

“Determining the need for economic valuation of natural resources”

The purpose of this exercise is to guide participants through the initial stages of determining the need for an economic valuation of environmental and natural resources in the home country. This exercise provides a quick overview of the process of forming a research question for economic analysis.

Figure 1 below presents the components of total economic value and a list of potentially affected stakeholders, using a coral reef ecosystem as an example.



Exercise:

With this framework of value in mind, consider natural resource management issues in your home nation. These issues may involve groups of stakeholders who are competing for use. That is, there is an inherent trade-off to be considered when managing the resource. Examples might include competition between commercial and recreational fishing, allocation of a depleting stock between commercial interests, overfishing in general, coastal development causing pollution that affects stock viability, or insufficient budgetary allocation for fisheries management.

Step One: Identifying the issue, parties of concern and potential policy options

| Natural Resource Issue | Affected user groups or stakeholders | Policy options for addressing the issue |
|------------------------|--------------------------------------|---|
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Step Two: Identifying the costs and benefits of policy options

| Option | Costs | Benefits |
|--------|-------|----------|
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