

Forest valuation: from science fiction to money on the table

■ By David Kaimowitz

Forests provide huge benefits. Besides supplying wood and other products, they store a vast amount of genetic information, regulate the climate and the flow of water, protect and enrich soils, control pests and diseases, pollinate useful plants and disperse their seeds, safeguard water quality, offer beautiful landscapes, and enrich us spiritually.

Forests can also create significant costs. Each hectare of forest is one less hectare farmers can use for crops or livestock. Forest animals can become pests. Forests compete with other activities for water.

Many people believe economic techniques can tell us when the benefits of forests outweigh the costs and which forest to clear or to protect.

These same people also frequently assume such studies will prove it is better to protect most forests and that policymakers will realize that the forests will be conserved as a result.

Robert Nasi and Sven Wunder of CIFOR and Jose Joaquin Campos from CATIE are not fully convinced. In **"Forest Ecosystem Services: Can They Pay Our Way Out of Deforestation?"** they argue that in many cases, we still know so little about the specific services forests provide that attempting to assess their value in a particular location would take us into the realm of science fiction. They point out that different economic valuation techniques often generate quite distinct results. They also note that

such techniques cannot really address the large-scale or long-term consequences of forest loss or the distributional issues concerning who loses and who gains.

In any case, figuring out how much a forest is worth is not enough. To conserve forests, a real incentive should be given for people who do not clear them. That will often require paying them, either because they effectively control the forestland or because they have political influence. Creating protected areas and eliminating perverse policies that encourage people to clear forests are important, but they can only go so far.

Valuation efforts can contribute most by determining how much one would have to pay different groups to get them to maintain forest land. That is more relevant than trying to come up with some theoretical figure about the forest's "value". Schemes to pay for environmental services should focus on forests that are under threat but where small payments would be sufficient to keep them from being destroyed.

Of course, it is nice for policymakers to see the value of forests. But for most people who would like to clear those forests, the bottom line is "show me the money". Good research can contribute a lot to figuring out how to do that. ■

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For free electronic copies of Nasi and Wunder's paper, you can write Levanía Santoso at: l.santoso@cgiar.org or <mailto:l.santoso@cgiar.org>. For comments or queries to the author, write Robert Nasi at: r.nasi@cgiar.org

