year).

Both resources are at risk—mangroves make way for shrimp farms that make their owners rich but rob local communities of fuel wood and fish, while bee numbers are slumping in some parts of the world along with a drop in the diversity of plants they feed on.

"There is no market for many things, the environment is a good example, and so we essentially treat (resources) as free and over-exploit them," said Dominic Moran, professor of environmental economics at Scotland's Rural College.

Valuation alone is not enough, said Nathaniel Carroll, head of the biodiversity programme at Forest Trends, a non-profit group promoting "market-based approaches" to forest conservation.

"Everyone should be paying for their impacts on, use of, and reliance on

biodiversity and its services, if they want it to continue to be available," he said.

But at this point, many of the toughest questions come to the fore.

Should there be a tax or levy? Conservation charges? Payment for "services" that nature has hitherto provided for free? Could there be a biodiversity market, such as that created for carbon to provide incentives for reducing polluting emissions?

Moran said assigning property rights may be a solution.

"If those resources are entrusted to specific communities or countries as owners, then they have the right to charge for use. They also have the incentive to sustainably manage their resource for the long term."

This is not an alien concept. People already pay entry fees to conservation parks and communities receive royalties on the use of medicinal plants, for example.

Whatever the option, added Carroll, "you need regulation and real enforcement to achieve meaningful scale."

While the jury remains divided on the exact approach, a new study last week said \$4 billion (3 billion euros) per year are needed to reduce the extinction risk for all known threatened species, and another \$76 billion (60 billion euros) to protect conservation sites.

"The total costs are very small relative to the likely costs of inaction," said study author Donal McCarthy, an economist with BirdLife International.

"The total is just one to four percent of the net value of ecosystem

services being lost annually, for which estimates range from \$2 to \$6.6 trillion... The total required is less than 20 percent of annual global consumer spending on soft drinks."

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