

Developing the Economic Value of Climate Services

Working Group Report
Glen Anderson, Chair
Elena Crete, Rapporteur

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)

Map Climate Services vs. Users

Climate Services	Farmers	Disaster Managers	Tourism Sector	Energy Sector
Historical Data				
Weather Forecasts		Value of damages avoided, lives saved, etc.		
Inter-annual predictions/projections				
Seasonal predictions				
Decadal predictions/projections				
Longer term modeling results				

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)
- To participate and/or share information, sign up NOW