TEEB-Bhutan

December 5, 2016 Cancun



\ 2 2 3 2 0 * 8. a second E 🕥 -8



Image Landsat Data SIO, NOAA, U.S. Navy, NGA, GEBCO

Google eart

24°20'29.86" N 95°13'41.83" E elev 233 m eye alt 1705.51 km

9:58 PM 🐚 🖿 📲 🚺 11/7/201



Landlocked Eastern Himalayas: A Fragile Mountainous Landscapes Heavily Forested

The Economy of Happiness!!! mobilization society भूषार्थानगङ्गित्तन्वयावहँग्रम्भ income 60%



PA Net work: 51.4 (42.7 + 8.6 + 0.1)

River System in Bhutan



Ν

Water Availability: 109,000 m³/capita



Politician

- Honourable Agriculture Minister
- Honourable Chair Environment and Urban Development Committee

Non Governmental Organizations

- WWF-Bhutan
- Royal Society for Protection of Nature
- UNDP
- Bhutan Trust Fund for Environmental Conservation
- Bhutan Foundation

- Druk Green Power Corporation
- Environment Section Under Construction Hydro-power Plants
- Bhutan Power Corporation

Tourism Council of Bhutan

Government:

□ Ministry of Agriculture and Forests

- Policy and Planning Division
- Department of Agriculture
- Department of Forests and Park Services
 - Watershed Management Division
 - Forest Resources and Management Division
 - Ugyen Wangchuck Institute for Conservation and Environment
 - Nature Conservation Division
- Gross National Happiness Commission
- Ministry of Finance
 - Department of Public Accounts
- National Environment Commission
- National Land Commission
- National Statistical Bureau
- □ Ministry of Economic Affairs
 - Department of Hydro-power and Power Systems
 - Department of Renewable Energy
 - Department of Hydro-met Services



Hydropower: 27% of country's GDP 30,000 MW potential but 23,765 technoeconomically feasible. 6 % of the potential harnessed

Hydro-power

Bhutan Sustainable Hydropower Development Policy - 2008

1. Introduction

- 1.1 The economy of the Kingdom of Bhutan is largely dependent on the development of Hydropower generation. Hydropower plants contribute significantly to the overall GDP growth and economy, both during construction and operation phases.
- 1.2 The domestic demand for electricity in the country is increasing at a rate that may soon exceed existing generation capacity that is presently available to meet such domestic demand, and hence, capacity augmentation is imperative. The surplus electricity is being exported to India from the existing hydropower generating plants. The revenue earned from export of electricity is a significant contributor to the overall revenues of the Kingdom. There is great potential for increasing such export and consequently earn substantial revenues. As part of the Framework Agreement entered between the Royal Government of Bhutan (RGoB) and the Government of India (GoI) for cooperation in the field of hydropower sector, GoI has agreed to a minimum import of 5,000 MW of electricity from Bhutan by the year 2020.
- 1.3 The RGoB intends to develop hydropower projects in an accelerated manner in order to have an installed capacity of at least 10,000 MW by 2020. The key reasons for acceleration of hydropower development are:
 - hydropower is the main source of revenue for the country and its development would help the country achieve its goal of economic self reliance, and
 - huge energy demand in the region offers a big opportunity for Bhutan to develop its rich hydropower resources for export.

TEEB- Bhutan

• Assess changes in ES under different hydropower diversification scenarios

• Inform:



Each Scenario would seek to achieve RGoB's goal for 2020

- 1. Sustainable Hydropower Development Policy 2008
- 2. Alternative Renewable Energy Policy 2013

Policies call for diversification of energy sources and sustainable expansion in hydropower capacity

TEEB- Bhutan

- Assess changes in ecosystem services provisioning under different hydropower diversification scenarios

 Diversification - Large; Medium; Small etc.
 15 ES - Identified
- Recommend instruments, including PES and royalty fee changes to ensure benefits sharing with communities

Integrated Sustainable Water Resources Management

12.4 In order to utilize water resources in a sustainable manner for hydropower generation, it is important to protect water catchment areas by promoting sustainable agricultural/land use practices and nature conservation works. The MoA in collaboration with MoEA shall work out the modalities for integrated sustainable water resources management. A minimum of 1% of royalty energy in cash shall be made available on annual basis to MoA for this purpose.

