



PREEN newsletter

Pacific Resource and Environmental Economics Network

Issue 05

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Dear members of the PREEN

It is with great pleasure that we present to you the 5th edition of the PREEN Newsletter. We would like to thank all those who contributed articles to this issue to share information on activities in resource and environmental economics in the region.

Special thanks also go to Federica Gerber, the out-going PREEN newsletter coordinator who recently finished her term at SOPAC and has now returned to Europe. The PREEN network thanks her for all her efforts and dedication in preparing the Newsletter and managing the PREEN mailing list for the past two years. We wish Federica all the best for her future.

Finally, please allow me to introduce myself to you as the new Coordinator of the Newsletter for 2011 – 2013. I am Anja Grujovic, the new ODI resource economist at SOPAC. I look forward to meeting you all at some point during my stay here.

Season's greetings to all and a happy start to 2011!

Anja

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Economics of climate change adaptation and coastal management

Due to their geographic settings, as well as their relatively small size and reliance on coastal and near shore resources, the Pacific islands are particularly vulnerable to climate change and extreme weather events, issues which could become more critical in the future. As part of the support to Pacific islands to improve resilience to natural hazards, the SOPAC Division of SPC has been commissioned to conduct a comparative economic assessment of different responses to the threat of coastal flooding. Two studies are currently being developed by the SOPAC Natural Economics team, one focusing on the Tuamotu atoll in French Polynesia, and the second one on the Lifuka island in Tonga.

Both studies will take the form of a preliminary comparative analysis of different adaptation strategies, such as the use of kit housing, set back zones or sea wall construction to mitigate coastal flooding. The studies will draw on existing literature to consider the frequency and severity of past coastal flooding arising from storm surges and or cyclones, including any available modelling information of future inundation.

The projects are intended to develop evidence-based guidance for communities to adapt to coastal flooding in the face of coastal processes and climate change. The projects will outline any key findings and recommendations relating to the use of the different adaptation options.

For more information on these cost-benefit analyses please contact Anja Grujovic at anja@sopac.org



PACC holds cost benefit analysis training

At its 2nd Multipartite Review meeting held in August 2011, Pacific island countries participating in the SPREP-executed Pacific Adaptation to Climate Change (PACC) project acknowledged the need to conduct economic analyses of PACC pilot projects as a way to support adaptive planning and decision making process. In response to this, SPREP recently commenced a series of cost-benefit analysis training workshops to help PACC member countries strengthen their adaptation projects across the region.

Over 1st – 4th November, PACC national coordinators from Nauru, Niue, Tuvalu, and Tonga – along with economists from their respective Ministries of Finance – participated in the first training exercise, investigating how to conduct cost benefits analyses in PACC projects related to the water sector. The workshop, which was held in Nauru, covered key concepts in cost benefit analysis, previous examples of cost benefit analyses from the Pacific and a worked case study for workshop participants to complete. The workshop was executed in partnership with UNDP and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) through the UNDP Global Support Programme on Economics of Climate Change Adaptation.

PACC countries are presently invited to complete cost benefit analyses of their country's PACC demonstration project by May 2012, with support from SPREP, UNDP and other partners. Participants consequently spent part of the Nauru workshop developing detailed work plans for their cost benefit analyses, identifying key data requirements and sources to enable them to complete the work over the coming months.

Two more training sessions will be held with the remaining PACC countries in 2012. These will focus on how to conduct a cost benefits analysis of PACC projects addressing food security and the coastal zone management.

For further information please contact Aaron Buncle, Resource Economist, SPREP at aaronb@sprep.org



Certificates being handed out by Aaron Buncle and Russ Kun (Director, Commerce, Industry and Environment) to Haseldon Buraman (Integrated Water Resource Management Coordinator).



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Investment in disaster risk management profiles

Following the SOPAC initiative to track the level of investment in disaster risk management (DRM) activities, investment profiles are now available for the Cook Islands and Vanuatu. Two further profiles for Papua New Guinea and Fiji are due to be released shortly.

The profiles look at the budget appropriations to the National Disaster Management Office (NDMO) over time alongside any additional supplementary expenditure that may have been released in response to a disaster. Given the predominance of recurrent expenditures (such as salaries and wages) in NDMO budget appropriation, it was not felt necessary to analyze the difference between appropriations and expenditures.

From the data available, analysis reveals that Pacific island countries tend to provide funds targeting disaster management (response) while relatively little funding has tended to be assigned to measures such as early warning systems and disaster risk reduction. Nevertheless, it was found that many of the PIC governments keep some contingency funds to help ease the initial fiscal pressures placed on a country when a disaster first strikes and before donors are able to provide additional relief.

In order to more accurately track future investment in DRM, it is recommended that governments consider improving their fiscal reporting processes, attributing codes specifically to DRM activities. In addition, to truly assess the economic impact of disasters, the adoption of a standard approach to damage and loss and post disaster needs assessments is recommended to improve the accuracy of post disaster cost estimates. Data collected from future disaster assessments will help decision-makers make informed choices between disaster risk reduction measures and disaster response and recovery efforts.

