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Valuing Damages to Marine Ecosystem Services using Stated Preference Techniques: The Case of Oil Spills

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CIEO SEMINAR:

VALUING DAMAGES TO MARINE ECOSYSTEM SERVICES USING STATED PREFERENCE TECHNIQUES: THE CASE OF OIL SPILLS

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BIOGRAPHIC NOTE

Ståle Navrud is professor in environmental and resource economics (ERE) at the School of Economics and Business at the Norwegian University of Life Sciences. He has extensive experience in ERE, and has published more than 100 journal articles and book chapters on economic valuation of environmental quality, ecosystem services (marine, terrestrial and aquatic), cultural heritage, and public health; and has co-edited three books on environmental value transfer, cultural heritage and environmental valuation in Europe. He was Review Editor (WG 2) of the 5th Assessment Report (Climate Change 2014) of the Intergovernmental Panel on Climate Change (IPCC), and is currently Expert Reviewer for UN Intergovernmental Platform on Biodiversity and Ecosystem Services, (IPBES). The last few years he advised the Norwegian Government appointed commissions on "Marine Polluted Sediments", "Ecosystem Services" (both with the Ministry of Environment) and "Cost-benefit analysis" (Ministry of Finance) on methods for economic valuation and value transfer of ecosystem services. He now also participates in two Norwegian Research Council projects on economic valuation of cold water coral reefs and marine costal recreation in Northern Norway, as well as the impacts of oil spills on marine ecosystems for the Norwegian Coastal Administration. He has broad international experience, and have worked on 20 EU-funded research projects (European Commission (EC) DG Research, and several projects for EC DG Environment, European Chemicals Agency (ECHA), the World Bank, OECD - Environment Division, European Environment Agency (EEA), Department for Environment, Food and Rural Affairs (Defra, UK), Nordic Council of Ministers, Norwegian Ministry of Environment (MD), and Miljøstyrelsen (Danish EPA).

ABSTRACT

Regional tourism demand is not stable across space and diverse spatial patterns coexist. Oil spills from ships can cause potentially large impacts to coastal and marine ecosystem services (ES). Provisional, regulating and cultural ES can be affected. While effects on provisional and regulating ES can be assessed using market prices and replacement costs methods, we value the impact on cultural ES in terms of loss of recreational use and non-use values in a nation-wide Contingent Valuation (CV) internet panel survey. We map how peoples 'preferences and values for avoiding damages to ES from oil spills vary over regions, and with their recreational use of the coast, environmental attitudes and socio-economic characteristics. We also test the temporal stability of people's willingness-to-pay (WTP) by repeating the same survey 6 months after to see whether there is a seasonal effect on peoples WTP to avoid oil spills. Is their WTP higher after a long summer of coastal recreation than their WTP in a survey conducted in winter? This CV survey is an extensive pilot survey for a large scale main CV survey which will provide environmental damage cost estimates for different types of oil spills. This will be used in a Cost-Benefit Analysis (CBA) manual for the Norwegian Coastal Administration's evaluation of measures to reduce the risk of oil spills from ships along the Norwegian coast.