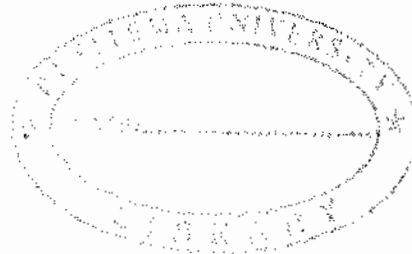


**ECONOMIC VALUATION OF ECOSYSTEM SERVICES PROVIDED BY FORESTS:**

**CASE STUDY OF KALINZU FOREST**



**TUMUSIIME IMMACULATE**

**BU/ UG/ 2013/ 1588**

**A RESEARCH REPORT SUBMITTED IN PARTIAL FULLFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF A DEGREE OF BACHELOR OF SCIENCES  
IN NATURAL RESOURCE ECONOMICS BUSITEMA UNIVERSITY**

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## DECLARATION

I Tumusiime Immaculate BU/ UG/ 2013/ 1588 declare that this research report is my original work and therefore has never been submitted in any institution or University for the award of Bachelor of Natural Resource Economics in Busitema University.

Signature:.....*Tumusiime*..... Date.....*10/09/2016*.....

TUMUSIIME IMMACULATE

## APPROVAL

This is to certify that Tumusiime Immaculate did research under the supervision and guidance. I am therefore recommending that this report be submitted.

Signature  ..... Date 20/06/2016 .....

MR. SSUUNA JAMES  
SUPERVISOR

## DEDICATION

This research work is dedicated to all those who have given me a hand in the process of getting it done, especially GOD, my mother **Tigwirukirwa Betace Lakeri**, my dad **Katureebe John Bosco, Otoo John Bosco** who did everything to make sure that I finish my research in time. May good Lord Almighty reward them abundantly.

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## ABBREVIATIONS

WHO	World Health Organization.
FAO	Food and Agriculture Organization.
MEA	Millennium Ecosystem Assessment.
WTP	Willingness to Pay.
TEV	Total Economic Value.
PES	Payment for Ecosystem Services.
GDP	Growth Domestic Product
NTFP	Non Timber and Forest Products
UBOS	Uganda Bureau of Statistics

## **ABSTRACT**

The study majorly focused on economic valuation of ecosystem services provided by forests using case study of Kalinzu forest. The research was basically carried out to generate information that may be used to contribution to the conservation strategies of ecosystem services in Kalinzu forest and 3 valuation methods; Contingent valuation method and Market based method were used to determine the economic value of ecosystem services from Kalinzu forest.

Findings of the study indicated that most of the respondents attached an economic value on the different ecosystem services basing on their Willingness to Pay (WTP) and the estimated economic value was worth of \$31673.44USD which would be used to contribute to the development of the economy.

It is therefore recommended that policy makers should consider the livelihood value of people living in the vicinity in setting policies and management strategies for the conservation of forest reserves. Setting mechanism for regulating firewood collection, timber harvesting from the forest may help in reaching the win-win situation in terms of conservation of the forest and ensuring the livelihood of communities.

## CHAPTER ONE: INTRODUCTION

### 1.1. Background of the study

Forests continue today to provide the high levels of commercial benefits to households, companies and governments that formed the initial impetus for protective statutes and policies. The FAO estimates that forest industries contribute more than US\$ 450 billion to national incomes contributing nearly 1% of the global GDP in 2008 and providing formal employment to 0.4% of the global labor force (FAO, 2012). Forests also provide other sources of incomes and subsistence benefits generate informal work opportunities and constitute reservoirs of economic values that help ameliorate shocks to household incomes particularly in rural areas in poor countries like Uganda. Forests became the source of land for industrial and commodity crops, and of raw materials for construction, furniture, and paper and pulp. The massive and global scale of the demand for these commodities has led to remarkably high rates of deforestation, particularly in the tropical world in the 20th century. Thus the loss of forest ecosystem services driven by deforestation is expected to be serious if the rate of deforestation is maintained at the current alarming level of approximately 13 million hectares per year (FAO, 2007).

In the case of Uganda, forest-based cash is raised first and foremost from the sale of fuel wood and charcoal (36% of all sales), followed by the sale of house-building materials (30%) and forest foods (21%). Money raised from the forest as well as from other sources is used to invest in livestock (a rapid multiplier of wealth if droughts and wars do not intervene) and school-fees (Shepherd et al., 2012). These investments increase shorter-term and longer-term resilience to shocks.

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