



# Valuing Ecosystem Services: InVEST Tools

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natural  
capital  
PROJECT



WOODS INSTITUTE  
FOR THE ENVIRONMENT  
STANFORD UNIVERSITY



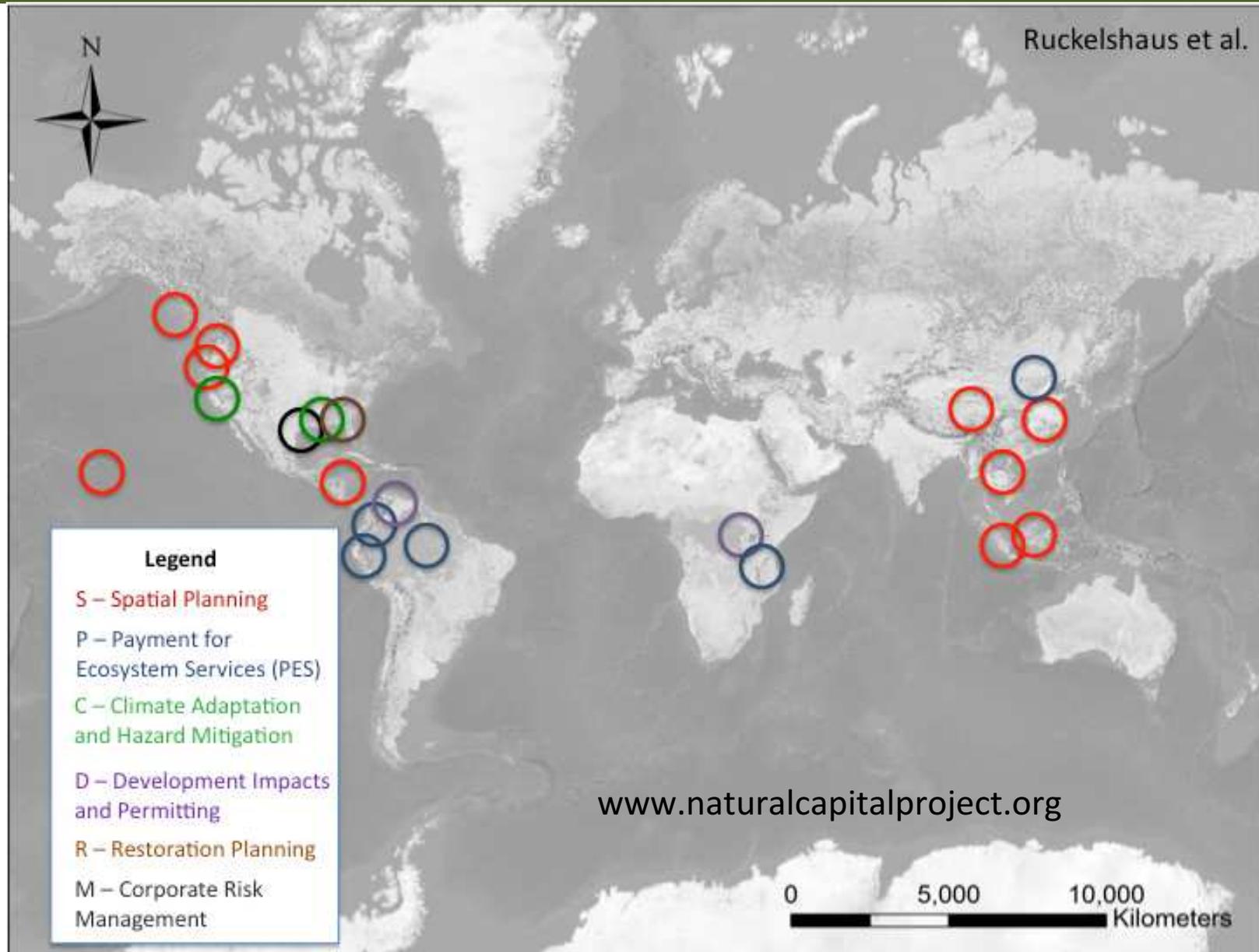
The Nature  
Conservancy



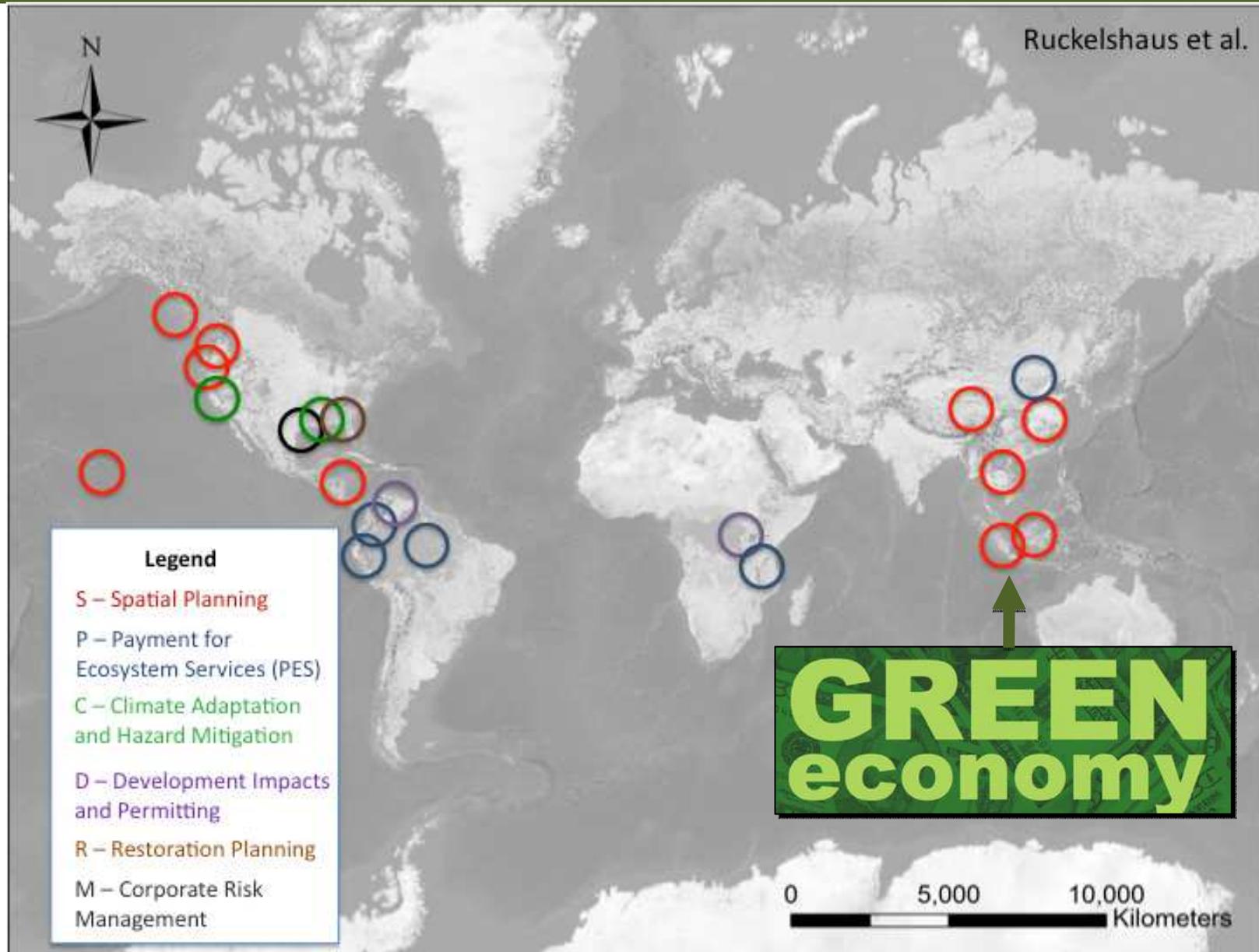
INSTITUTE ON THE  
ENVIRONMENT  
UNIVERSITY OF MINNESOTA  
Driven to Discover™

