Mobilising Ecosystem Services Markets in Support of Biodiversity Conservation and Climate Change Adaptation Strategies in the Greater Mekong Sub-Region

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The ASEAN region is one of the fastest growing regions in the world, with high GDP growth in 2007 ranging from 6.3% to 10.4%. The loss of biodiversity and pressure on natural resources is increasing faster here than anywhere else in the world. Ecosystem services representing important, tangible economic and financial values are also under increasingly high levels of pressure threat from these newly emerging regional, national, provincial, and local-level economic plans and activities. The development of regional hydropower systems, roads, and large-scale tourism infrastructure, mining, and plantation agriculture ventures pose challenges to areas that provide environmental services and now serve as critical habitat to globally significant endangered endemic and wide-ranging species. The impacts of climate change exacerbate these pressures on ecosystem values.

Although the economic and financial values of ecosystem services are becoming widely recognized, actions taken to respond to the challenges of climate change adaptation, development pressure mitigation, poverty incidence, further fragmentation of natural landscapes, large losses of habitat and ecosystem functions, further deterioration of environmental services, and increased costs of industrial production are unlikely without development of sufficient, tangible incentives. While most countries have well thought out climate change adaptation programs, they have yet to be integrated into the national development plans.

Strengthening emerging environmental services markets offer great potential for generating the financial incentives needed to adapt to changing climatic conditions and/or achieve biodiversity targets and outcomes. In Vietnam, the Ministry of Agriculture and Rural Development, several Government of Vietnam agencies, and international experts are currently supporting pilot policy and field-based activities under which sufficient financial incentives are being generated to decrease the costs of providing electricity and clean water in support of urban development targets. Pilot ecosystem services payments and payment mechanisms have created significant incentives to protect and expand forest cover to achieve national forestry and biodiversity habitat conservation targets.

Based on two regional workshops held in Thailand and Vietnam 2009-2010, this presentation will identify ongoing PES activities and opportunities, in the Greater Mekong Sub-region. Steps to be taken to create legal and policy enabling conditions for PES as well as differences in approaches and challenges to implementing them across the region and the opportunities and potential support they can provide to achieve national and regional biodiversity conservation targets will be articulated. A special focus on capacity building and awareness raising needs is
identified as an important challenge that must be overcome before PES can be widely applied to effectively conserve biodiversity and mitigate pressures from climate change impacts.

While PES mechanisms can be mobilized to respond to climate change pressures and sustain biodiversity values, it is important to recognize how differing biophysical, market, political, and cultural conditions in each participating country set the limits to which it can be effectively applied. The final section of the presentation outlines how to make the initial assessments needed to apply PES in support of landscape-level biodiversity conservation outcomes and will report some initial results of PES applications in the Dong Nai Biodiversity Conservation Landscape in Southern Vietnam.