



The average willingness-to-pay (WTP) expressed was 92.9 Swiss francs per year, which equates approximately to US\$88 or €61 – a significant amount. Of course, one of the main problems with this type of question is that people do not think too seriously about the amount that they indicate, since it does not correspond to a real monetary payment (i.e. there is a hypothetical bias). Approximately 10% of the respondents made a protest bid of 0.- Swiss francs.

What Motivates the Public's Willingness-to-Pay for Conserving Forests?

Looking more closely at the variables which have an influence on the stated WTP, it can be noted that those individuals who do not plan on visiting a tropical forest in the future have a significantly lower WTP for their conservation (they are willing to pay, on average, 27% less). It thus appears that part of the value attributed to tropical forests is either for their direct use or for their option value as potential travel destinations.

The survey also showed that the more important respondents think the contribution of tropical forests to biodiversity is, the higher their WTP. The same is not true for carbon storage, pharmaceutical research, tourism, or support for local livelihoods – the importance attributed to these ecosystem services does not have a significant impact on WTP. A rather puzzling finding of the survey is that the relative importance people attribute to deforestation, as opposed to other environmental issues such as climate change and water pollution, does not statistically influence the stated WTP.

The promise and perils of REDD

Within the context of the United Nations Framework Convention on Climate Change (UNFCCC), Reducing Emissions from Deforestation and forest Degradation (REDD) is currently being considered as a potential form of climate change mitigation. While there is much optimism behind this mitigation strategy, it is still not clear how it could be implemented at the global level. Difficulties in identifying and addressing the multiple drivers of deforestation stand out as a particularly daunting challenge for REDD.

The question of how REDD policies and measures should be financed still remains largely unanswered. While some are keen to tap into the potential of linking REDD projects to a global carbon market, others consider public funding in the shape of development assistance as the most appropriate financing mechanism. Skepticism towards REDD in general, and towards the carbon market especially, is often driven by concerns over the potential adverse effects of carbon-driven incentives for forest conservation. For instance, the exacerbation of inequitable power relations (e.g. elite capture of benefits) and the engineering of the landscape to maximize carbon storage capacity, notably through the planting of exotic species, are foreseen as being significant risks associated with the advancement of an international market for REDD.

Tropical forests have become a prominent feature of current international environmental discussions, due notably to their role in regulating the global climate. However, forests are much more than carbon sinks. A recent research project has shed some light on the multiple values that are commonly associated with forests and on the amount that people might be willing to pay to ensure that these benefits are preserved. The results of a survey carried out in Geneva, Switzerland show that the general public is particularly sensitive to the biodiversity benefits of forest conservation. The study also highlighted a strong willingness to pay for the conservation of these ecosystems. Financing mechanisms that are able to adequately capture the biodiversity value of tropical forests are thus seen as having significantly more potential than those focusing exclusively on carbon.

Policy Implications

Although the high stated WTP should not – due to potential survey biases – be taken as an exact indicator of the funding potential for forest conservation initiatives such as REDD, the survey results do demonstrate the existence, in the city of Geneva, of a strong public interest in conserving tropical forests. Ongoing international efforts to conserve these threatened ecosystems, such as through the implementation of multi-lateral environmental agreements (e.g. the Convention on Biological Diversity) could potentially benefit from greater engagement with the general public, notably when looking into the prospects for developing innovative financing mechanisms.

The marked influence of biodiversity concerns on WTP for forest conservation is a compelling finding of the study. It indicates that climate-related ecosystem services do not dominate the Geneva public's interest in conserving forests. Financing schemes that focus exclusively on maximizing the delivery of one ecosystem service (e.g. carbon storage) could miss out on a significant portion of the potential funding source. Ongoing efforts to design financing mechanisms capable of 'bundling' ecosystem services, such as the Green Development Mechanism, should be encouraged.

