Individual Valuation – Guidance for designing the Valuation Card

Information about WHAT people are asked to value (what they are paying for)

It is important that your valuation question includes precise information about the environmental change you are asking people to value and the land acreage on which this would happen. This information is key so that you can aggregate the estimated value you obtain (at individual level) to the general population, per year, and per hectare (if your sample is representative of that population).

While you can adapt the information depending on your valuation interest and your sample population, the valuation question **always** has to include clear information on the magnitude of the change (e.g. which ecological change, change in the delivery of which benefits) that is happening and the extent of the change (e.g. acreage, scale).

Below is an example of a WTP question if you want to value the **restoration of an ecosystem generically** (in a wider area, e.g. a whole region such as Yorkshire or nationally). The example below is for peatland restoration

> *"Peatlands provide benefits to society by storing carbon (which helps mitigate climate change), providing cleaner water, space for recreation and support for biodiversity. Due to historic and current land use, peatlands are being damaged and their benefits being undermined. Restoring these ecosystems will secure and enhance the benefits they deliver.*
>
> *Restoration is however costly and requires funds. For this purpose, please state your maximum willingness to pay for enhancing the conditions of **10,000 ha of peatlands** (equivalent of 14,000 football pitches) from bad to good ecological condition. As visually represented below, this means restoring the carbon sequestration process of the peatland, its water quality, and its capacity to support wildlife. **State how much additional council tax per year you are willing to pay for this change**. The value you state should be realistic - something you can afford."*

Also, below is an example of a WTP question if **you want to value the restoration of a geographically specified ecosystem/site** (the provided valuation card should be amended accordingly by replacing the red text with specific information and perhaps adding more information about the site):

> "*Peatlands provide benefits to society by storing carbon (which helps mitigate climate change), providing cleaner water, space for recreation and support for biodiversity. Due to XXX, peatlands from the "name" site/park are being damaged and their benefits being undermined. Restoring this peatland would enhance the benefits it delivers, because of XX.*
>
> *Restoration is however costly, and requires funds. For this purpose, please state your maximum willingness to pay for enhancing the conditions of the peatland at "name" site/park, which covers XX ha, from bad to good ecological condition. This means restoring the carbon sequestration process of the peatland, its water quality, and its capacity to support wildlife. **State how much you are willing to donate per year to a Trust organisation in charge of restoring this peatland, for this change to happen**. The value you state should be realistic - something you can afford."*

Visual support

Visual support is key to help the individual understand what he/she would be paying for. The example of the question card that we provide you with is generic. If you are working with a population from a specific region (e.g. Yorkshire, Yorkshire Dales), you can use photos or drawings or photos of the specific site. These need to show clearly the environmental change that is occurring. Make these images as realistic as possible (i.e. don't attempt to portray the situation worse than it currently is and do not exaggerate on the expected results of the restoration). Keep it realistic instead. You can also make site-specific drawings if you do not wish to use pictures, but they need to show the environmental change that is occurring.

Payment vehicle

Presenting the payment vehicle to participants can be a bit tricky. On the one hand, they have to make a genuine trade-off between the well-being they perceive can be obtained from the improved ecosystem and the income loss they are willing to undergo, so they really need to answer as if they were truly going to pay a tax, or a donation or a fee. On the other hand, at the session you might be challenged with questions on whether their answers are going to be directly passed on to, for example, the local Council (if it is a council tax). You have to be ready to answer those questions by explaining that the scenario is hypothetical while convincing them to think genuinely about that trade-off. You also have to be truthful about your intentions and potential outcomes of the session (e.g. that you will use it to inform policy but not necessarily to ask the council to raise taxes).

Note that if you are interested in the value of the general population, you need to select a payment vehicle that would be paid by everyone. That is why the council tax is a good example. Another example for the general population, is an increase in the water bill. Another possibility is to use "time" as the payment vehicle. This is a bit more complicated as you would ask participants to volunteer time over certain frequency (e.g. weekly, monthly etc.) and quantity (e.g. hours/days)to help with the restoration of the ecosystem (if volunteer work is applicable to your case). Then you would inform them that the value of time for the quantity chosen (e.g. in the U.K. the average value of travel time is around £10/hour) and whether they would commit to it. Remember that the valuation card presents a hypothetical scenario but in the same time a realistic one.

Moreover, when designing your payment vehicle, remember that it needs to include clear information on the frequency (e.g. yearly, monthly etc.) and the unit (e.g. individual: an alternative is to use "household" as a unit, but that makes it a bit more complicated for them comparing with general statistics to check the representativeness of your sample)).

Trialling the valuation question with a few people before the workshop takes place and offering them different payment vehicles can also help you find the one people find most realistic. You should not expect everyone to agree with the chosen payment vehicle, ideally your payment vehicle will be the most realistic, the most feasible and the one that creates the least disagreement from your participants.

Help people define the value

To help your participant state a value, you can try to contextualise the question by, for example, providing participants with the annual average council tax paid in the area (if you use that payment vehicle). You can also remind them to think about their other household expenses, to ensure the value they state is realistic.