



FAQ January 2017 in relation to:

ISO 14008 - Monetary valuation of environmental aspects and impacts — Principles, requirements and guidelines

This FAQ aims at answering and clarifying some questions and issues raised on the development of the abovementioned standard.

Where is the need for this type of standardisation?

There is a need from businesses that wish to understand what data on monetary values represent in order to be able to take decisions based on it. Similarly, there is a need for policy-makers using different types of methodologies for doing monetary assessments. In general, there is a need for more transparency of different initiatives in the field by using a similar framework and language.

To what level of detail will the standard go?

The standard is not intended as a handbook or manual. Thus, it cannot be used as a step-by-step guide for those wishing to do a valuation or a “black-box” into which one can add numbers and get a calculation. It can, however, be used as a framework for those wishing to do guides in the field. That would be beneficial as such guides would then be more coherent with each other.

This is a complicated area.

It is, and it will continue to be so. For that reason it is helpful with an ISO standard outlining a framework and principles. It will make it easier to compare different assessments and learn from one another.

There are lots of uncertainties.

There are, and there will continue to be uncertainties. An ISO standard will not eliminate them. It will, however, make it more transparent what the uncertainties are and how they have been handled.

There is not a monetary value on everything. It is also an ethical, political and subjective decision.

This is true. The standard is not intending to say that there is a value on everything. However, in the cases one wish to put a value, one should follow certain common principles and framework.

There are others that are in a better position to do this

There is a benefit in also developing such a standard on the broad platform that ISO has. This international platform allows for the involvement of experts from a large number of countries and



backgrounds both in the international work as well as on the national level. Moreover, ISO has the advantage of having clear processes for following up and reviewing an existing standard which involves consultation internationally and nationally. The other initiatives and the ISO project can, however, benefit from each other.

Will this standard be used for conformity assessment?

Almost all requirements are relating to documentation and thus relate to transparency of what has been done rather than requiring all valuations to be done in a certain way. Although the deliverable will be a requirement standard, it does not necessarily mean that it will be used for the purpose of conformity assessment. A possible use for the standard might be for peer to peer review purposes, for instance within academia. In general, any ISO standard is to be written in accordance with the “neutrality principle” so that conformity can be assessed by first, second or third party.

Maybe a standard could increase the number of companies that do an assessment.

This can be true. It might also be that some new companies might be interested in doing environmental impact assessments as well as to use other ISO-standards after having used ISO standards on monetary valuation. Some companies might also see it as a way of reaching the managers who are often more likely to understand a monetary value than an environmental statement.

It will be costly for SMEs to do such valuations?

There is a trend of more such valuations being done. This is mainly done by large businesses, governments and research institutions. It is likely that this trend will continue and that there might eventually be an interest and/or demand for smaller actors to do similar valuations (a possible comparison is the development of LCA applications). If there is already a common framework for such valuations, it will be easier and less costly to do them for new actors. This standard is not a handbook or manual showing a company how to do a valuation. However, it might present a framework and common language for those that will develop tools and manuals in the future.

Will it not be too costly for developing countries to do valuations?

There is a trend and increased demand in doing such valuations. If there is a common framework and language, costs will be lower. If instead there will be a large number of different initiatives using different frameworks and terminology, the costs of doing valuations will be higher. ISO is the best platform to develop such a framework in a process where many developing countries can also participate and influence it so that it has a global relevance. There is already a considerable interest from developing countries in participating in the work and influence the standard.

The standard seems to be using more developed country data?

This will have to be updated and amended through the work of the working group and the drafting of the standard.



From the title and scope it is not clear on what is aimed with the standard?

The intent of the standard is to provide a framework that can be used by different actors wishing to do monetary valuation for different purposes. The aim is not to provide a detailed manual on how to do such valuations. The idea is that by using the same framework, it will be easier to compare valuations as well as easier to learn from valuations done.

There are lots of technical issues that need to be clarified?

This is for the Working Group to discuss and determine.

Economic valuation is broader and thus a more appropriate term. Why are we calling it monetary valuation?

Economic valuation is indeed broader and can entail both putting a monetary value on something as well as giving a general statement on that something is of value. The intent of this standard is to provide a framework on monetary valuation and not on all types of claims of something being of economic value. This also makes this initiative different from other initiatives in the field that focuses on economic valuation.

Communication and reporting, should it be in the standard?

The standard aims at informing companies what different data on monetarised impacts represents. The reporting format is therefore central to the standard.

The standard should include social indicators as well.

Social indicators in general is out of the environmental scope of ISO/TC 207.