While REDD initiatives are first and foremost about mitigating GHG emissions, it appears that they could significantly benefit from a broader consideration of the different attributes of forests. This would not only enlarge the amount of potential investors, it would also favour a more sustainable mode of environmental management by taking entire ecosystems, as opposed to isolated ecosystem services, into consideration. Such an ecosystem approach would be critical in ensuring that broader sustainability concerns are not being undermined by carbon-dominated interests. Already, there is fear that carbon interests in forests could potentially end up mainly benefiting plantation owners and/or timber concessions.

The fact that only 1 out of 5 people interviewed stated that they do not have an interest in visiting a tropical forest is also worthy of notice. Tourism could be perceived as an important motivator for conservation, especially considering the recent rise in popularity of ecotourism. However, the survey results show a different picture: people are not convinced that tourism interests represent an important attribute of tropical forests. While this might demonstrate a public sensibility to the potential adverse effects of tourism development on ecosystems, it also shows that the non-use values of tropical forests (e.g. simply knowing that such ecosystems exist) are seen as being at least as important as the direct-use values (e.g. enjoying the rainforest on a vacation).

References:

Baranzini, A., Faust, A.-K. and Huberman, D. (2009). Tropical Forest Conservation: Attitudes and Preferences. Genève: Centre de Recherche Appliquée en Gestion, Haute Ecole de Gestion, Cahier de Recherche No. HES-SO/HEG-GE/C--09/3/1--CH, p. 26, 2009. Can be downloaded at: <http://ssrn.com/abstract=1431951>

Baranzini, A., Faust, A.-K., Huberman, D. (2008). Understanding the Private Demand for International Ecosystem Services – Public attitudes and preferences towards REDD, final report. Can be downloaded at: <http://www.iucn.org/economics/>

Links:

The Swiss Network for International Studies: <http://www.snis.ch/>
 UNEP Economics and Trade Branch: <http://www.unep.ch/etb>
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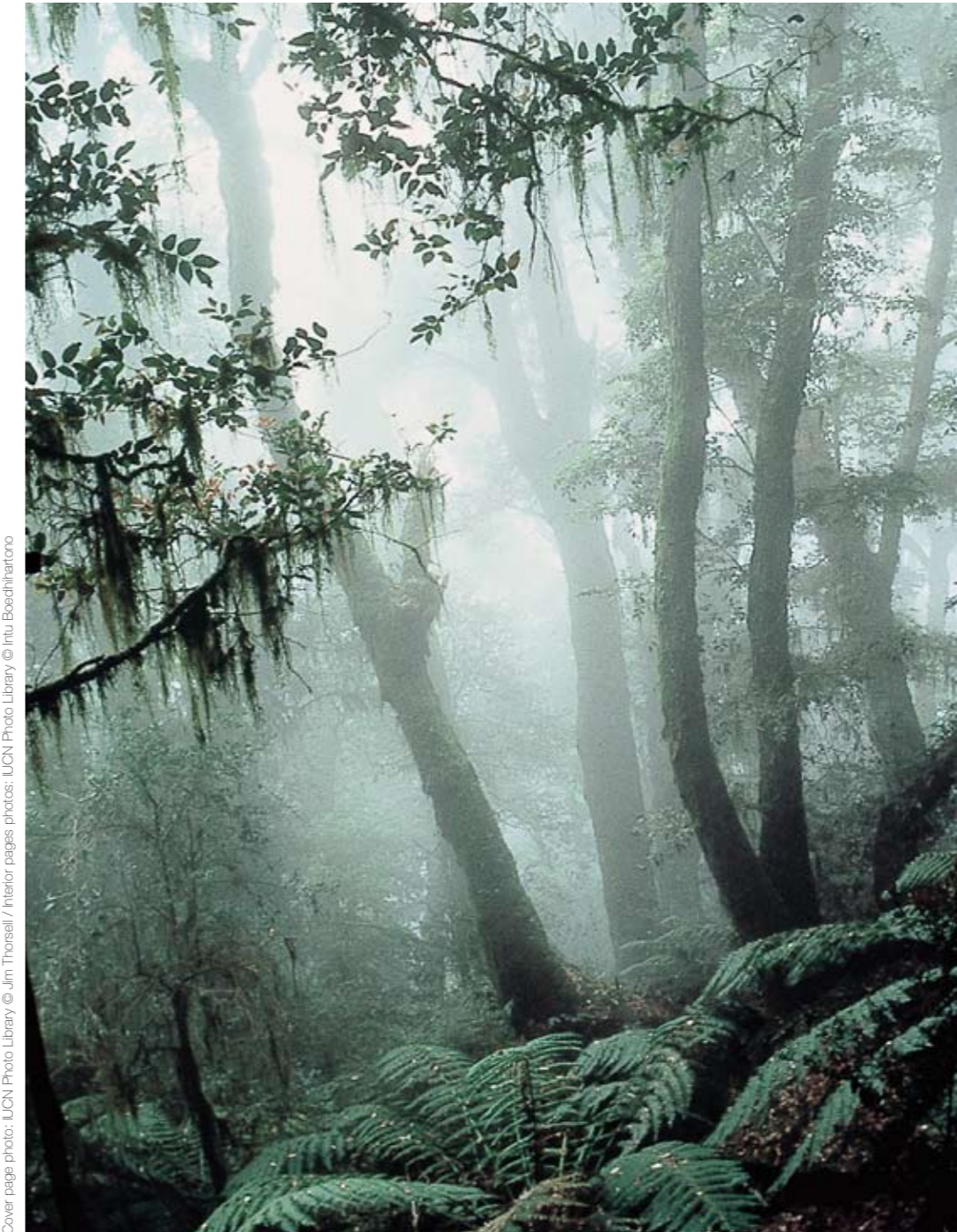
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What's a forest worth?

