# ABSTRACT

Wetlands are highly productive but again vulnerable to degradation. This research presents results from a local contingent valuation survey of the economic benefits of conserving Nyando wetland. The study used a hypothetical market to make the respondents conceptualize the essence of the conservation policy. These data provide a basis for value estimation in terms of average household willingness to pay (WTP) to conserve the wetland. Cost estimates were used to compute threshold prices that the benefits of the policy must exceed for it to be efficient. Proper evaluation of costs and benefits was used to show the feasibility of the conservation. The study was conducted as an eye opener for the residents of Nyando to realize the need for sustainable use of the ecosystem. The wetland provides food and non-food products that contribute to income and food security in Nyando. Contingent valuation (CV) based on stated preferences was used to estimate the use, non-use and option values of the wetland. The study was done during March, 2018 that coincides to the peak of utilization of the wetland because even the urban dwellers go to the rural to spend their holidays. The results showed that rural Nyando residents were willing to pay significant annual taxes (ksh 21,000) for the conservation and the WTP was influenced by factors such as age, knowledge, income and attributes. The payments were for the local population to continue deriving values of the ecosystem services. The value was from summed individuals’ WTP that showed how the community benefited from the environmental asset. Conclusively, under all combinations of assumptions, the estimated benefits exceed the cost of the conservation policy.