

« French works related to damage estimations: a synthesis »

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Summary

This paper is an attempt to draw a "state of the art" of the French experience and practices regarding economic valuation of environmental damages, and to identify constraints and opportunities as regards the integration of damages into environmental and economic accounts.

In 1996, a report by the scientific board of the French institute for the Environment (Ifen)¹ concluded that conditions were not favourable for the economic valuation of damages and made recommendations for further improvements. Despite progress made up to now, most of the difficulties and gaps identified then remain today. Beyond the problem of integrating damages into the accounts, they also concern, upstream, the monetary valuation of damages.

The transition from the stage of "research", or pilot estimates, to an operational stage, enabling to carry out economic assessment of damages in a systematic, quantitative and structured framework, is the crucial issue. Many impediments, in fact, still exist which represent as many challenges to take up. Three of them may be mentioned.

First the lack of scientific credibility of the valuations (values sometimes refer to rather intangible "entities", methods aim at defining "shadow" prices or values that are not directly observable on the markets, etc.). This leads to emphasise strongly the need for increased involvement of the various scientific disciplines concerned, for more transparency, as well as for a better assessment of the quality and robustness of the results.

Second, the still relatively limited number of studies and, above all, the insufficient feedback. In this domain the main stakes are to gather studies, enhance their accessibility, publicise "good practice", and define minimum specifications for carrying out routine studies. This would facilitate the transfer and extrapolation of results and help define procedures for data aggregation;

Finally the still insufficient development of the statistical system on the environment, in particular as regards damages : monitoring of the state of the resources and ecosystems, as well as the impacts on the populations involved and on uses.

However, favourable changes in the institutional context are now under way, under the influence of an increased awareness of actors for environmental assessment, strengthened at the European level by the Water Framework Directive or the environmental liability directive. In France this evolution has resulted in concrete actions, from the Ministry for Ecology and Sustainable Development (MEDD) in particular, in favour of information dissemination, the development of the empirical frame of reference, and methodological normalisation. The expected outcome is to accumulate knowledge and experience in order to make progress in selected domains.

¹ Conseil scientifique de l'Ifen, *Comptes économiques de l'environnement*, Rapport du groupe de travail présidé par André Vanoli et animé par Jacques Theys, Ifen, Notes de méthode n°7, décembre 1996.