Understanding attitudes and preferences towards tropical forests and gauging the demand for international payments for ecosystem services



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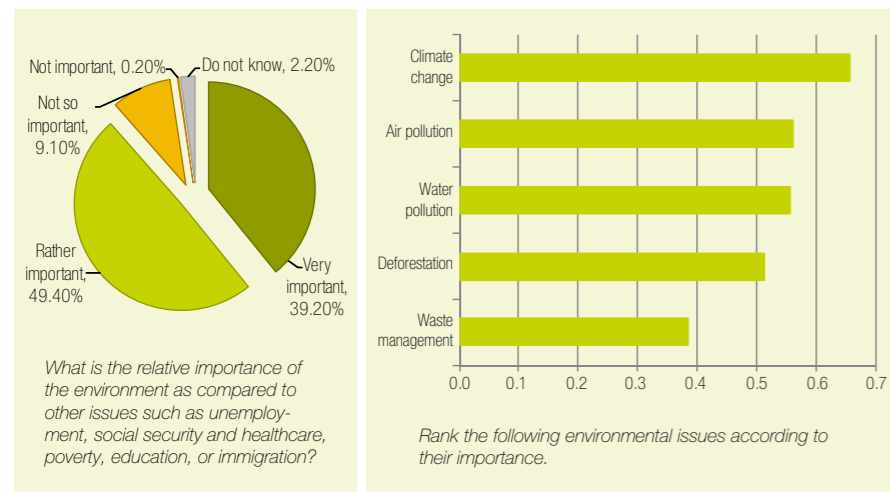


Gauging Public Attitudes and Preferences towards Tropical Forests

Current discussions on climate change and Reducing Emissions from Deforestation and forest Degradation (REDD) are generating considerable attention on tropical forest conservation. Especially in countries expected to commit to meaningful greenhouse gas (GHG) mitigation targets, it is useful to gauge how forests are perceived, and how much money the public might be willing to contribute to help conserve them. Whether related to the REDD debate or not, such information could serve as the basis for designing new funding mechanisms for forest conservation.

In an attempt to gain greater clarity on these particular aspects of the general public's views towards tropical forests, UNEP, HEG-Geneva and IUCN implemented a research project in Geneva, Switzerland. This project was made possible with the generous support of the Swiss Network of International Studies (SNIS). Within this project, a survey was carried out in late 2007. It involved the questioning of over 600 individuals, randomly sampled in the streets of Geneva and representative of the overall population.

