

Designer Carrots

National MBI Forum

Metrics: complex not complicated

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What does a metric do?

A metric is one of the tools for definition and selection of goods and services from the market (eg. biodiversity gains from a market/tender for contracts for conservation)

Metrics support

- Measurement of indicators of change
- Management of risk (due to uncertainty)
- Definition of rights
- Allocation of funds between alternatives
- Evaluation of outcomes

Metrics don't

- Do all the work of the MBI
- Think for themselves – testing is critical

What are the elements of a good metric?

Focus on program objectives and priorities

- Only a tool
- Values need to be determined by community, policy, delivery, economics and science

Combine quality and quantity assessments of ecosystem services where appropriate

- Need to consider values and benefits; spatial arrangement, magnitude of change, attributes of service

What are the elements of a good metric?

Provide an objective, reliable and repeatable measure of goods and services

- Need to deal with variability in ecosystem services in space & time
- Need objective indicators
- Need to know the accuracy of our measurement

Be simple to understand and explain to participants and transparent enough to demonstrate fair decision making

- Don't call them metrics!
- Need not be completely transparent

What are the elements of a good metric?

Enable manageable calculation of net change or outcomes

- Consider valuing past practice, reward higher service
- Use research, experience, modelling, expert input
- Need to test scenarios
- Design contracts to fit with the metric (for outcomes, outputs or inputs?)

Ensure design and implementation are cost-effective

- Cost-effective relative to outcomes, alternatives and potential for value-adding
- Build on existing knowledge, data and systems where possible

What are the elements of a good metric?

Allow comparisons and discrimination between a range of realistic scenarios or groups of goods and services

- Check the metric is sensitive to different situations
- Test the metric; test within the MBI design

Be defensible if data is limited or uncertainty high

- ‘Best’ does not mean perfect
- Use expert knowledge
- Evaluate the metric and refine it for future use

What are the elements of a good metric?

Consider the reversibility of impacts, side effects, market interactions and chance of success

- MBIs are not the solution to all problems
- Check market interaction

Take into account trigger thresholds or synergies that would have a major impact on the desired outcomes

Consider time lags for outcomes to be realised

Be clear about what the metric does not measure