



## ValuES Training Course

### Economic Valuation of Ecosystem Services – Principles, Approaches & Applications

**Background:** The 2008 study on The Economics of Ecosystems and Biodiversity (TEEB) highlighted the immense value that nature provides to the economy and reflected on the economic costs of ecosystem degradation. It made the case that conserving biodiversity and ecosystems is not only an ecological or biological concern, but is also crucial for human wellbeing and development. Two years later the links between biodiversity and economic wellbeing were further prioritized when the Strategic Plan for Biodiversity 2011-2020 was adopted by the Conference of the Parties to the Convention on Biological Diversity (CBD). The plan's vision states that "biodiversity [should be] valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people." The Aichi Biodiversity Targets associated with this plan explicitly flag the need to increase awareness of biodiversity values as well as to develop measures to integrate values into national and local development and poverty reduction strategies, planning processes, national accounting and reporting systems.

**Rationale:** Measuring the economic linkages and values associated with biodiversity and ecosystem services is often regarded as a key argument to make the case for conservation investments. In reality, however, economic valuation studies often do not reach decision-makers or influence real-world conservation and development planning, policy and practice. At the same time, project planners and managers often lack the capacity and knowhow to identify how, and in which ways, ecosystem valuation can best be used to assist them in their work or to further their mandate. This training is driven by the need for ecosystem valuation approaches and tools that are targeted closely and clearly towards influencing decision-making in the real world, with relevance to specific policy purposes. Nonetheless, tools and approaches should be technically credible and based on a sound understanding of underlying economic principles.

**Objective:** The course seeks to equip participants with knowledge and understanding to think through how to design, manage and apply processes to assess the economic value of ecosystem services, and to use the results effectively and convincingly to strengthen conservation and development decision-making. It is important to emphasize that it does not intend to provide in-depth technical training on "how to" apply specific valuation methods. The focus is on designing and delivering credible, relevant and practical ecosystem valuation studies. The key learning goals are for participants to:

- Understand the basic economic concepts, principles and terminology that underlie ecosystem valuation;
- Identify why, when and how ecosystem valuation studies can be useful for particular policy purposes and decision-making contexts;

- Be informed about (but not necessarily be able to apply) commonly-used economic methods for valuing ecosystem services;
- Share experiences, lessons learned and best-practices of applying ecosystem valuation within real-world decision-making processes;
- Be able to oversee processes to design, commission, manage and use the results of ecosystem valuation studies in the course of their work.

**Content:** The training offers a general introduction to basic economic concepts and principles, and gives an overview of commonly used approaches and applications of ecosystem valuation. It is organised in six modules:

1. **How economists talk and think:** introductory overview of microeconomic principles and resource economics in order to understand and apply economic valuation methods and tools efficiently, and be able to engage with economists.
2. **The bigger picture - conceptual and policy frameworks:** review of how ecosystem valuation has evolved over time and been integrated into key global and national policy processes, background to “ecosystems services (ES)” and “total economic value (TEV)” concepts, how economic valuation relates to other types of ecosystem valuation including the “multiple values” concept.
3. **Tools and techniques – valuation methods:** the “ecosystem valuation toolbox”, including specific methods, examples of their applications, considerations in selecting and applying different methods to specific contexts and purposes.
4. **Providing decision-support – analysing valuation data and integrating values into economic planning, appraisal and analysis processes:** calculating net present values, rates of return and other economic measures and indicators; overview of cost-benefit-analysis (CBA), cost-effectiveness analysis (CEA), least-cost analysis (LCA), value-for-money (VfM) and other decision-making tools; consideration of how ecosystem valuation feeds into these processes.
5. **Influencing decision-making – making valuation practical, policy-relevant and convincing in the real world:** steps in identifying the policy purpose, decision questions and target audience of the valuation study; tools for fostering stakeholder engagement and communication; ways of presenting and disseminating the results of valuation.
6. **Capturing ecosystem values and opportunities - using valuation to identify policy instruments:** the importance of understanding the distribution of ecosystem values; identifying gainers and losers, beneficiaries and costs-bearers; introduction to economic instruments to better capture and distribute ecosystem values as incentives and finance for conservation and sustainable development.

**Methodology:** The training course uses a mixture of interactive lectures, open discussions, group work, case studies and real-world examples. During the group discussions, participants can share their knowledge and learn from each other’s experience.

**Participants:** The training is intended for those responsible for commissioning, designing and supervising economic valuation studies, and for using the results of valuation to inform and influence conservation and development decision-making. A maximum of 20 participants is recommended for each training course. The course can be adjusted to the individual needs and lasts between 2 to 5 days. The longer the training course the more of the above mentioned topics can be covered. The training is originally developed for practitioners from the field of environment and development with little or no experience in economics and economic valuation. Training courses can be customized to accommodate other participant profiles and multidisciplinary groups as well.

**Contact:**

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