What is the Value of Nature?

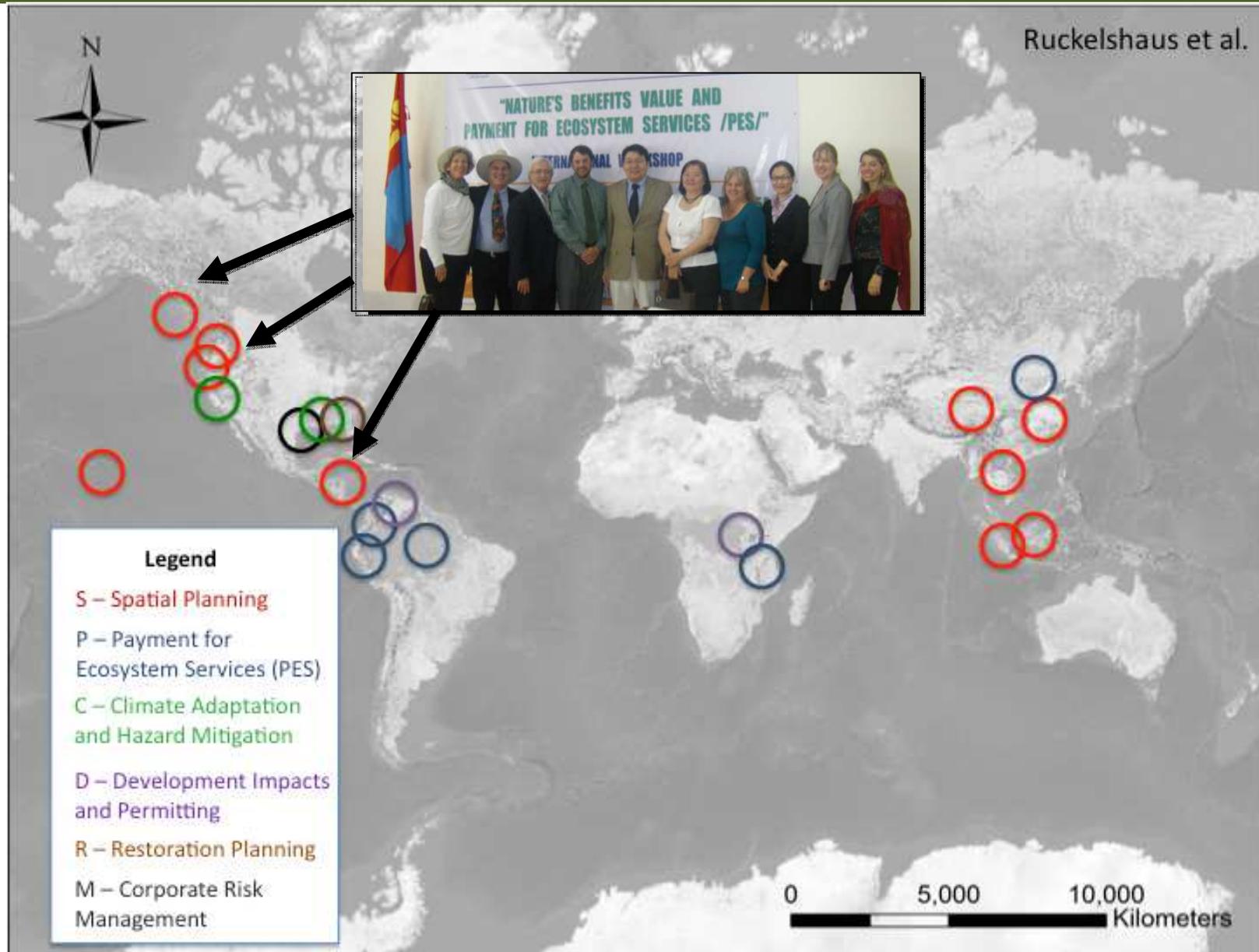
# Valuing Nature in Decisions



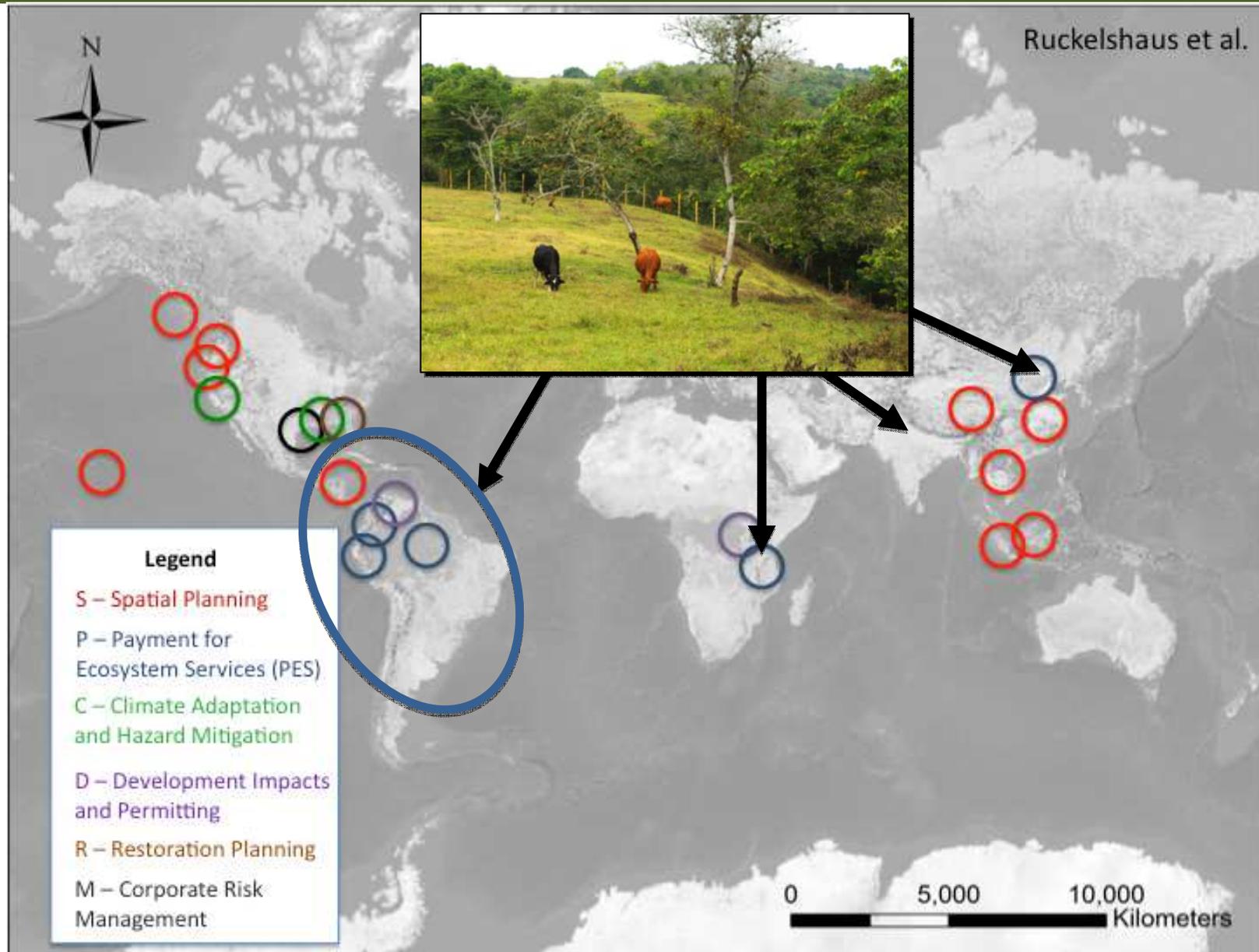
# What policies can help promote green growth?



