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**GREATER MEKONG  
SUBREGION  
CORE ENVIRONMENT  
PROGRAM**

## **USAID Mekong ARCC and ADB Ecosystem Service Valuation Training December 1, 2015**

### **Background & Objective:**

Historically, development initiatives have frequently undervalued ecosystem services and, as a consequence, the ecosystems have been lost. The examples are numerous from the deforestation of watersheds for timber leading to increased flooding to the destruction of mangroves for coastal development and aquaculture leading to coastal erosion, loss of storm surge protection and loss of coastal fisheries which depended on the nutrient base and spawning grounds of the mangroves. The economic development pressures loom large in the Mekong basin and are leading to the loss of ecosystems.

The objective of the ecosystem service valuation (ESV) training is to ensure policy makers fully understand the trade-offs and the long-term impact of lost or diminished ecosystems. The training will explain the concept of ecosystem service valuations (ESV), and the explanation of the available ESV online tool with practical applications and scenarios.

### **Agenda:**

| <b>Time</b>   | <b>Session</b>  | <b>Speaker</b>                  |
|---------------|---|---------------------------------|
| 08:15 – 08:45 | Registration  |                                 |
| 08:45 – 09:00 | Welcome and Opening   | USAID and/or ADB Representative |
| 09:00 – 09:30 | Introduction to Valuing Ecosystem Services: <ul style="list-style-type: none"> <li>- The types of ecosystems</li> <li>- The services ecosystems provide</li> <li>- The economic relevance of ecosystem services</li> </ul>  | John Ward, MERFI                |
| 09:30 – 10:15 | The Ecosystem Valuation Estimator <ul style="list-style-type: none"> <li>- Description &amp; Purpose of the estimator</li> <li>- The online interface:<br/>How to use the estimator and what additional links are available?</li> <li>- The regional values database:<br/>How were the value ranges developed?</li> <li>- The meaning:<br/>How can the estimator support the development of policy guidance?</li> </ul> | Alex Smajgl, MERFI              |

|               |   |                            |
|---------------|---|----------------------------|
| 10:15 – 10:30 | Morning tea   |                            |
| 10:30 – 12:30 | Group Activity:<br>Role playing game to explore the utility of the tool in cross-sector negotiations                | Facilitated by Alex Smajgl |
| 12:30 – 13:30 | Lunch   |                            |
| 13:30 – 14:00 | Overview of Valuation Methods and Techniques  | John Ward, MERFI           |
| 14:00 – 16:30 | Group Activity:<br>Three exercises to understand the principles and practice of commonly used valuation techniques. | John Ward, MERFI           |

## Role-playing game

In your break out group each of the following ministries will be represented:

- Ministry of the Environment (2 persons)
- Ministry of Agriculture (1-2 persons)
- Ministry of Planning and Investment (1-2 persons)
- Ministry of Energy and Mines

Each person at the table has to take on a role and represent the following goals during the negotiations:

- Environment: Consider the value of ecosystems and their services. Argue for their values to achieve the conservation of natural resources.
- Agriculture: Maximize agricultural production to further increase export revenues, employment in the agricultural sector, and the safe-guarding of national food security.
- Planning and Investment: Maximize national tax income and realize as many investment opportunities as possible.
- Energy and Mines: Safeguard energy security by maximizing power generation capacity available to national consumers. Maximize economic returns from mining deposits.

It is your task to utilize as many of these arguments as possible to achieve the sector specific goals listed above.

This gam will be played three times. Each time participants need to play a different role. The representative of the Ministry of the Environment will need to use the Ecosystem Valuation Estimator during the discussion and translate the results into meaningful and powerful arguments.

### *Situation 1:*

The Ministry of Panning and Investment invited you to a meeting in response to a proposal submitted by a foreign investor. The foreign investor targets an upstream forest area of 72 hectares for mining copper. The evergreen forest would have to be completely replaced. The mining company promises annual concession payments of \$600,000 and the creation of 16 full-time jobs resulting in an expected total household income of \$200,000. The company applies for a 25-year concession.

### *Situation 2:*

The prime minister called for an urgent meeting. A foreign investor finalized a feasibility study for a hydropower plant in the upper catchment. The 25 MW plant would generate tax returns of \$23 million per year. Six full-time jobs are likely to be created with a total annual income of \$100,000. The reservoir would flood about 320 ha of evergreen forest and 140 ha of wetlands.

### *Situation 3:*

Given the sea-level rise projections the World Bank is organizing a workshop on effective adaptation measures. You are invited to a high-level negotiation to decide on immediate actions affecting your coastal home province. A submitted proposal suggests the construction of a sea dyke that would replace 800 ha of mangroves and 70 ha of wetlands. It promises to avoid rice production to drop from \$20 million per year to \$12 million per year.