

NEBEI update: Network of Experts on Benefits and Economic Instruments



"I know nothing about the subject,
but I'm happy to give you my expert opinion."

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NEBEI activities

- Finalised guidance on Economic Instruments
- Performed survey on views for the continuation of NEBEI
- Held first meeting since 2008
- Presented information on the CBA of the first Gothenburg revision scenarios

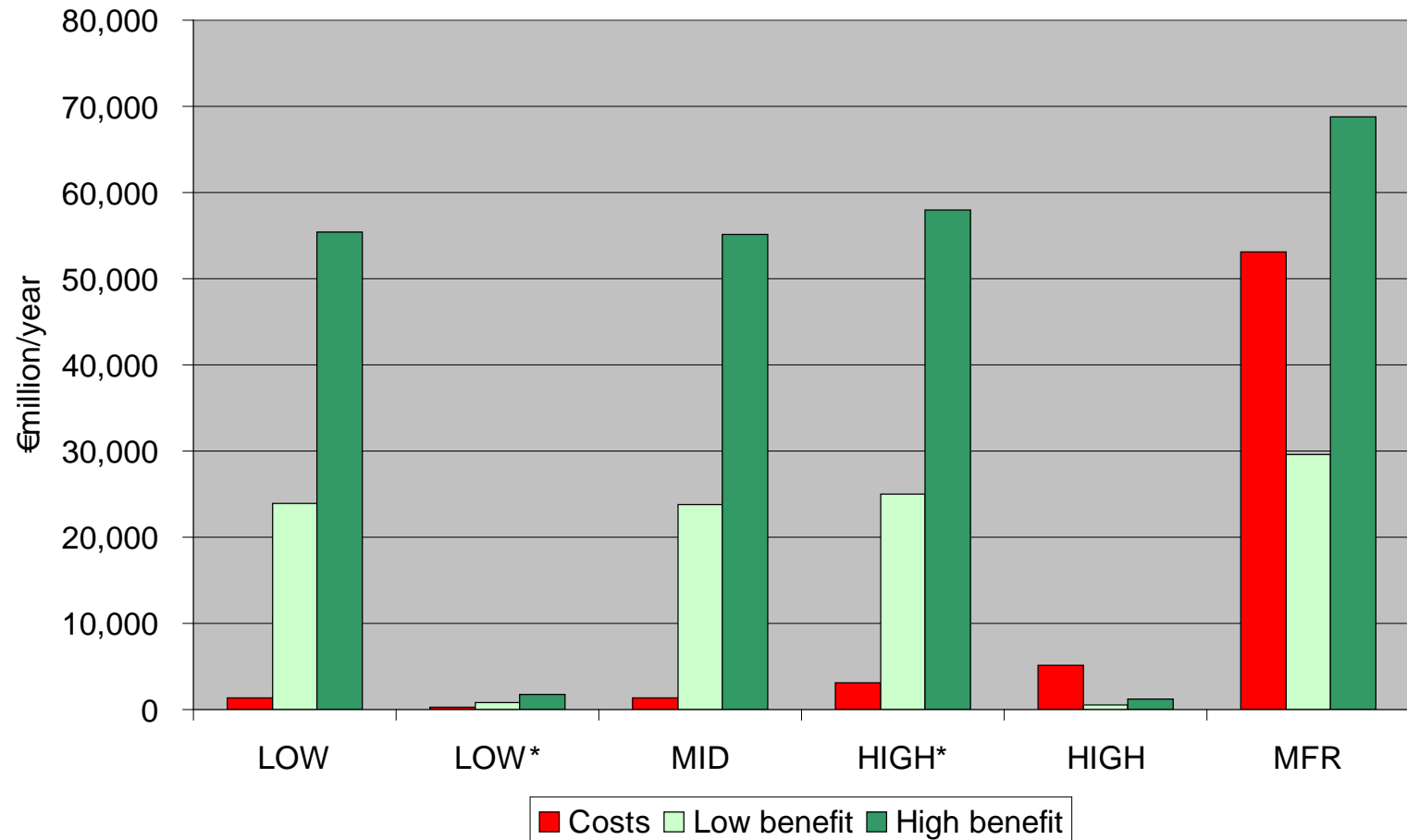
NEBEI meeting, 18th May 2011

- Organised in collaboration with TFIAM
- 41 participants
- Very active discussion on:
 - CBA of Gothenburg Revision
 - Developments in impact assessment and valuation for health and ecosystems
 - Economic instruments
 - Future of NEBEI

