

# Foreword

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One of the serious downsides of conventional economics is the way it is leading to the over-consumption of the planet's productive, life-support systems. Sound and solid economic evaluation of ecosystem services, such as those generated by forests or freshwaters, holds real promise in reversing these trends.

Capturing costs and benefits can also assist towards objectivity and credibility in the overall management strategy of ecosystems and will also assist policy-makers in estimating the impacts of policy reforms in different sectors and the implications for different societal groups.

The importance of economic valuation was highlighted in the discourse at the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro, Brazil, in June 2012 – 20 years after the 1992 Earth Summit in the same city. Its outcome document, *The Future We Want*, emphasizes the importance of evaluating environmental and economic factors in countries' efforts in promoting an inclusive green economy, and its integration into decision-making processes. It also touches upon the need to undertake scientific analysis on the costs and benefits of green economy policies in the context of sustainable development and poverty eradication.

In addition to the critical role of economic valuation of ecosystem services in decision-making processes, innovative policies such as payments for ecosystem services (PES) have been shown to have strong potential in catalysing the successful maintenance of healthy, functioning ecosystems – in part by providing incentives for local people to be involved while contributing to human well-being and poverty eradication.

The task of making PES schemes effective, however, requires careful design and institutional arrangements to ensure compliance, efficiency and equity. This book, *Values, Payments and Institutions for Ecosystem Management: A Developing Country Perspective*, edited by Kumar and Thiaw, brings together useful insights from leading thinkers and exponents of the theory and practice of economic valuation of ecosystem services and PES implementation.

By providing the real-world examples and lessons, the book will guide policy-makers and experts in their efforts in exploring and applying

these pathways and tools in the larger context of development policies of nations and the pursuit of a sustainable century.

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