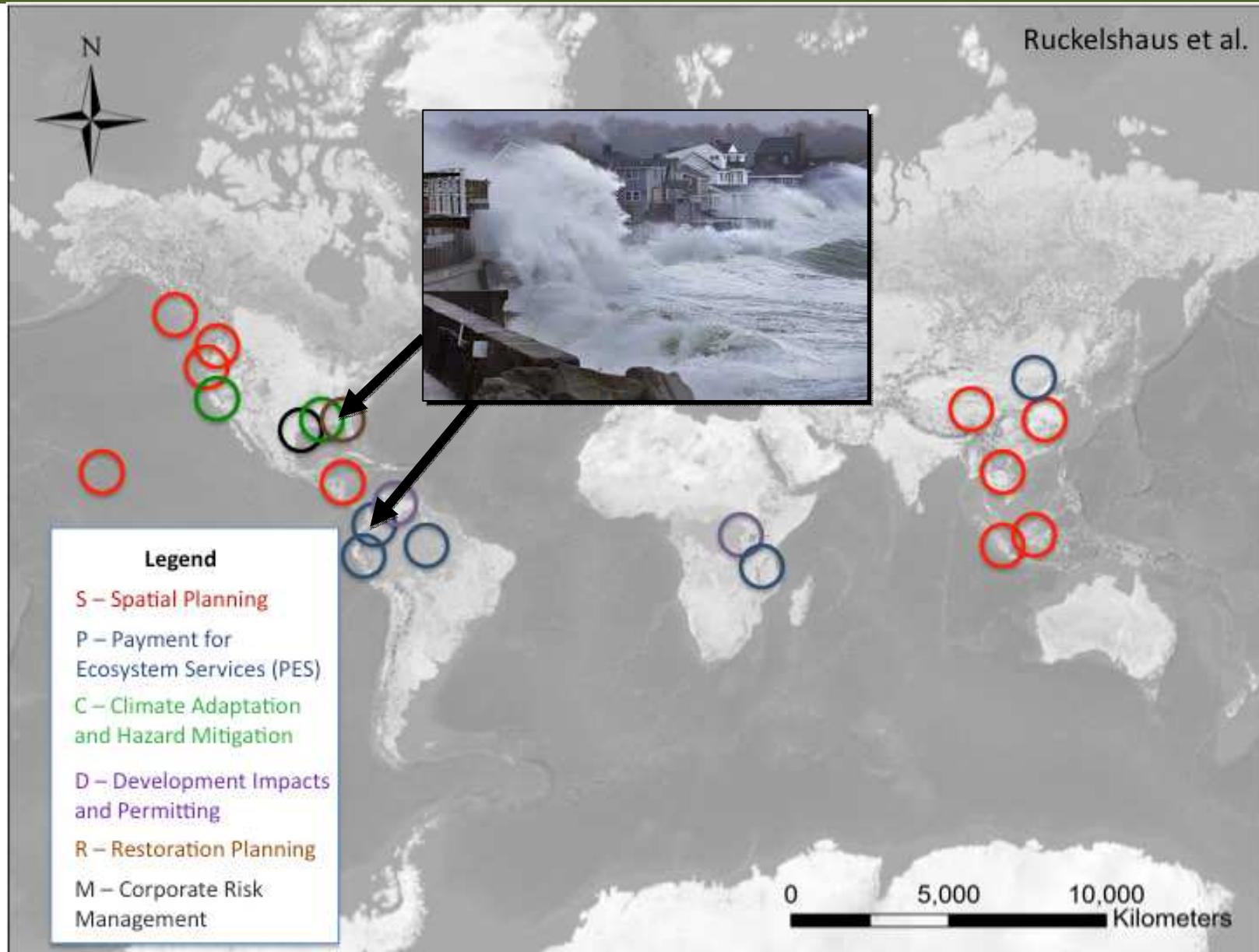
# How do you get multi-agency cooperation?