Where do Forests Fit in the Broader Picture?



Relative to other social concerns, a large majority of the respondents judge the environment as being an important issue. This high level of concern for the environment is first and foremost driven by climate change, which individuals consider a more significant challenge than water pollution, air pollution, deforestation, or waste management.

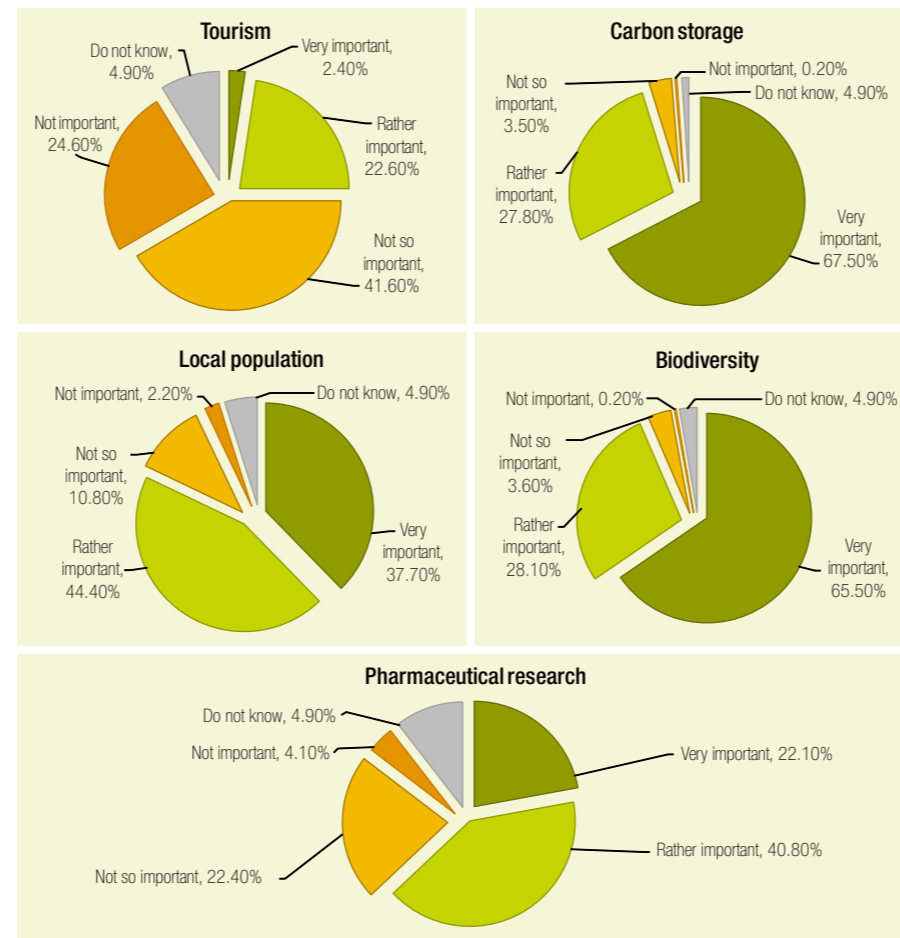
Overall, the surveyed population is well-informed about tropical forests. Although only about 1/4 of the respondents had already visited a tropical forest, approximately 30% stated their intention to visit one in the future. These results demonstrate clearly that tropical forests have value as a prospective destination for leisure travel (i.e. their option value).

The Neglected Value of Forests

Forests provide society with a range of valuable goods and services. The biodiversity-rich forests of the tropics are particularly attractive, due to the rich tapestry of genes and species that define them. They are fundamental sources of culture, knowledge, inspiration and creation. Of course, forests are also important in

Why Would You Care about Forests?

An important feature of the study consisted in disaggregating the different ecosystem services of tropical forests to see which ones are most attractive to the general public. Of the different contributions of forest ecosystems presented, biodiversity conservation and carbon storage stand out as the most appreciated attributes of tropical forests. Interestingly, tourism is not perceived as an essential contribution.



