



## First meeting of the Expert Group on Valuation of and Payments for Forest Ecosystem Services

12 – 13 September 2017, Bratislava, Slovakia

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### Minutes of the meeting

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The first meeting of the Expert Group (EG) took place on 12 – 13 September 2017, in Bratislava, Slovakia. The meeting was attended by 15 participants representing 7 signatory countries and the European Commission and 1 observer organization (see List of participants in Annex I).

The meeting was organized in the form of informal roundtable discussion with introductory presentations on the issues addressed. The aim of the meeting was to share information and experience on valuation of and payments for forest ecosystem services (FES) in signatory countries as well as to discuss outputs to be delivered by the EG on the basis of the FOREST EUROPE Work Programme 2016 – 2020.

#### 1. Opening of the meeting

The meeting was opened by Ms. Ľudmila Marušáková, Head of the Liaison Unit Bratislava (LUB), who welcomed the participants and provided introductory speech highlighting the role of the FOREST EUROPE process as well as the role of the EG. She introduced LUB members involved in activity on valuation of and payments for FES and invited participants to introduce themselves.

#### 2. Adoption of the agenda

Ms. Lucia Ambrušová (LUB) presented the agenda, which was circulated by the secretariat in advance of the meeting. The agenda was adopted without any amendments.

#### 3. Main tasks and expected outcomes of the Expert Group

Ms. Lucia Ambrušová (LUB) briefed the participants with the Ministerial commitments related to FES and continued with presentation of the main objectives, tasks and expected outcomes of the EG referring to the [background document for the EG](#) circulated among the EG members in January 2017. The EG was established in accordance with the FOREST EUROPE Work Programme 2016-2020, Action 4.4 “Incorporating the value of forest ecosystem services in a green economy”. The EG should carry out analysis on different approaches, methodologies and best practices examples on valuation of and payments for FES in signatory countries. Subsequently, recommendations for implementation of valuation approaches of and payments for FES shall be proposed to better reflect them in forest related policies and tools for practical usage.

No amendments were raised by the participants to the scope, objectives, tasks and work modalities of the EG as described in the background document.

#### 4. Exchange of information on former and ongoing work on valuation of and payments for FES

First day of the meeting was dedicated to presentation of former and ongoing work on valuation of and payments for FES, carried out by signatory countries and/or international organizations in the pan-European region.

An introductory presentation was conducted by Ms. Lucia Ambrušová (LUB) who provided a summary of the work done by the former FOREST EUROPE Expert Group on Valuation of FES. The former EG was established and worked from 2012 – 2014 with the aim to give recommendations to policy makers on the pan-European approaches to valuation of FES and means to facilitate its implementation. The EG was divided into three sub-groups working on three identified tasks (i) identification of FES at the pan-European level; (ii) toolbox with valuation of FES approaches to the pan-European region; and (iii) means to facilitate implementation. In addition, a workshop was organized in September 2014, in Serbia with the aim to contribute to the same purpose.

Results of the former EG including the outcomes from the workshop are available in the Final Report: [“FOREST EUROPE Expert Group and Workshop on a pan-European approach to valuation of forest ecosystem services “\(2014\).](#)

The introductory presentation was followed by a round of invited presentations. All the contributions provided by the participants are available at the [FOREST EUROPE web-page](#).

Mr. Patrick Snowdon (UK) started his presentation with background to UK forestry and highlighted multi-purpose use of forests. He informed about UK National Ecosystem Assessment 2011 - Independent & peer-reviewed assessment of the state and value of UK's natural environment and ecosystem services. Results of the assessment are available at the following [web-page](#). Subsequently, Mr. Snowdon presented a concept of Natural capital, Natural capital accounts and Natural Capital Committee, which was set up in 2012 to advise the UK Government on how to ensure England's 'natural wealth' is managed efficiently and sustainably.

The Spanish delegation appreciated contribution of Mr. Snowdon for the approach to valuation of ES taking into account CO<sub>2</sub> mitigation.

Mr. José Barredo (EC/JRC) provided presentation via Skype call. Main focus was placed on presentation of the Forest Pilot that is being conducted within the initiative on the Mapping and Assessment of Ecosystems and their Services (MAES). The MAES initiative has been established to support the implementation of the EU Biodiversity Strategy to 2020. In his contribution, Mr. Barredo presented MAES conceptual framework for ecosystem assessments, indicators for ecosystem assessments as well as current activities of the MAES Pilots. He briefed the audience about MAES Workshop – Assessing and Mapping Ecosystem Condition which was held on 27-28 June 2017 in Brussels. Participants were also informed about implementation of MAES into Biodiversity Information System for Europe (BISE).