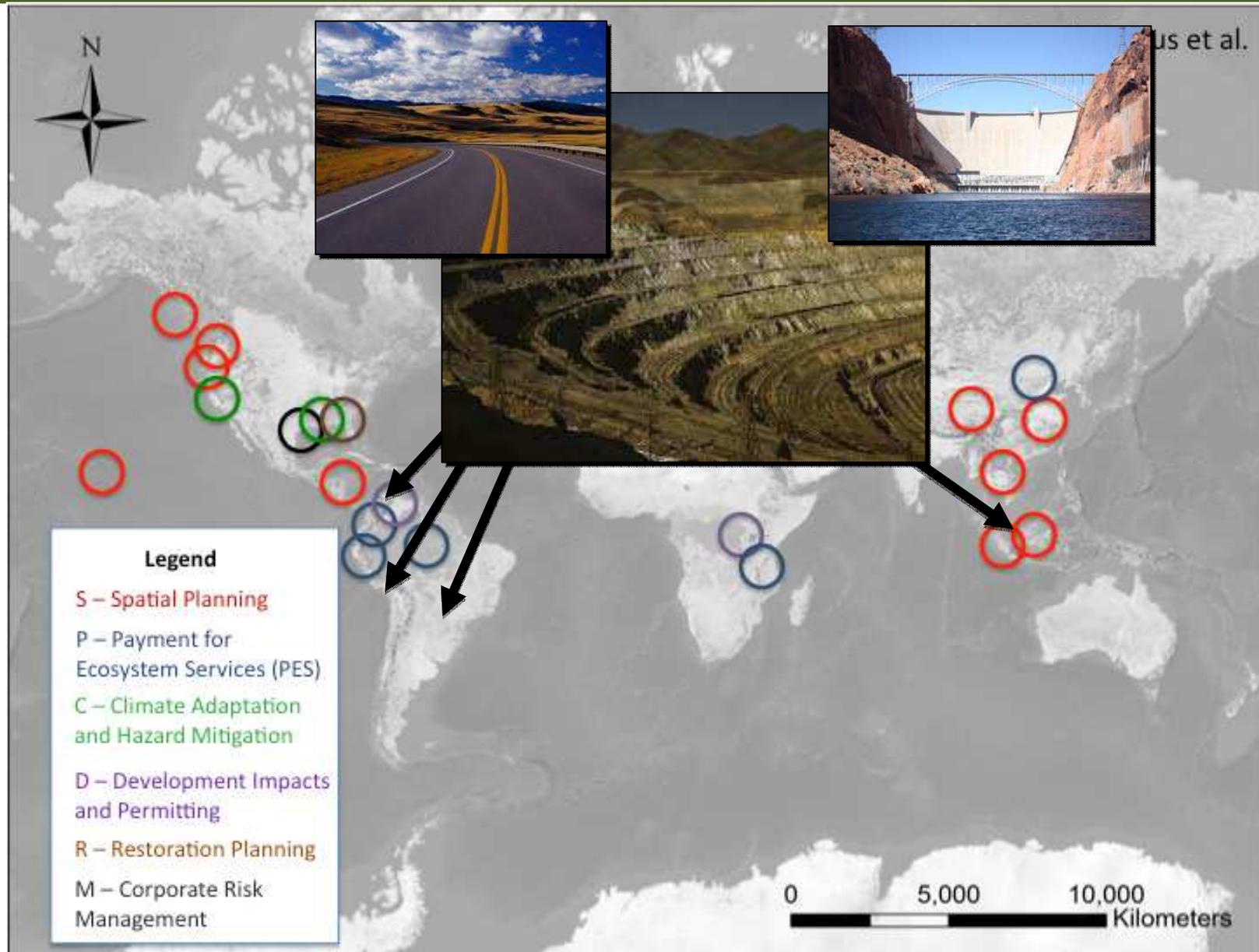
# How do you design efficient incentives?



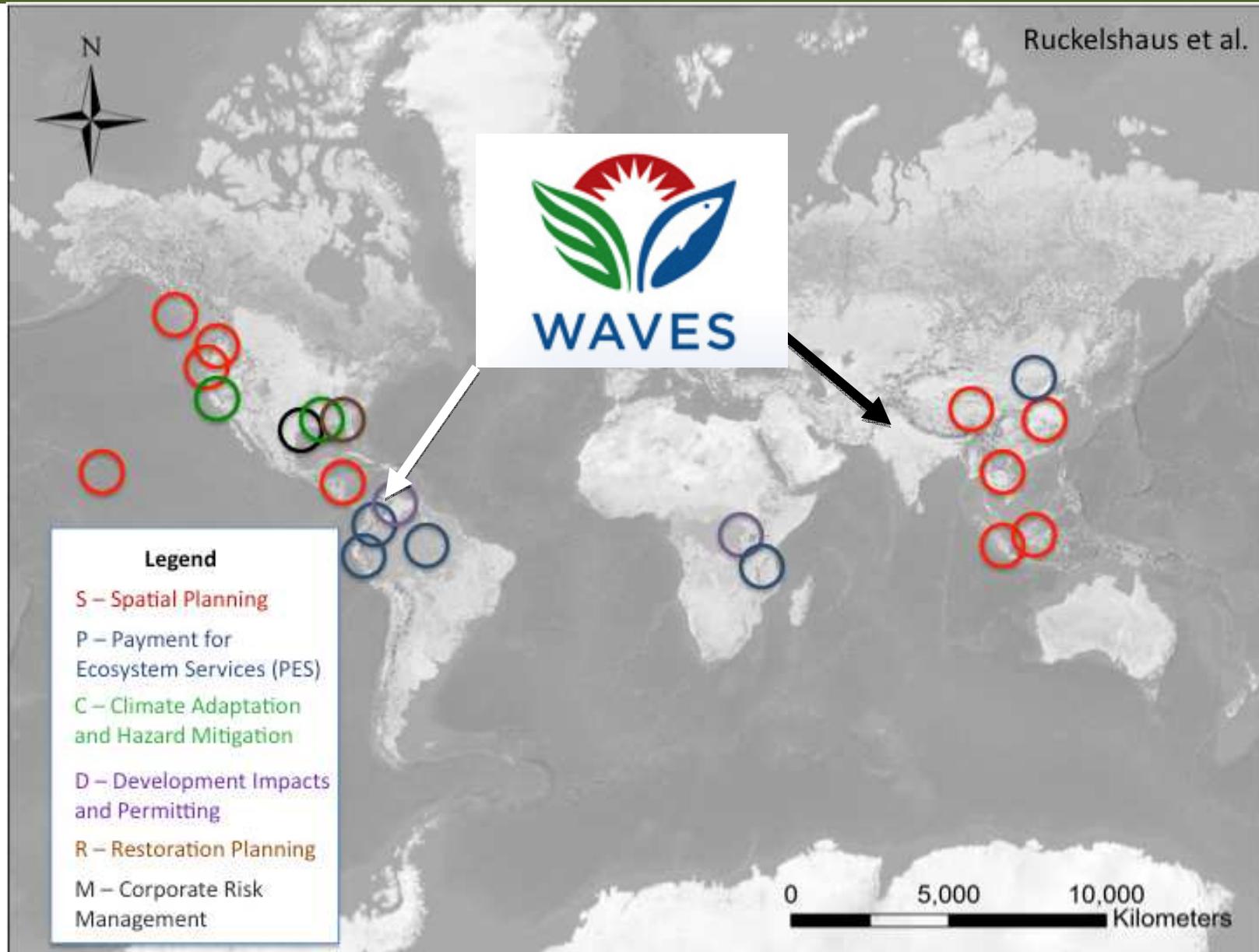
# How can communities adapt to climate change?



