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TARGETED SCENARIO ANALYSIS

A NEW APPROACH TO CAPTURING AND PRESENTING ECOSYSTEM SERVICE VALUES FOR DECISION MAKING

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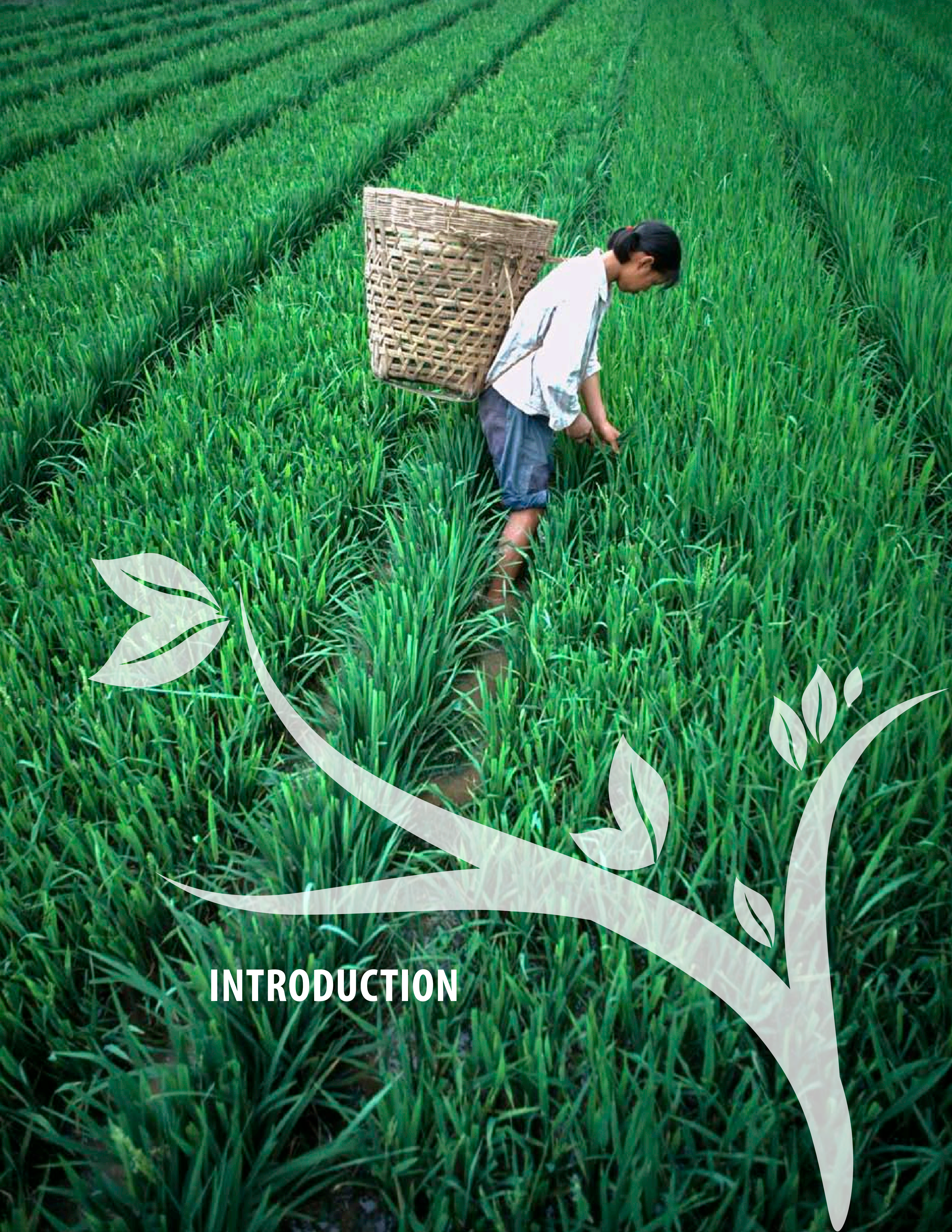
ACRONYMS

BAU	Business as usual
IPCC	Intergovernmental Panel on Climate Change
IRR	Internal rate of return
Kwh	Kilowatt hour
NGO	Non-governmental organization
NPV	Net present value
NTFP	Non-timber forest product
PA	Protected area
PES	Payment for ecosystem services
SEM	Sustainable ecosystem management
SMART	Specific, measurable, achievable, relevant, time-bound (used to describe indicators)
ToR	Terms of Reference
TSA	Targeted Scenario Analysis
UNDP	United Nations Development Programme



INTRODUCTION

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WHAT IS TARGETED SCENARIO ANALYSIS?

This guidebook provides a step-by-step introduction to Targeted Scenario Analysis (TSA), an innovative analytical approach, developed by UNDP that captures and presents the value of ecosystem services within decision making, to help make the business case for sustainable policy and investment choices.

Through TSA, practitioners working with governments and private enterprises can generate and present data related to the management of ecosystems in a way that is more relevant to the choices facing a decision maker. This increases the likelihood that this data will be used to make policy and management decisions that result in effective and sustainable management of ecosystems and ecosystem services.

The product of a TSA is a balanced presentation of evidence, for a decision maker, that weighs up the pros and cons of continuing with business as usual (BAU) or following a sustainable development path in which ecosystems are more effectively managed. This alternate path is termed sustainable ecosystem management (SEM).

A TSA should be conducted for a particular productive sector, and with a specific decision maker in mind.

TSA builds on and combines traditional cost benefit analysis and economic valuation methods, broadening the type of information captured. It differs from these traditional approaches in that it takes a sector-specific approach to valuation, to reflect the perspective and remit of policy makers and companies. Rather than determining the general