Common misconceptions about INFFER

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1. "INFFER requires you to pull ecosystems apart into discrete units (assets). Ecosystems do not function in discrete units. Management actions can have an impact on a number of components within an ecosystem."

Some users are concerned that INFFER may tend to focus attention onto particular parts a catchment or region, rather than the whole area.

At least in Australia, the level of funding available in environmental and natural resource programs is not nearly sufficient to manage the issues comprehensively.

Also, there is a lot of spatial heterogeneity in the problems these programs address. There is variation from place-to-place in the values of assets under threat, the severity and urgency of threats, the technical feasibility of reducing those threats, and the adoptability of the required works. So the environmental benefits from investing in works will vary widely not just between catchments, but within catchments.

Thus, the usual reality is that the best use of program funds from an environmental perspective requires prioritisation of effort within a catchment. INFFER helps managers to identify what those within-catchment priorities should be. Of course there may be some situations where efforts to promote action over the whole catchment are warranted. For example, there may be a worthwhile practice that is both relevant to environmental management and highly adoptable across the whole catchment , so that a project to promote that practice over the whole catchment would be highly beneficial (although our experience is that such practices are rare).

INFFER does not require users to define their projects based on small areas or parts of broader systems. It is quite possible to define a project for an entire catchment, a region, or an entire state for that matter. If the project is indeed cost-effective at that broad scale, then this will be reflected in the INFFER analysis. However, it may be that a particular catchment- or region-scale project is not cost-effective, while a more targeted project working on parts of the catchment would be. Users might therefore choose to define their project in a more targeted way. This is not a requirement or limitation of INFFER. It is just reflecting the reality that more targeted efforts often generate more valuable environmental outcomes per dollar spent than do less targeted efforts.

Given the limited funds available and the spatial heterogeneity outlined above, we generally start by asking users to focus on key assets within catchments, rather than the whole catchments. Again this is not a limitation or requirement of INFFER. It is just a recognition of where the best value for money outcomes are likely to be achieved.

In reporting back at the whole catchment scale, we just aggregate the outcomes from activities that are occurring within the catchment. INFFER actually is a tool for thinking strategically about investments across the whole catchment. If well used, it provides an integrated assessment that helps managers decide which parts of the whole catchment are worthwhile investing in. This is more strategic than just assuming that investment should occur across the whole catchment.

Sometimes, when people talk about achieving outcomes at the catchment scale, they seem to put it on a pedestal, as if undertaking works on a smaller scale is inherently inferior. Actually, one shouldn't be apologetic if activity is not occurring across the whole catchment. It may be a signal that you've got your thinking straight.

2. "INFFER biases investments towards localised assets rather than dispersed assets?"

No, it should not do that. The Project Assessment Form works for both localised and dispersed assets. What we tend to find is that the available information is stronger for some localised assets than for typical dispersed assets. This may mean that there is more confidence to proceed with investment in those localised assets in the short term. However, this is not a bias! It is an appropriate response to the availability of required information, which should be a factor whether one uses INFFER or some other process. INFFER encourages users to identify information gaps and recognises that for some assets the short-term priority is for projects to fill those gaps. Once that is done, the competitiveness of a dispersed asset just depends on how it stacks up in relation to the factors that INFFER considers: value, threat, technical feasibility, socio-economic feasibility, urgency, cost, etc.

Another possibility is that, in some cases, the technical feasibility or socio-economic feasibility of a project is lower for a dispersed asset than for some localised assets. This is not true in all cases, but in some. In that case, the dispersed asset would be less competitive, just as any project with low feasibility should be. This is about good decision making, not bias.

For those dispersed assets that have modest value per hectare and extend over large areas (e.g. agricultural land), a project would need to be able to deal with threats at low cost per hectare to be able to compete. If it cannot do that, it will have a low Benefit: Cost Index value. Again, this is about good decision making, not bias.

Overall, INFFER is making the comparison between localised and dispersed assets more transparent and so, hopefully, less biased.

3. "INFFER is just like other decision processes that we have used, such as 'Program Logic' and 'Multi-Criteria Analysis' and doesn't really offer anything new."

It is true that most of the elements that are included in the Project Assessment Form have been included in one or another of the many past decision processes used by environmental managers. However, INFFER offers substantial advantages relative to past processes used in Australia:

i. INFFER includes all of the relevant criteria in one system. Most other systems we have looked at omit crucial elements, or allow decision makers to proceed without ensuring that they have all the essential information.

ii. INFFER allows systematic comparison of investment options across all types of NRM issues, not just within any one category (such as biodiversity).

iii. INFFER helps users ensure that their projects are defined in a way that is internally consistent. This means that projects can be compared validly, rather than favouring the project that has been exaggerated the most. We have examined many projects developed using other systems and are almost none of them are internally consistent.

iv. INFFER highlights the need to assess the technical feasibility of achieving a specific goal and the adoptability or otherwise of works at the required scale. These are often neglected by environmental managers.

vi. INFFER helps users to choose the most appropriate class of policy tools using the Public: Private Benefits Framework. No other system we have seen does this, other than another system that embeds our Public: Private Benefits Framework.

vii. INFFER integrates all the information in a way that gives appropriate weight to different issues in considering priorities. Environmental managers often don't have a way to do this, and may end up choosing priorities based on an assessment that gives too much weight to, say, environmental threat or asset value, and too little weight to technical feasibility, project cost, the adoptability of works, or the timing of benefits. The Benefit: Cost Index has a water-tight logic to it, and provides a better indication of value for money than is usually achieved in Multi-Criteria Analysis.

viii. INFFER leads to selection of more realistic target outcomes and better targeted monitoring and evaluation.

ix. Compared to Program Logic, INFFER puts a much stronger emphasis on quantifying the elements of the decision problem, not just describing how they are linked up.