# Which companies or projects meet safeguards?



# How can we improve national accounts?



# The Natural Capital Approach: Tools

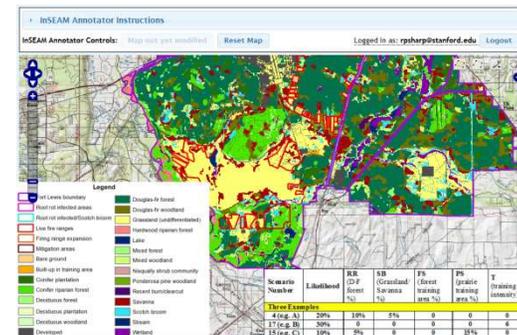
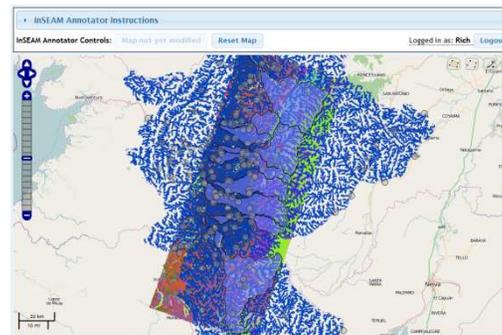
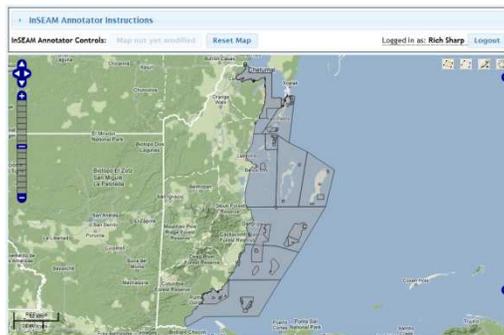
# InVEST

integrated valuation of  
environmental services  
and tradeoffs

# RIOS

resource investment  
optimization system

## InSEAM – InVEST Scenario Modeler



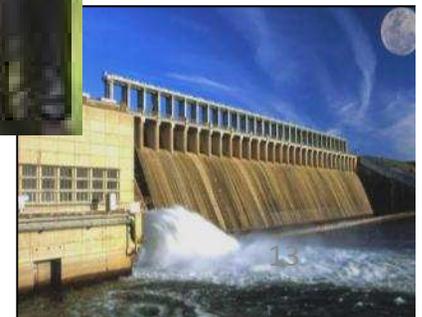
InVEST

Map, quantify and value multiple  
ecosystem services



# Spatially Explicit Ecological Production Functions

**Ecological Production Function-** an equation that relates the physical outputs of a production process to physical inputs



# InVEST Model Structure

Supply  $\longrightarrow$  Service  $\cdots\cdots\cdots\longrightarrow$  Value

Ecological functions  
Ecosystem elements

Supply  
+  
Location and activity of  
beneficiaries

Service  
+  
Social preference



# Why InVEST?

- Applicable across the globe
- Requires easily-available data
- Flexible scale
- Relevant to many kinds of decisions
- Biophysical and economic outputs
- Allows multi-service assessment
- Considers landscape context

## Recent Advances

- Freely available – 3.0 Framework ArcGIS-independent
- Uncertainty assessment in carbon model
- Helper tools, Batch scripting
- Scenario generating tools
- Active development community

# InVEST Software - Terrestrial

Biodiversity: Habitat Quality

Water yield for hydropower production

Erosion control: reservoirs and WQ

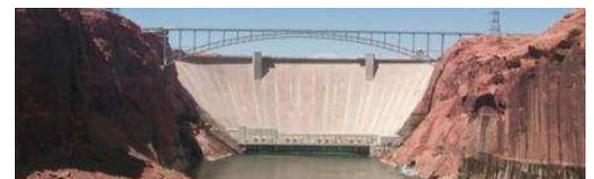
Water purification: nutrient retention

Carbon sequestration & storage

Managed timber production

Crop pollination

*Coming Soon – Agricultural Production*



# InVEST Software - Terrestrial

**Biodiversity: Habitat Quality**

**Water yield for hydropower production**

**Erosion control: reservoirs and WQ**

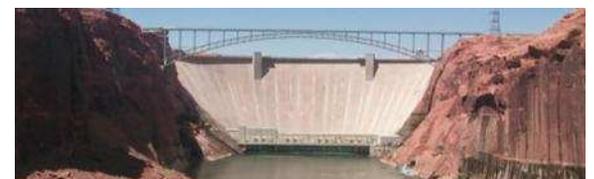
**Water purification: nutrient retention**