How Should We Conserve our Forests?

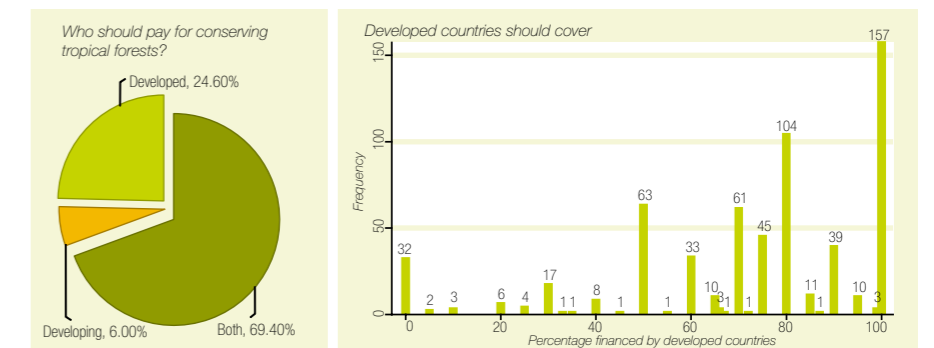
A central aim of the study is to gain more clarity on the public's views on how an international forest conservation scheme can be instituted and financed. To solicit meaningful responses from the surveyed individuals, a hypothetical forest conservation programme was described. This programme would cost 38 billion Swiss francs (approximately US\$35 billion) and reduce deforestation by 50% over the next 20 years by protecting 100 million hectares of forests. Funds would be used to support tropical countries in conserving forests through protected areas and through direct payments to local stakeholders.

providing food, fuel and building materials – goods which are particularly critical for the livelihoods of local communities.

The benefits of forest-based ecosystem goods and services are far-reaching. Indeed, tropical forests – such as those in the Amazon and Congo basin – act as regulators of the global climate, while also providing habitat for wild species. Despite its wide palette of benefits, the value of forest biodiversity and ecosystem services is still not fully appreciated in modern economies.

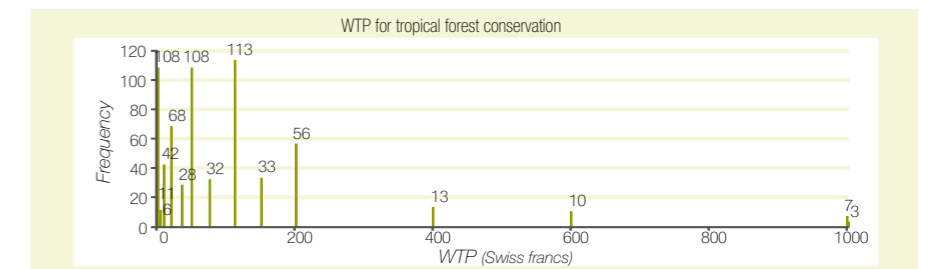


In answer to the question of 'who should pay?' most of the survey population felt that both developed and developing nations should bear the burden. When asked to quantify the respective responsibilities between the two categories of countries, the most commonly stated answer was that developed nations should cover 80% of the costs, and developing countries 20%. Approximately 14% of the respondents felt that the burden should be equally shared between the two.



How Much Do You Really Care about Forests?

The main objective of the study was to place some monetary figures on tropical forest values. To indicate how much people would be willing to pay for the conservation of tropical forests, individuals stated the maximum amount of money they would contribute on an annual basis to the hypothetical forest conservation programme.



Deforestation can be seen as a result of the limited appreciation and awareness of the full value of tropical forests. In order to reverse ongoing trends in forest loss and degradation, it is hoped that economic compensation for the provision of ecosystem services provided by forests (e.g. carbon sequestration, habitat for wild species, erosion control, etc.) can serve as incentives for conservation. Markets and payments for ecosystem services (PES) have thus recently become a popular tool for financing conservation. Still, the practical application of PES has remained limited.