Spanish experts come up with presentation “Retrospective and Proposal for New Valuation of Ecosystem Services”, divided into three parts – Introduction, Retrospective and Quantification and valuation of tree-based supporting ecosystem services. First part of this presentation was conducted by Mr. Jorge Gosálbez Ruiz, who provided short introduction to different works of the United Nations within the legal framework of the three agreements signed: “desertification”, “sustainability” and “climate change.” He said that the current situation with the greenhouse effect gases and its impact on climate change forces decisions and actions to mitigate CO<sub>2</sub> emissions and forests can play a key role due to their potential of carbon fixation. He also highlighted that the new Spanish methodology takes into account the previous work of the United Nations done over the last 50 years related to the fight against the desertification, the fight against forest fires and the conservation of biodiversity. As he further mentioned, the purpose of the new methodology is to contribute to regular monitoring of the carbon sink and key supporting ecosystem services.

Afterwards, Ms. Isabel Lorente Álvarez presented Spanish experience in valuation – three relevant case studies. First one is from VANE project (2005-2010)- Valuation of the Natural Assets of Spain, second one about National Forestry Inventory (from 1997) and the third one the Millennium Ecosystem Assessment of Spain (2014). At the end, prof. Miguel A. Zavala

introduced the new Spanish model of Quantification and Valuation of Payments for Ecosystem Services, previously introduced by Mr. Gosalbez, and based in CO<sub>2</sub> fixation supporting ecosystem services, with mathematical and technical explanation of all its parts, including model parameterization and a prospective analyses of climate change effects on supporting ecosystem services.

Some of the participants appreciated the method presented by the Spanish delegation.

The last invited presentation was provided by Mr. Peter Elsasser (Germany). Since Mr. Elsasser was not able to attend the meeting, his contribution was circulated among the participants by e-mail. This presentation gives an overview on FES valuation and examples of payments for FES under the conditions in Germany.

After the round of invited presentations, experts from other signatories and organizations were invited to share their experience and activities on valuation of and payments for FES. Their interventions focused on existing legal frameworks and economic incentives currently in place. Slovakian experts provided information on forthcoming decree that aims to create framework for support provided to forest owners in the form of subsidies for effects from non-productive functions of forests. Croatia mentioned a successful example of legal framework through which a fee for FES is included in the general income tax scheme. The socio-economic efficiency of subsidies invested in the forest sector, and their feasibility for ensuring FES payments, was raised by several experts from Czech Republic, Serbia, Ukraine and ELO. Expert from EUROSTAT shared information on ongoing EU projects KIP INCA addressing the issues of natural capital and ecosystems services accounting in the EU.

## **5. Discussion and completion of the Analysis of different approaches and methodologies on valuation of forest ecosystem services in the pan-European region**

On the second day of the meeting, the EG discussed and reviewed the draft of the first part of the analysis on different approaches and methodologies on FES valuation existing in the pan-European region. As Ms. Lucia Ambrušová (LUB) informed, the draft was prepared by experts from National Forest Centre-Forest Research Institute in Slovakia, in cooperation with the Liaison Unit. The draft was subsequently commented during March-May 2017 by the EG members and their comments were incorporated accordingly. However, some issues needed further explanations and had remained open for discussion at the EG meeting.

The EG agreed that the draft of the analysis reflecting the results of discussion at the meeting will be sent to EG members for final commenting. It was further explained that results of the Analysis will serve as a basis for establishment of a web-based portal on FES (see below).

## **6. Discussion on FES Web-based portal**

In line with the FOREST EUROPE Work Programme 2016-2020, it is expected to establish a web-based portal on FES that will serve as a platform for knowledge and information exchange on valuation methodologies of and payments for FES as well as sharing best practices in this field. LUB has already launched preparatory work on the web-based portal. In this respect, Mr. Igor Vizlai (LUB) presented a demo version of the portal.

The EG discussed especially module on “valuation approaches and methods classified according to type of FES to be valued”. Within this part the Common International Classification of Ecosystem Services (CICES) according to Haines-Young & Potschin (2013) was implemented, as it was recommended by the experts from EC/JRC and DG ENVI. However, it was pointed out that this type of classification may seem to be not entirely clear for end users of the portal, and therefore, a more simple classification is needed. Classification of ecosystem services according to Millennium Ecosystem Assessment (2003) and TEEB (2010) was further discussed. However, as UK expert pointed out, there has been no development regarding MEA (2003) in recent years (it is not clear whether it is still a “living

classification”), which makes it less suitable compared to classification according to TEEB initiative.