Survey results

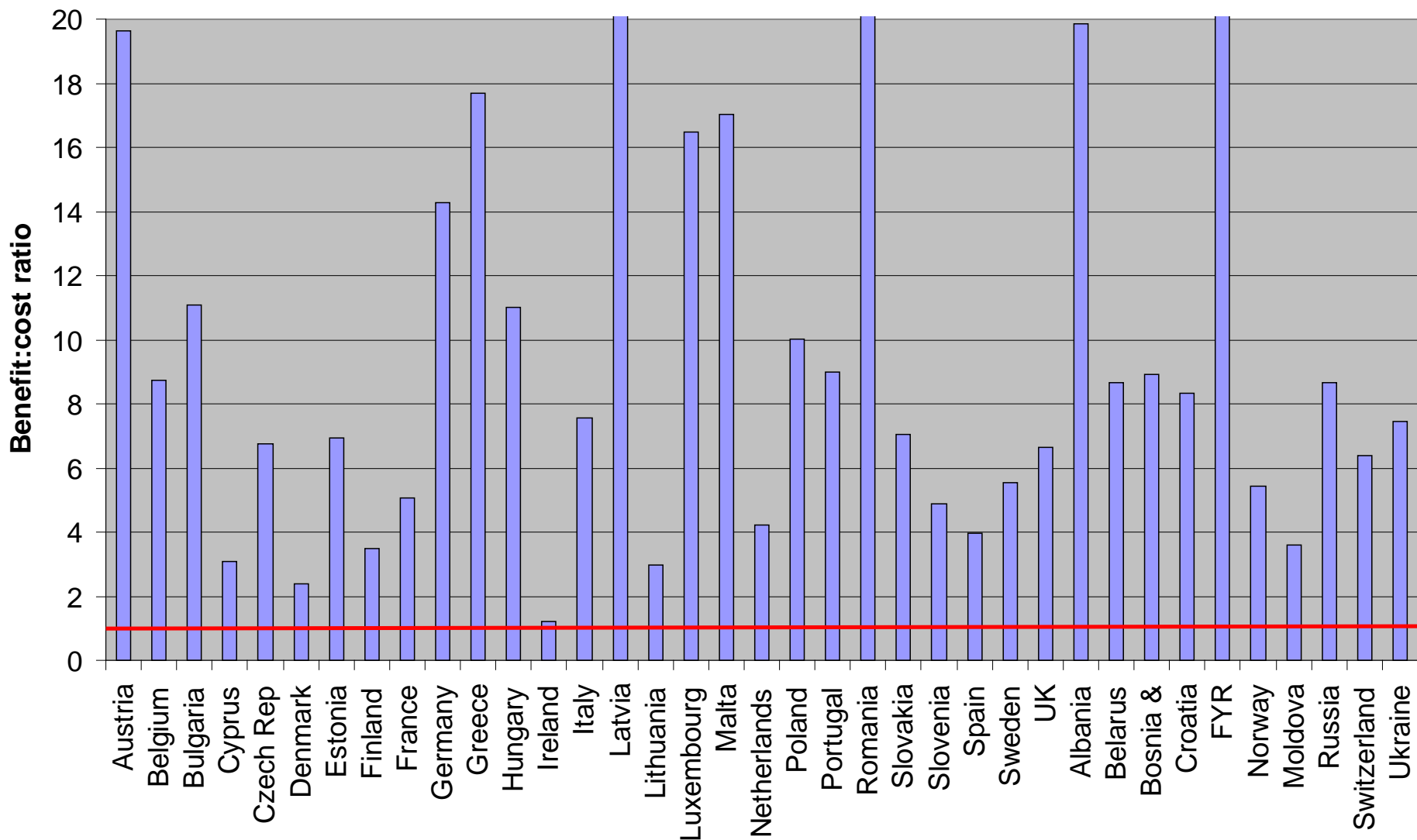
- 14 responses
- Strong support for continuation of NEBEI...
- ...as a separate group...
- ... but with a clear need to work with other CLRTAP groups
- Remit?
- Open membership, but ...
- ... national contact points useful
- Need a website
- Focus on air pollution
- Ensure relevance to EECCA countries
- Challenged ideas for tasks presented in the questionnaire and raised further ideas

Quasi-marginal comparison of costs and benefits (relative to previous scenario) for Gothenburg



Only includes health benefits, benefits range for alternative mortality valuation positions

