

BioTopic

The Economics of Ecosystems and Biodiversity (TEEB) in Georgia

Background

Nature provides the human society with multiple benefits, which sustain our livelihoods. These include all our food and water; safe places to live; organic materials such as timber or wool; and many of our medicines. On the other hand there are many benefits, which are less obvious but equally important. Forest ecosystems for example provide an important ecosystem service as they have great influence on the local, regional and even the global climate regulation. Intact wetlands or dune belts protect against the impact of floods, storms and other natural hazards, while the diverse



natural vegetation in general secures the groundwater recharge and protects against soil erosion. Finally, the nature also offers the opportunity for recreation and cultural inspiration.

Although, our well-being is totally dependent upon the continued flow of the ecosystem services, they are predominantly public goods with no market and no prices. Policy makers as well as broad parts of the society consider the critical role of ecosystem services in our economies as granted. The investment in an improved functioning of the environment is seen as a luxury rather than a life insurance. The reason for this is that in many cases ecosystem services are poorly visible. On the other hand, their continuous availability is falsely assumed. We don't necessarily recognize the ways in which they sustain our well-being and other needs and objectives may appear to be more pressing and desirable. As a result biodiversity is

declining, our ecosystems are being continuously degraded and we, in turn, are suffering the consequences.

What is TEEB ?

The Economics of Ecosystems and Biodiversity (TEEB) is an independent international initiative, which is focused on

- drawing attention to the economic benefits of biodiversity,
- highlighting the growing costs of biodiversity loss and ecosystem degradation,
- and drawing together the expertise from the fields of science, economics and policy to support the mainstreaming of biodiversity and ecosystem considerations in policymaking.

The TEEB initiative is conducted in different phases. **Phase I** was launched in response to a proposal by the G8+5 Ministers for Environment (Germany 2007) to develop a global



study on the economics of biodiversity loss. This report provided strong evidence of significant economic losses due to ecosystem degradation. Based on these results the **Phase II** expanded on how to use this knowledge to design the right tools and policies for biodiversity and ecosystem so that finally the objectives of the United Nations Convention on Biological Diversity can be successfully achieved. **Phase III** is mainly focusing on communications and outreach activities as well as on the expansion of the TEEB Network of experts and associations committed to biodiversity, ecosystem valuation and improved policy making. In addition to that, the elaboration of sectoral and national studies should be supported and facilitated during the Phase III.

TEEB in Georgia – Pilot country for phase III

Georgia has been recognized as a globally significant “biodiversity hotspot”. Due to the unsustainable use of natural resources and the destruction of various habitats, Georgia’s biodiversity and ecosystems are in danger to get lost and if no action is taken to prevent current damages and losses, sufficient ecosystem services may not be supplied and guaranteed in the future.

On November 7, 2011 the president of Georgia, Mikheil Saakashvili, announced Georgia as a pilot country of the TEEB initiative. The following studies and activities have already been started and are coordinated by the Ministry of Environment Protection:

- With support of the UNDP-GEF financed project “Catalyzing Financial Sustainability of Georgia’s Protected Areas System” a study on the “Economic Valuation of the Tusheti Protected Areas Complex and the Georgian Protected Areas Network” has been elaborated;
- In October 2011, WWF Caucasus accomplished a report on the “Valuation of the Contribution of Borjomi-Kharagauli and Mtirala National Parks’ Ecosystem Services to Economic Growth and Equity”;
- An economic assessment of

values of forest ecosystems services in Racha region have been started by the Regional Environmental Centre for the Caucasus;

- A scoping process has already been started by WWF Caucasus and is expected to result into increasing regional governance capacity and a TEEB National Report for Georgia.

With support of the German Technical Cooperation Project “Sustainable Management of Biodiversity in the South Caucasus” further communication, conferences and stakeholder workshops are scheduled for 2012.

A significant statement has already been agreed on among the involved parties:

The costs of continuing *Business As Usual* are significantly higher than the costs of shifting to *Sustainable Ecosystem Management!*