**Carbon sequestration & storage**

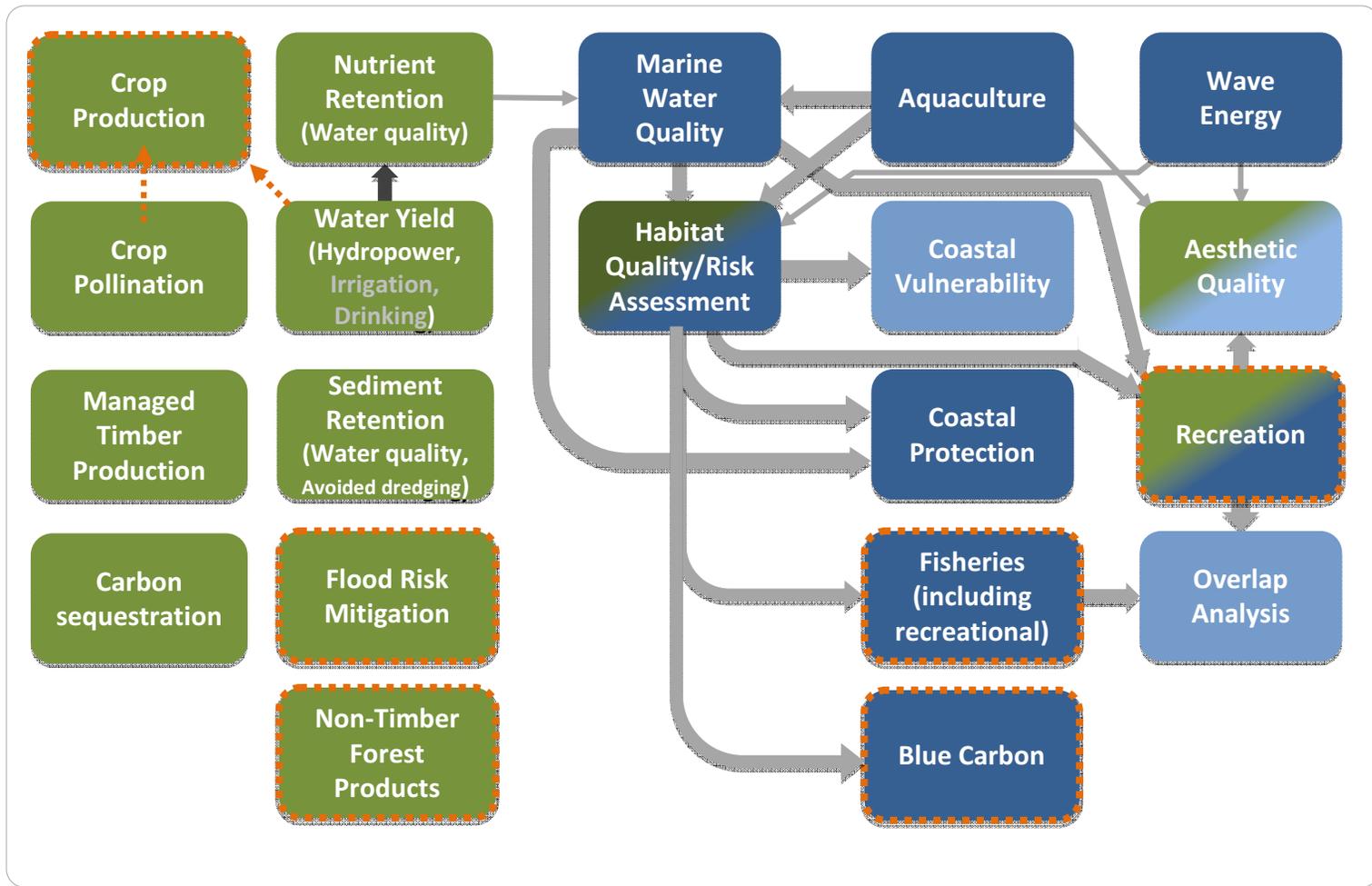
Managed timber production

Crop pollination

*Coming Soon – Agricultural Production*

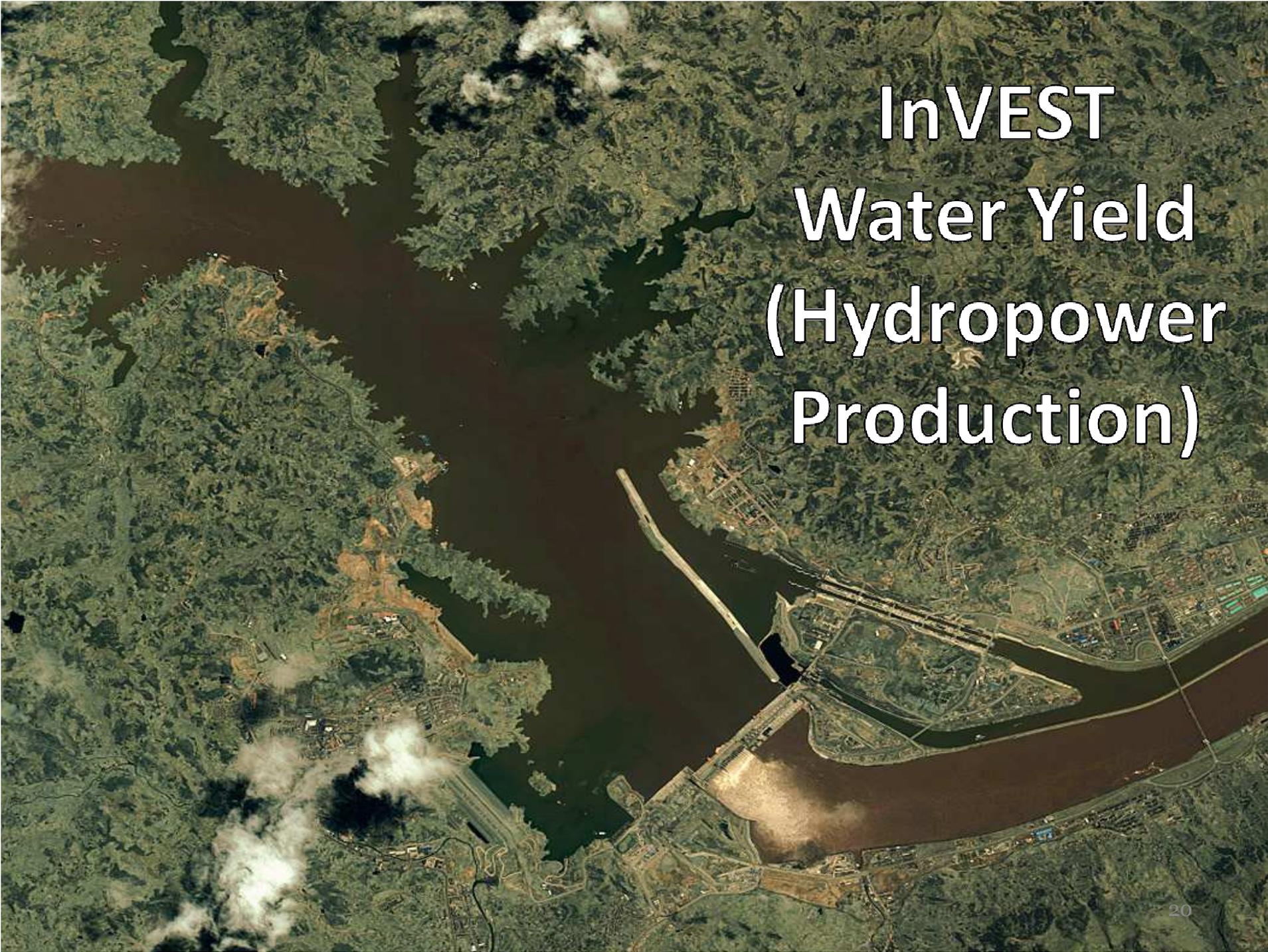


# InVEST Models & Linkages



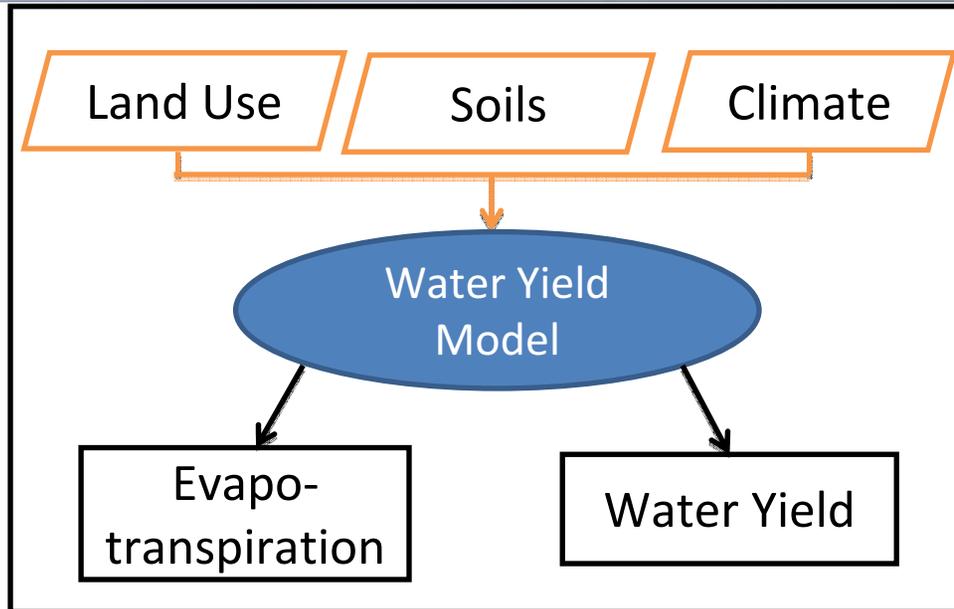
-  Terrestrial/freshwater model: Tier 0
-  Terrestrial/freshwater model: Tier 1
-  Marine model: Tier 1
-  Marine model: Tier 0
-  Model coming soon!

