APPLICATION OF CVM METHOD
IN THE EVALUATION OF FLOOD CONTROL
AND WATER AND SEWAGE MANAGEMENT PROJECTS

Abstract

Traditional methods of economic evaluation of projects in the field of environmental protection do not reflect the full value of these projects. In particular, it doesn’t take into account non-market effects that have an impact on the level of social welfare. The issue of valuation of natural resources and related services is also related to this problem. The evaluations and valuations of areas generally ignored the value of natural resources or take into account only the part which has the market value.

The article presents the results of study the economy of non-market goods using contingent valuation method. The first part of the results concerns the willingness to pay for improvement of safety sense from flood risk. The second part concerns willingness to pay for the use of municipal sewage treatment plants. The population living of the area of the Żuławy of Vistula delta valued their improvement of safety sense from flood risk of at more than twice the value of the compared to current expenditures incurred flood protection. The vast majority of respondents considered it reasonable protection of polder areas. Indicating simultaneously that in the reduction of flood risk allows possible resettlement and restoration polder parts. The majority of residents (98%) agreed to the construction of wastewater treatment plants and were willing to pay for its construction and operation. The majority of respondents (especially those in middle age and older) found that the collective sewage development would contribute to improving the environment quality and thus the residents living standard. However, not all were willing to pay for the use of collective sewage collection and treatment. 18% of respondents did not want to pay an amount greater than the current charges for the sewage removal and treatment. In addition, the residents of the municipality cannot afford to pay, or believe that water supply and sanitation services should be free.

Key words: contingent valuation method, flood risk, sewage treatment, willingness to pay