Benefit cost ratios for HIGH*, Gothenburg analysis

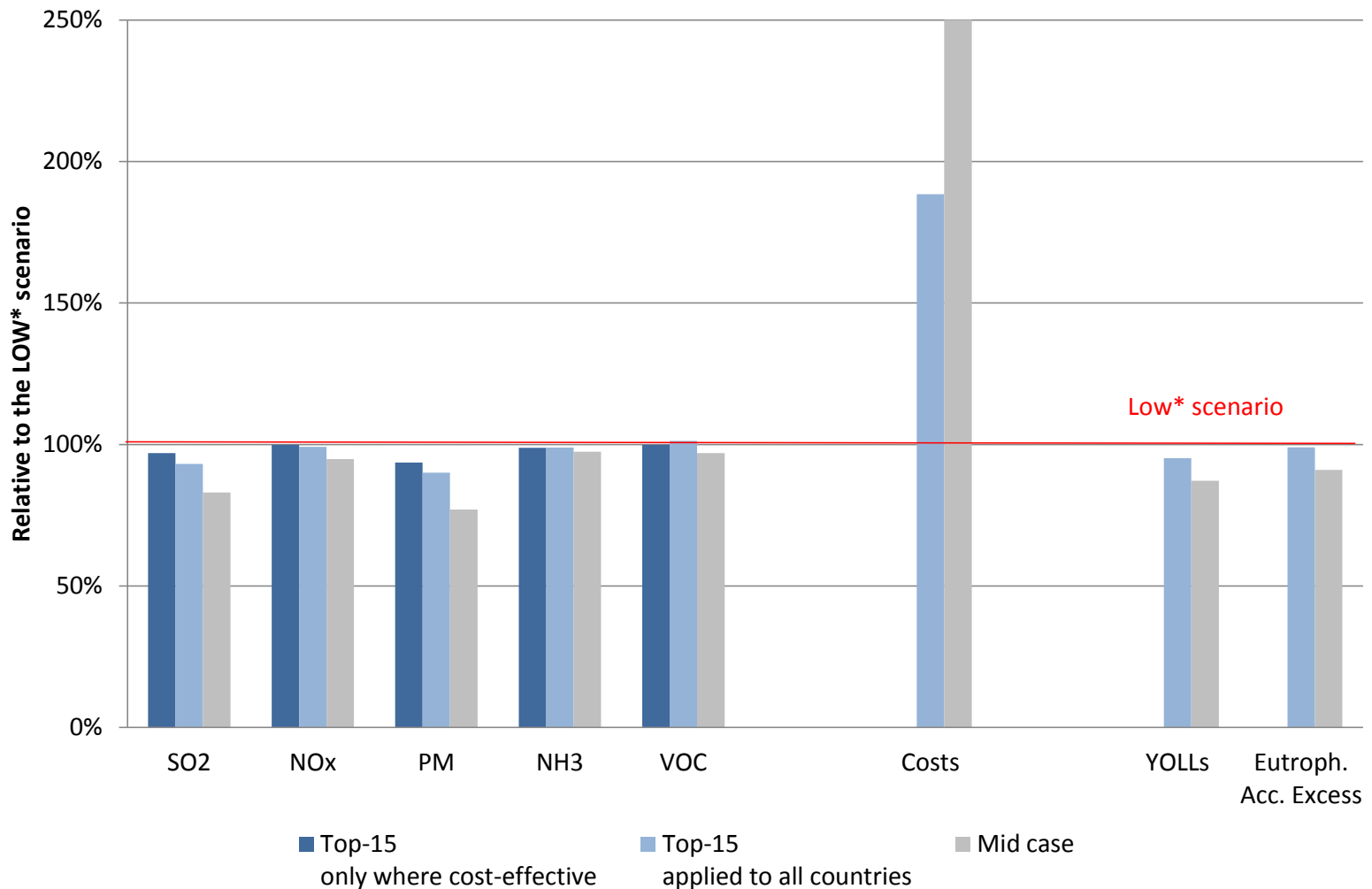


Conservative assumptions: VOLY median valuation, UNECE adjusted valuation, quasi-marginal calculation of costs and benefits, only health impacts included. Red line shows BCR=1, above which net benefit recorded.

Conclusions of the CBA

- Together, the GAINS and ALPHA-2 analysis show that:
 - Health impacts of air pollution in Europe are substantial
 - Large improvements are possible
 - Significant reductions in emissions are justified

Cost-effectiveness of the selected 'Key Measures' (from Markus)



Thoughts on the 'Key Measures' proposal

- Benefits are still likely to exceed costs for all countries
- But, benefit:cost ratios will fall...
- ... and 'Key Measures' approach could be worse than GAINS indicates
 - Constraints on measures included in GAINS
 - E.g. Swiss VOC incentive tax on solvents
 - Voluntary actions on VOCs driven by chemicals policy
 - May deter innovation in reducing emissions
- Ease of implementing 'key measures' needs to be balanced against loss of efficiency via the flexibility of National Ceilings