-  Optional model linkage
-  Required model linkage

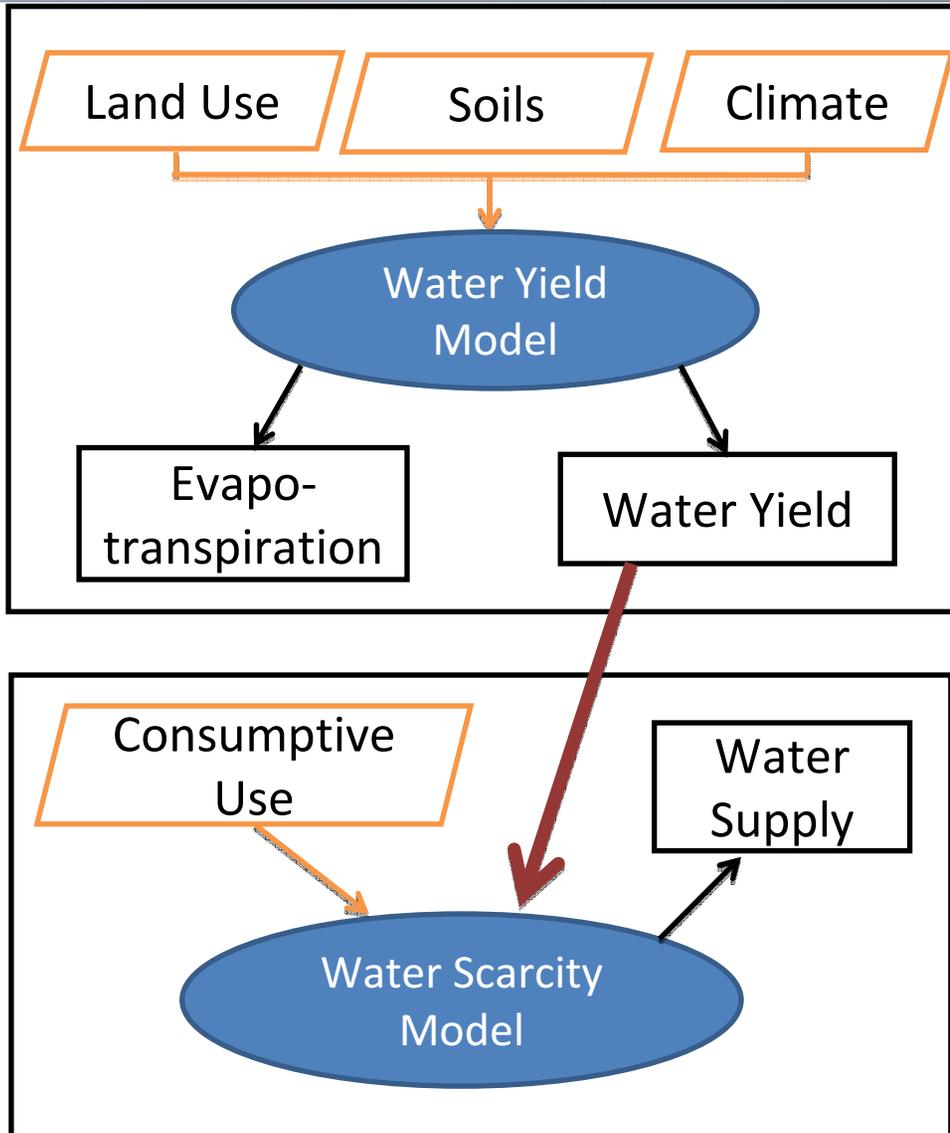
An aerial photograph showing a large dam structure across a river. The reservoir behind the dam is dark and surrounded by dense green forest. The dam itself is a long, light-colored structure with several spillways. The surrounding landscape is hilly and covered in trees. The text 'InVEST Water Yield (Hydropower Production)' is overlaid in white on the right side of the image.