## **7. Further steps and organization of work**

The EG further discussed mode of operation and agreed on further steps of its work. In this regard Mr. Igor Vízslai (LUB) presented FOREST EUROPE communication platform (available at the FOREST EUROPE webpage) that will be used for internal communication of the EG between face-to face meetings. Subsequently, it was agreed that commenting the demo version of the web-based portal on FES will be carried out through this communication platform. LUB will provide description of the web-based portal, including its web-link, instructions and login details by the end of September 2017. Discussion on the web-based portal will be open by the end of October 2017.

According to the schedule briefly discussed at the meeting, third draft of the Analysis of different approaches and methodologies on valuation of FES will be prepared by LUB in co-operation with experts from Slovakia, taking into account recommendations and comments raised by the experts at the meeting. The draft will be sent to the EG members for last commenting at the end of September 2017. The deadline for commenting was set for 31 October 2017.

Further work of the EG will be aimed at analysis of payments for FES and formulation of recommendations in line with the time frame as presented in the background document. Next meeting of the EG is scheduled for autumn 2018.

## **8. Any other business**

Within this point of the agenda the experts shared information on upcoming meetings that relate to the work of the EG.

Mr. Patrick Snowden (UK) informed the participants about the [World Forum on Natural Capital](#) that will be held on 27-28 November 2017 in Edinburgh.

Ms. Zuzana Sarvašová (Slovakia) briefed the participants about the ongoing [COST Action PESFOR-W](#) (Payments for ecosystem services – Forest and Water) that consolidates learning from existing woodlands for water PES schemes in Europe and helps standardize approaches to evaluating the environmental effectiveness and cost-effectiveness of woodland measures. Next PESFOR-W meeting will be held in October 2017, in Croatia.

Ms. Veronika Vyšná (EC/EUROSTAT) informed about the upcoming [23<sup>rd</sup> Meeting of London Group on Environmental Accounting](#) organized by the UN Statistics Division, to be held on 17-20 October 2017, in Costa Rica.

At the of the session, Mr. Jorge Gosalbez (Spain) pointed out the necessity to accelerate the pace of the work to meet the Paris agreements.

## **9. Closure of the meeting**

Ms. Ludmila Marušáková (LUB) thanked the experts for their contributions and constructive discussion and closed the meeting.

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## ANNEX I

### List of participants

<b>Signatories</b>					
<b>No.</b>	<b>Title</b>	<b>First Name</b>	<b>Last Name</b>	<b>Delegate of:</b>	<b>e-mail</b>
1.	Mr.	Ivica	Francetić	Croatia / Ministry of Agriculture	ivica.francetic@mps.hr
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6.	Mr.	Predrag	Jović	Serbia / Ministry of Agriculture and Environmental Protection	predrag.jovic@minpolj.gov.rs
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9.	Ms.	Isabel	Lorente Álvarez	Spain / TRAGSATEC	ila@tragsa.es
10.	Mr.	Jorge	Gosalbez Ruiz	Spain / Ministry of Agriculture, Fisheries, Food and Environment	jgosalbez@mapama.es
11.	Mr.	Gregorio	Chamorro García	Spain / Ministry of Agriculture, Fisheries, Food and Environment	gchamorro@mapama.es
12.	Mr.	Miquel A.	Zavala	Spain / University of Alcalá	madezavala@gmail.com
13.	Mr.	Andrii	Mussiovskiyi	Ukraine / State Forest Resources Agency	my@pochta.com
14.	Mr.	Patrick	Snowdon	United Kingdom / Forestry Commission	pat.snowdon@forestry.gsi.gov.uk
<b>Observers</b>					
15.	Mr.	Joao	Ferreira	European Landowners' Organization	joaoferreira@celiege.com
<b>Experts unable to attend the meeting (provided presentation)</b>					
16.	Mr.	José	Barredo	European Commission / JRC	jose.barredo@ec.europa.eu
17.	Mr.	Peter	Elsasser	Germany / Thuenen Institute	peter.elsasser@thuenen.de

<b>Liaison Unit Bratislava</b>					
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18.	Ms.	Lucia	Ambrušová	Policy Adviser	lucia.ambrusova@foresteurope.org
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