**ENVIRONMENTAL VALUATION – AN OVRVIEW**

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**INTRODUCTION**

Environmental valuation deals with the valuation of environmental goods and services, in relation to the utility they provide environmental goods and services are the biogeochemical process, attribute or the product there of that relate to the self-maintenance of an ecosystem provision of wild life habitat, cycling of carbon, nitrogen, phosphorous, sulphur, water or the trapping of nutrient and make the basis of sustenance as well as prosperity to the human society. Only some environmental goods and services have markets and therefore price of only few of them are available as data. These prices are only the indicators of the mineral payment at which the consumer and producers have agreed to enter into transactions (Mishra 1998)

It could be said that environmental goods and services are partially priced in the market as their worth include these unaccounted surpluses, but their price do not generally reflect their worth (Mishra 1998). Environmental valuation is a veritable tool for decision and policy making.

Decision makers need to understand how and where economic valuation can support their decision. There is currently a gap in the knowledge about the full contribution of natural assets to Nigeria global economic well being. This creates a risk that natural resource will be undervalued Ecosystems and the valuable service they provide will be lost or damaged.

Economic valuation of environmental assets can fill the knowledge gap what constitute natural asset. Natural assets include land (or fragments of land) in an unmodified natural state, rivers, lake and marine foreshore, and species found on them. It includes highly tangible resources such as mineral deposit and less tangible resources such as clean air.

Viewing things as asset is partly semantic but it has the important function of focusing the mind on natural resources as stocks or stores of value. They have value because they produce beneficial services.

We also have man made asset like road, drainage, electricity etc. All these constitute environmental asset. The value of these assets is best explained it terms of the services they provide when viewed from the perspective of service provision it’s clear that environmental assets have an economic value. Natural asset produce commodities that are valued in the markets or perform function that would be costly to obtain in the absence of their ecological provision.

Environmental asset does not restrict the value of ecosystem services to the kind of values found in money and markets, the value of environmental assets and their services to people can take a number of form. The total economic value of natural assets comprise use values, future use values and non-use values

Total

Economic value

Use value

Non- use

value

Direct use consumption

Non consumption

Existence

value

Option bequest

value

Indirect use

value

USE VALUES

Direct use value: commercial eg timber, tourism, fruit etc non- commercial, recreation, health and safety

Indirect use: (functional) value, most often related to commercial services that support or protect economic production consumption or asset ( ie regulating services) future use.

Future use value arises or reflects the value of an asset form not using if now but in future.

Option use: The values of asset arising from differed use hoping that it will be useful in future. This also includes potential increase in scarcity or new or improved technology.

Quasi option value: the value of retaining resource until future information reduces uncertainly over its potential value,

Request value: this is the value of retaining an asset or resource not in anticipation of future use but of passing it to future generation

Non- use values

Non- use values (at times known as passive use value) reflect the enjoyment derived other from an asset existence example include cultural benefit heritage protection

Non- use existence values: include the regret felt when landscape elements, species or their habitat are irretrievably lost, weather motivated or aesthetic, cultural or ethical concern for other species and future generation