

A major new study on the economic consequences of ecosystem decline

The initial results of a major new study on the economic impacts of biodiversity loss were presented in Bonn today, at 9th Conference of the Parties of the Convention on Biodiversity. The study, known as The Economics of Ecosystems and Biodiversity (TEEB) was presented by economist Pavan Sukhdev of Deutsche Bank. TEEB was commissioned by German Environment Minister Sigmar Gabriel and Stavros Dimas, European Commissioner for the Environment, after a conference in Potsdam in 2007. These preliminary results are part of a larger project which is due to report in 2009.

Speaking at the press conference, Minister Gabriel said: "Although our well-being depends entirely on the services of nature, in the majority of cases these goods have no markets and consequently no prices. We ought to be aware, however, that by destroying biological diversity, we are irretrievably wiping data from the Earth's hard drive. It is time that we grasped the economic consequences of our actions."

Commissioner Dimas said: "The loss of biodiversity is as threatening as climate change and needs to be addressed comprehensively. I'm happy to see the preliminary results of the study which will help us formulate appropriate policies. The interim report shows how biodiversity loss has a disproportionate effect on the poor. It also highlights our inability to value the world we are leaving to future generations, and the global gap between the rich and poor."

The origins of the study can be traced back to a meeting of G8+5 Environment Ministers under German EU/G8 Presidency which took place in Potsdam in March 2007, where ministers agreed to look at the economic value of biodiversity and ecosystem services, and the long-term economic consequences of the continuing loss of biodiversity.

In response to the discussions in Potsdam, Minister Sigmar Gabriel, together with Commissioner Stavros Dimas of the European Commission, launched this initiative on The Economics of Ecosystems and Biodiversity (TEEB). Mr Pavan Sukhdev, a senior figure in Deutsche Bank, was invited to lead the study.

Both Minister Gabriel and Commissioner said that after reading the interim report they were more convinced than ever of the need to reflect the true economic value of biodiversity in the policies of governments and companies. They also congratulated Pavan Sukhdev on his efforts so far.

Both the Commissioner and the Minister reiterated their support for the second phase of Pavan Sukhdev's work, which they believe will contribute significantly to achieving the objectives of CBD. They emphasized the global character of the work and expressed their desire that the second phase be closely associated with the new Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services.

Ecosystem services are the benefits that we derive from nature for free, from timber and food to water purification and climate regulation. They are currently ignored by conventional systems of accounting, but widely recognized as being in decline around the world. The TEEB study is an attempt to find a framework that ensures their value is taken into account, with a view to stemming their loss.

The European Commission is committed to stopping the loss of biodiversity in Europe by 2010.

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