4. "The project assessment form takes too much time."

The time required depends on the level of knowledge and experience of the person completing the form. If the person has very good knowledge across all aspects of the form, it may take only a day or so. More likely it will require time to collect and collate additional information, probably through consultation with experts and perhaps with local community members. Reading of past reports related to the asset will probably be required. We estimate that a relatively new user will take up to 5 days of work to complete this task where there is a lot of information to capture and report. Users become faster at the process with experience.

Some people have commented that this seems like a long time. In our view, it is not long considering that you are likely to spend millions of dollars of public money in the funded projects. It is an appropriate level of due diligence.

If you think that the time requirements are too great, we would ask, which of the elements of INFFER would you choose to omit? In the interests of simplicity, we have limited information requirements to essentials - in our judgement, there is nothing that can safely be omitted without a high risk of poor decisions being made.

5. "Scoring asset value is too subjective."

Yes, the process of selecting a value score for the asset is subjective. However, it just makes explicit what we already do implicitly, so that it can be scrutinised and the decision

process can be transparent. All other systems also rely on subjective judgements, but INFFER requires them to be made explicit to make the decision process transparent.

The inclusion of the asset value score in this way has significant advantages. In particular, it facilitates the broadest possible range of comparisons between projects of different types (short-term vs long-term; large vs small budget; tangible v intangible benefits; biodiversity vs wetlands vs agricultural land).

In judging the merits of the approach used in INFFER, it needs to be compared to the alternatives. Two of those alternatives are to assume that all assets are of equivalent value, or to invest in a more detailed valuation process.

- Ignoring the asset valuation problem and implicitly assuming that all assets have the same value is not a viable strategy. For example, we would not want to assume that the Great Barrier Reef has the same intrinsic value to the Australian community as a small lake in the Western Australian wheatbelt.

- If time and resources permitted, it would be possible to undertake a more sophisticated and elaborate valuation process. For example, we could use what economists call "non-market valuation" methods, and if we did so, the results could slot directly into INFFER. Of course, this would be very much more expensive. It's a question of balance and the importance of accuracy of particular numbers.

In practice, looking at the dozens of INFFER analyses now completed, we find that the asset value is rarely the decisive factor driving the overall value for money of projects. Its influence is no more important than factors such as technical feasibility and the adoptability of works.

Whatever tool or method is used (not just INFFER), the actual decision process should include a strong element of quality assurance and review of assumptions by competent experts. If the value score (or any other parameter) has been exaggerated, this can be picked up.

The decision making body doesn't have to accept the asset values provided. It would be possible to substitute alternative preferred values and examine the consequences for project value for money.

In summary, the fact that the asset valuation process is subjective should not be used as an excuse to avoid thinking about and accounting for the relative importance of different natural assets.

6. "The failure of INFFER to treat the community as an 'asset' is a problem."

The community is central to the INFFER process, but it is not appropriate to treat it as an asset in the same way as we define a wetland or river as an asset. We assume that the purpose of the public funding is to improve environmental and natural resource outcomes, and while the community plays a number of essential roles in that (see below), we are not investing in the community for its own sake. (There are other government programs that do that.) Rather the program would support the community to pursue environmental and natural resource outcomes that are important to the community.

Within the INFFER process, the community plays several crucial roles:

(a) The community values different environmental assets differently. We capture community valuation of various assets in community workshops (or draw in information from past workshops or surveys).

(b) Particular members of the community provide important local knowledge about assets, such as the degree of current degradation, and the impacts of current management actions.

(c) For some assets, it is primarily up to members of the public to implement the works that would be required to manage the asset. We ask about likely landholder responses to the project in the Project Assessment Form, and this information plays a key role in both the Public: Private Benefits Framework (for selecting appropriate policy tools) and the Benefit: Cost Index.

Thus, excluding the community from being defined as an environmental asset is just a matter of thinking clearly about what we are doing and why. It does not mean that the community is unimportant or that community capacity building could not be supported, if it contributed to environmental outcomes in a cost-effective way.

Some projects aim to improve general community capacity or knowledge about environmental issues in an untargeted way. INFFER is not designed to evaluate these projects. Indeed, it would be very difficult to evaluate their outcomes with any process because (a) their intended outcomes are not defined, and (b) the link from actions to environmental outcomes is very unclear and probably impossible to quantify.

Although INFFER does not evaluate such projects, we encourage managers and funders to consider the proportion of their resources that they wish to allocate to targeted and untargeted projects. It is better to at least make an explicit decision about this than to let it evolve in an unmanaged way.