



## **Economic Tools for Conservation**

### **1-week introductory course**

#### **1. Basic Economic Concepts**

An introduction/review of basic microeconomics and economic theory, and overview of economics as it relates to the environment and environmental policies. Participants will be introduced to the concepts of market theory and market failure, and why markets are inefficient when it comes to environmental decision-making.

#### **2. Natural Resource Economics**

An introduction to capital theory and the concept of discounting future values. Participants will be given an overview of the economics of renewable resource extraction, and how this affects forest and marine policies. An interactive economics exercise will be included.

#### **3. Environmental Valuation**

An overview of environmental values and how economists place monetary values on the environment. Participants will be introduced to various valuation techniques and how these methods are best used in developing countries. This module will include identifying opportunities and barriers for payments for environmental services.

#### **4. Cost-Benefit Analysis**

An introduction to the concepts and practical applications of cost-benefit analysis (CBA), the major decision criteria used by policymakers. This module will review the theory underlying cost-benefit analysis, the methodological steps to implement CBA, and offers participants the opportunity to solve applied exercises. A case study evaluating the economic feasibility of a project will be included.

#### **5. PES and REDD**

An overview of the economic principles of payments for environmental services, with particular focus on carbon markets and REDD. This module will give an overview of types of environmental services and markets, and identify conditions that favor environmental payments systems. An overview of REDD policies and their implications for on-the-ground projects and policies will be included.



## Program

Day	Session	Module
		Arrival and Welcome
1	<b>Morning</b>	<b>Microeconomic theory</b> Overview of economics and ecosystem conservation Market theory
	<b>Afternoon</b>	Markets and environmental externalities Public policies
2	<b>Morning</b>	<b>Nature Resource Economics</b> Characteristics of natural resources Capital theory
	<b>Afternoon</b>	Forestry economics Experimental exercise
3	<b>Morning</b>	<b>Environmental Valuation</b> Environmental Values and Services
	<b>Afternoon</b>	Valuation techniques Valuation exercise
4	<b>Morning</b>	<b>Cost-benefit analysis</b> CBA and public policy Concepts and techniques
	<b>Afternoon</b>	Case study exercise
5	<b>Morning</b>	<b>Payments for Environmental Services</b> Economic principles and current markets Favorable conditions and obstacles
	<b>Afternoon</b>	Carbon markets, deforestation and REDD policies
		Departure