



Implementing the Strategic Action Programme for the South China Sea and Gulf of Thailand (SCS SAP Project)

First Meeting of the Regional Task Force on Economic Valuation

Teleconference, 26 June 2024

Provisional Terms of Reference for the Regional Task Force on Economic Valuation UNEP/GEF SCS SAP Project



Provisional Terms of Reference for the Regional Task Force on Economic Valuation

1. Background

1.1 Economic valuation is defined as the attempt to assign quantitative or monetary values to the goods and services provided by environmental resources, whether or not market prices are available to assist in the process. The National Research Council defines economic valuation as an attempt to provide an empirical account of the value of the services and amenities or of the benefits and costs of proposed action (project or policies) that would modify the flow of services and amenities. Both definitions are in agreement regarding the quantification of goods and services that provide information about the environmental resources. “Valuing” an ecosystem is essentially valuing the characteristics of a system. Costanza¹ *et al.* (1997) have made a comprehensive list of ecosystem functions and services and defined ecosystem services as “flows of materials, energy and information from natural capital stocks which combine with manufactured and human capital services to produce human welfare”.

1.2 The concept of Total Economic Value (TEV) provides a framework for valuing natural systems and is used to identify and estimate the monetary value of all economic benefits that a society derives from a particular ecosystem. Whilst the South China Sea SAP formulation resulted in advancements in the determination of national and regionally applicable TEVs that were used to value the cost of action versus non-action within the framework of SAP implementation, the values determined through the previous SCS project are incomplete since not all known goods or services from individual coastal ecosystems have been valued. One area of current weakness is that comparatively few existing values for the service provided by habitats as nursery areas for off-shore fish and crustaceans are included. This is known to be a significant and major service provided by mangrove and seagrass habitats and work will be undertaken to establish the economic values of these services.

1.3 Since this work was conducted, new approaches have been applied through several initiatives including the [Economics of Ecosystems and Biodiversity](#) (TEEB), the UNEP GEF [Blue Forests project](#), as well as through the UN Regular Process and World Ocean Assessment Reports. Also, since the 2008 SAP, greater focus has been given on blue/green and circular economy approaches to ensure effective management of marine and coastal resources, and this is becoming an important priority in the region.

2. Objective of the Regional Task Force on Economic Valuation

2.1 The Regional Task Force on Economic Valuation (RTF-EV) is re-established with the primary objective of advising and supporting the national committees and regional working groups by providing the appropriate expertise and assistance in completing the envisaged economic valuations and cost-benefit analyses.

3. Task Force Members

3.1 The Task Force will be comprised of: one environmental or resource economist, nominated by each of the participating countries; and two regional, environmental economic experts; all of whom will serve as members in their personal capacity. Each participating country will nominate these members, in accordance with procedures agreed by the SCS SAP Project Steering Committee. The membership of the task force will be established at its

¹ Costanza, R., d’Arge, R. de Groot, R., Farber, S., Grasso, M., Hannon, B. Limburg, K., Naeem, S., O’Neill, R.B., Paruelo, J., Raskin, R.G., Sutton, P. and van den Belt, M. (1997). The Value of the world’s ecosystem services and natural capital. *Nature* 387 (6630) 253-260

first meeting, at which a Chairperson, a Vice-Chairperson and Rapporteur will be elected from the members. The Vice-Chairperson will act as Chairperson of meetings in the absence of the Chairperson.

4. Meetings of the Task Force

6.1 The SCS SAP Project Coordination Unit shall convene meetings of the RTF-EV to advise the SCS SAP Project Steering Committee or, as required in order to complete the tasks assigned to the Task Force. The SCS SAP Project Coordination Unit shall convene one meeting of the RTF-EV prior to the annual meeting of the SCS SAP Project Steering Committee in order to ensure economic advice being provided to the project is as up-to-date as possible. Additional *ad hoc* meetings may be convened as required.

5. Terms of Reference

5.1 In principle, the RTF-EV shall serve as the principal source of economic advice and information to the project. In doing so, the terms of reference for the Task Force may be expected to include, among other things:

- identifying available reference materials and information regarding various established economic valuation techniques that have been applied or can be applied to, the coastal resources and environments within the South China region;
- compiling a comprehensive, annotated bibliography of existing empirical studies, research and data regarding environmental, economic and resource valuations conducted in the countries of the South China Sea Region;
- providing advice and guidance regarding the methodologies and values that can be used in the framework of economic and cost-benefit analyses required to achieve SAP targets, and prepare updated National Action Plans and a revised Strategic Action Programme for the South China Sea

6. Secretariat

6.1 The SCS SAP Project Coordination Unit will serve as Secretariat to the RFT-EV and will ensure that the reports of the meetings are circulated to all members of the committee, the National Focal Points, Regional Working Group Members, and National Committees as promptly as possible following the closure of the meetings.