The newly released investment profiles for the Cook Islands and Vanuatu can be freely downloaded from:

http://www.sopac.org/sopac/docs/nre/COK_SPC_2011_DRM_investment.pdf

http://www.sopac.org/sopac/docs/nre/VUT_SPC_2011_DRM_investment.pdf

For more information, please contact Samantha Cook at samantha@sopac.org

PREEN proceedings

PREEN co-founders IUCN and SOPAC finally released in November 2011 the (very) long awaited Proceedings of the inaugural PREEN workshop (held September 2009). The Proceedings contain peer reviewed, formally edited papers that were originally showcased at the workshop.

The Proceedings document provides samples of environmental/ natural resource economics work being conducted in the Pacific region over 2007 – 2009, covering a wide range of sectors including energy, minerals, disaster, fisheries and climate change. It demonstrates the growing interest and diversity of work in economics to inform resource use in the region.

The document can be downloaded for free from the IUCN web site at the following link:

<http://data.iucn.org/dbtw-wpd/edocs/2011-060.pdf>

For additional information, please contact Dr Padma Lal at Padma.Lal@IUCN.org or Ms Paula Holland at paulah@sopac.org.



Climate change adaptation: making informed choices in the Pacific

IUCN has recently completed its project, Climate change adaptation: Making informed choices in the Pacific, in collaboration with SOPAC and other partners in the region. The objectives of the project, funded by the Australian Department of Climate Change and Energy Efficiency (DCCEE) under its PASAP, include identifying constraints to undertake economic and social assessment-informed adaptation decisions in the Pacific; as well as to provide an analytical framework to support informed adaptation decisions, recognizing data and capacity constraints and the institutional decision-making contexts in the Pacific islands countries.

The final report of the project is to be released in late December 2011. The report will be accompanied by four detailed socioeconomic assessments of projects in the Pacific that were either identified as climate change adaptation initiatives or have potential benefits for adaptation to climate change:

Food security assessment	Assessing the social and economic value of germplasm and crop improvement as a climate change adaptation strategy: Samoan and Vanuatu cases studies
Water security project assessment	Water quality, quantity and sanitation improvement as an adaptation to climate change, Tuvalu
Coastal zone and relocation assessment	Social and economic assessment-base climate risk management: a case study of sea level rise and relocation of Lateu community, Vanuatu
Infrastructure adaptation assessment	Climate proofing of road improvement in North-western Guadalcanal, Solomon Islands

For more information contact Dr Padma Narsey Lal at Padma.lal@iucn.org.

Economics of coastal zone management in the Pacific

The University of the South Pacific (USP) in collaboration with IUCN-Oceania Regional Office releases a new book this month entitled Economics of Coastal Zone Management in the Pacific. The book, jointly produced by Dr Vina Ram-Bidesi (USP), Dr Padma Narsey Lal (IUCN-ORO), and Dr Nicholas Conner (IUCN's World Commission on Protected Area), is aimed at undergraduate and post graduate economics and geography students and resource managers interested in integrating ecological and economic concepts and principles to management decisions.

Drawing on three key conceptual frameworks, ecosystem based management, resource and environmental economics and the DPSIR (Driver, Drivers, Pressure, State, Impact and Response) model, the book analyses the effects of fundamental drivers of change, ecological connectivity and the root causes of coastal resource and environmental challenges. It then provides an analysis of the management implications of these issues on coastal resources and the environment, and the potential role of market-based instruments in encouraging their efficient and sustainable use. Finally, the book considers the conditions and circumstances where market-based instruments may be relevant and which management systems might address complex coastal resource and environmental management challenges.

For more information contact Dr Vina Ram-Bidesi (ram_v@usp.ac.fj) or Dr Padma Narsey Lal (Padma.lal@iucn.org).



Tourism economics

PREEN members may be interested in a forthcoming publication titled "Handbook on Tourism Economics: Analysis, New Applications and Case Studies", edited by Professor Clem Tisdell and published by the World Scientific Publishing Company. While the book will be a significant reference book on tourism economics, Pacific resource economists might be interested in Section Nine of the book which covers 'Environmental and Conservation Matters Involving Tourism'. Papers under this area include, among others:

'An Overview of Environmental and Conservation Issues of Consequence for Tourism Policy' by Kristin Jakobsson and Andrew Dracun

'Sustainable Tourism Development: Its Feasibility and its Economic Value' by R. Sathiendrakumar

'The Economic Value of National Parks and Protected Areas as Tourism Attractions' by Sally Driml

The book will be published in 2012.

For more information, contact Dr Steve Pratt on pratt_s@usp.ac.fj.

Upcoming Events

Cost Benefit Analysis for PACC Food Security Projects

When: 24th – 27th January 2012 (tbc)

Where: Suva, Fiji Islands

Cost Benefit Analysis for PACC Coastal Management Projects

When: 7th – 10th February 2012 (tbc)

Where: Samoa

For further information please contact Aaron Buncle, SPREP at aaronb@sprep.org

We look forward to receiving feedback and articles from our readers
Please send these to Anja Grujovic at anja@sopac.org

The Pacific Resource and Environmental Economics Network...

Aims to progress economic analysis for sustainable resource management in the Pacific by providing a forum for practitioners in Pacific resource and environmental economics to exchange information, ideas and experiences for mutual learning and professional development.