Developing the Economic Value of Climate Services

Working Group Report
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Charge to Working Group

• Establish the methods and structures to provide advice and support in:
  – Developing the economic value of climate services
  – Establishing good practices in policy engagement

• Focus on what we can report 12 months from now
Context

• Climate services compete with other public expenditures – important to articulate the value of these services in supporting decision-making (policy, business, livelihoods) to inform funding decisions

• Metrics should be understandable to users and funding sources and facilitate comparative analysis and prioritization of funding
Framing Issues

• Focus on climate services to cover full range of temporal and spatial scales for decision-making
• Consider all users of climate services
• Value of climate services
  – Combination of benefits and damages avoided
  – Recognize probabilistic nature of benefits and damages avoided and consider uncertainties
  – Recognize that benefits are unique in time and place
• Monetization vs. quantification
Proposal for valuing climate services

• Establish working group with representation from climate services practitioners and economists

• Working group to meet face-to-face at conferences, annual meetings and virtually using Skype
  – American Meteorological Society (January 2012)
  – European Geosciences Union General Assembly (April 2012)
<table>
<thead>
<tr>
<th>Climate Services</th>
<th>Farmers</th>
<th>Disaster Managers</th>
<th>Tourism Sector</th>
<th>Energy Sector</th>
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<tbody>
<tr>
<td>Historical Data</td>
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<tr>
<td>Weather Forecasts</td>
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<td>Value of damages avoided, lives saved, etc.</td>
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<td>Inter-annual predictions/projections</td>
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<td>Seasonal predictions</td>
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<td>Decadal predictions/projections</td>
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<td>Longer term modeling results</td>
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Next Steps

• Working group:
  – Completes matrix
  – Identify existing research on valuation of climate services
  – Solicits feedback from CS providers and users to determine if importance described accurately
  – Reach out to other interested groups (e.g., WMO, NOAA CPO, NWS, Regional Development Banks)
  – Reevaluate scope, direction, and timing of activities
Valuation

• Select 2-4 of the most important climate service/user combinations for valuation

• Two options:
  • Draw inferences from developed and/or developing country case studies
  • Select appropriate valuation methodology(ies) and assess value of climate services for select users

• Develop strategy for generalizing and communicating results of valuation study
Moving Forward

• Future Meetings
  – American Meteorological Society (January 2012)
  – European Geosciences Union General Assembly (April 2012)
  – 2nd ICCS Working Group meeting in Hamburg (September 2013)

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