Ugyen Wangchuck Institute for Conservation and Environmet

Department of Hydropower and Power Systems

Watershed Management Division

Department of Renewable Energy

Forest Resources and Management Division Druk Green Power Corporation

NLCS	DoA			
NSB	DoL			
WWF	TCB			
NEC				
DHMS				
GNHC	ata S			
МоНСА				

Review Committees

Chief Program Officer - Gross National Happiness Commission

Country Representative – WWF Bhutan

> Chief Forestry Officer – Watershed Management Division

Chief Engineer – Hydropower Development Division

Director Projects – Druk Green Power Corporation







Biophysical Models



1. Provision of Food

2. Provision of fresh water (quality) – nitrogen

3. Provision of fresh water (quality) - phosphorus4. Habitat for species

5. Regulation of carbon sequestration and storage

6. Genetic resources7. Timber8. Biological Control9. Pollination

Ecosystem Services [Results]

Bio-physical Changes projection for 2030 for the scenarios

- BAU
- Hydropower Construction
- Hydropower Construction with Ecosystem Services

□ Value of ES projection for the scenarios [By How Much]



ES	Estimation		Biophysical	Undra un		Feenemievelue	Economic valuation (year			
			Benefit	change (2010-	BAU	ES vs BAU	per unit	Hydro vs	50)	Comments
	InVEST	SD	transfer	2030): BAU				BAU	ES vs BAU	
Provision of food		x		1,319 ton	-76	-80	739.86 US\$/ton	-\$421,692	-\$424,088	Systemic approach, with endogenous changes to population and land use
					1,159	1,151		\$814,442	\$808,675	Sectoral approach with no change to land use, only yield
Provision of freshwater (quality) - nitrogen		Х		0.0410 mg/l	-1.96%	-1.92%	-	Below health threshold	Below health threshold	Assumes that all the land-related N loadings take place in 20% of the area (concerning the estimation of concentration)
Provision of freshwater (quality) - phosphorus		X		0.0435 mg/l	-3.69%	-3.67%	-	Below health threshold	Below health threshold	Assumes that all the land-related N loadings take place in 20% of the area (concerning the estimation of concentration)
Habitat for species			X	802 ha	-26	590	5,192 US\$/Ha	-\$133,045	\$3,065,470	Economic value per unit obtained from Kubiszewski et al. (2010)
		х		91,633 persons	-3,535	-3,511	576 US\$/person	-\$2,036,106	-\$2,022,201	Assumes that a reduction in habitat quality has a proportional impact on tourism visits (it could also be assumed that expenditure per visit might change)
Regulation of carbon sequestration and storage	X	Х	8	-2,211,105 ton	-81,350	154,884	43 US\$/ton	-\$3,498,050	\$6,660,012	Upper values of carbon coefficients from IPCC Report 2006
	X	Х		-123,059 ton	-2,292	52,794	43 US\$/ton	-\$98,556	\$2,270,142	Lower values of carbon coefficients from IPCC Report 2006
Genetic resources			x	802 ha	-26	590	19 \$US/ha/year	-\$487	\$11,218	Economic value per unit for temperate forest obtained from Kubiszewski et al. (2010)
Timber			х	802 ha	-26	590	44 \$US/ha/year	-\$1,128	\$25,979	Economic value per unit for temperate forest obtained from Kubiszewski et al. (2010)
Biological control			x	406 ha	-164	-163	28 \$US/ha/year	-\$4,599	-\$4,566	Economic value per unit for cropland obtained from Kubiszewski et al. (2010)
			Х	802 ha	-26	590	9 \$US/ha/year	-\$231	\$5,314	Economic value per unit for temperate forest obtained from Kubiszewski et al. (2010)
Pollination			х	406 ha	-164	-163	19 \$US/ha/year	-\$3,121	-\$3,099	Economic value per unit for cropland obtained from Kubiszewski et al. (2010)
			x	802 ha	-26	590	376 \$US/ha/year	-\$9,635	\$221,999	Economic value per unit for temperate forest obtained from Kubiszewski et al. (2010)

- Land use type practices up-stream
- Institution of PES to up-stream land users
- Scale of hydro-power project and influence on ES
- Recommendations for planned projects

Tashi Delek