# InVEST Water Yield (Hydropower Production)

# Model Architecture

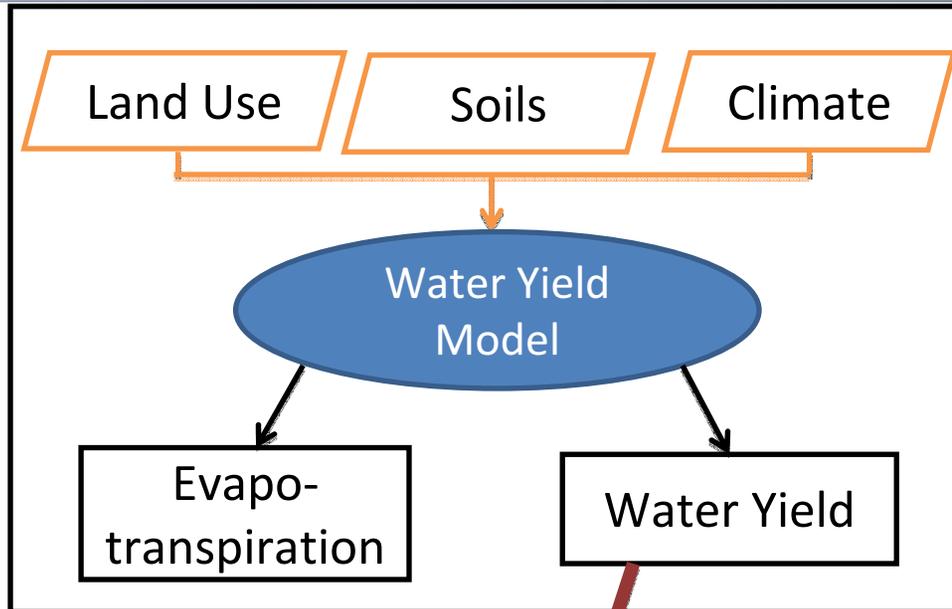


# Model Architecture

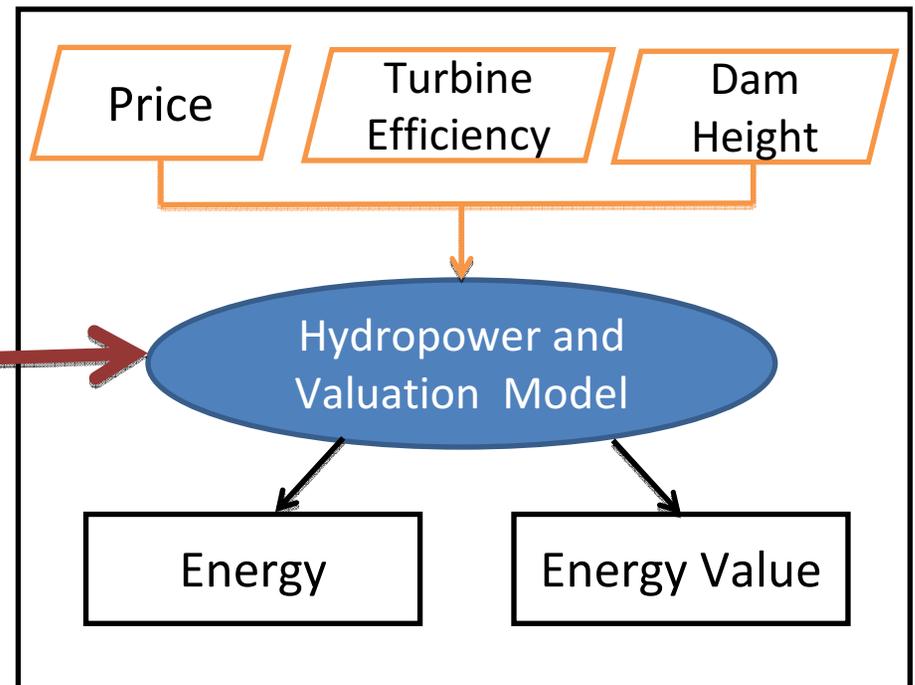
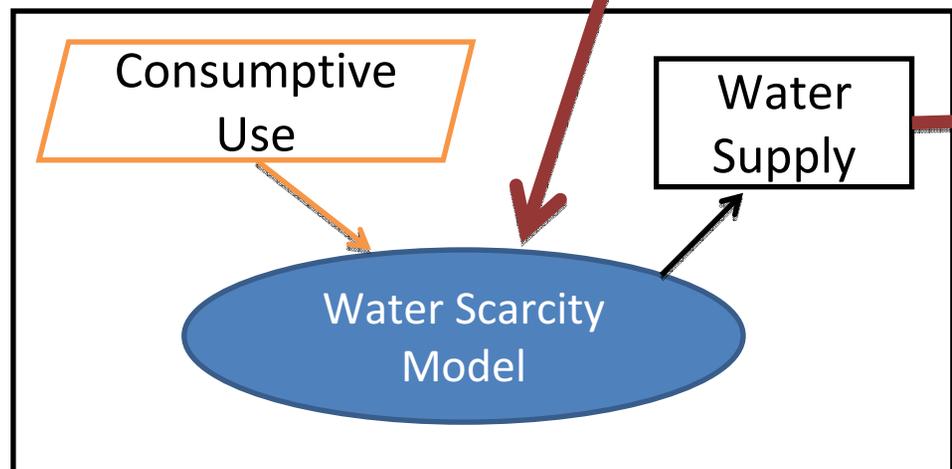


Water yield – water consumed  
= ***water available  
for hydropower***

# Model Architecture



Water yield – water consumed  
= ***water available for hydropower***

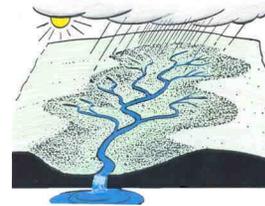


# Model Inputs



## Climate

Precipitation, Potential Evapotranspiration, Zhang



## Watersheds

Main and sub-watersheds for point of interest



## Soils

Soil depth, Plant Available Water Content



## Water demand



## Land Use/Land Cover

Root depth, Evapotranspiration coefficient



## Economic

Hydropower plant data, price of energy

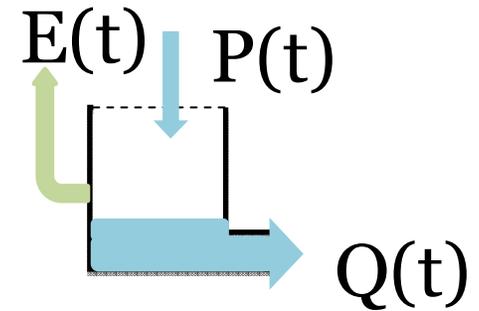
# Equations – Water Yield

- Water Yield is the water depth (volume) that is NOT Evapotranspired:  $WY = P - AET$

- It is the sum of Surface flow, subsurface flow and groundwater flow:

$$WY = SR + SubSR + GW$$

- Model:  $WY = P * (1 - AET / P)$



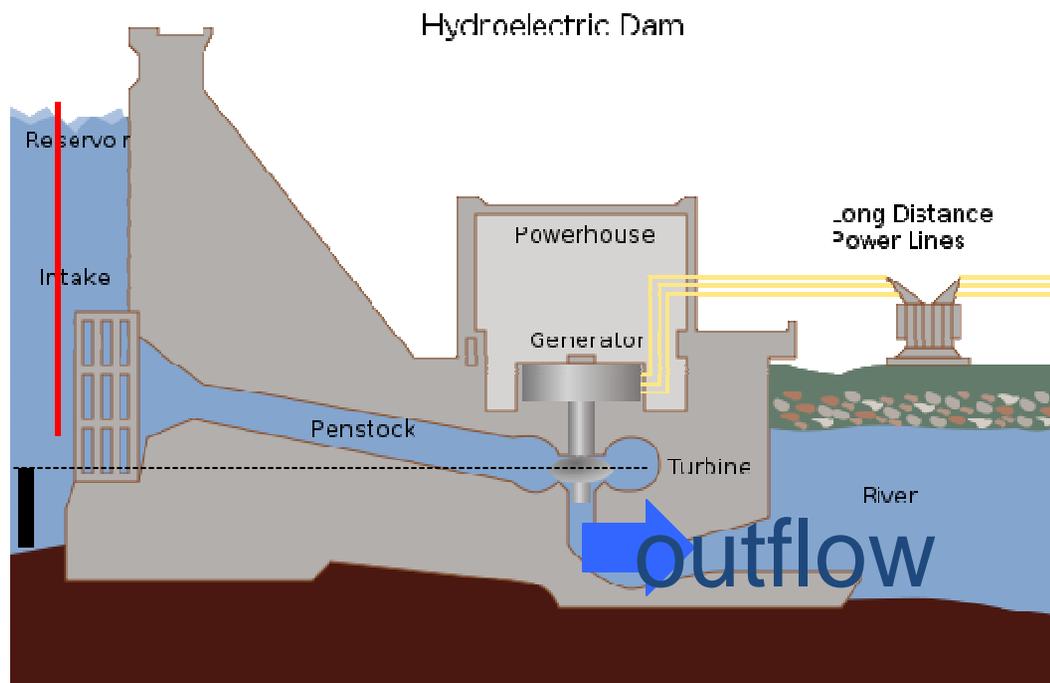
$$\frac{AET_{xj}}{P_x} = \frac{1 + \omega_x R_{xj}}{1 + \omega_x R_{xj} + \frac{1}{R_{xj}}}$$

where

$$\omega_x = Zhang \frac{AWC_x}{P_x}$$

$$R_{xj} = \frac{kc \cdot ETo_x}{P_x}$$

# Energy production and value



- Energy produced
- Total value of hydropower produced
- Sub-basin value for power produced

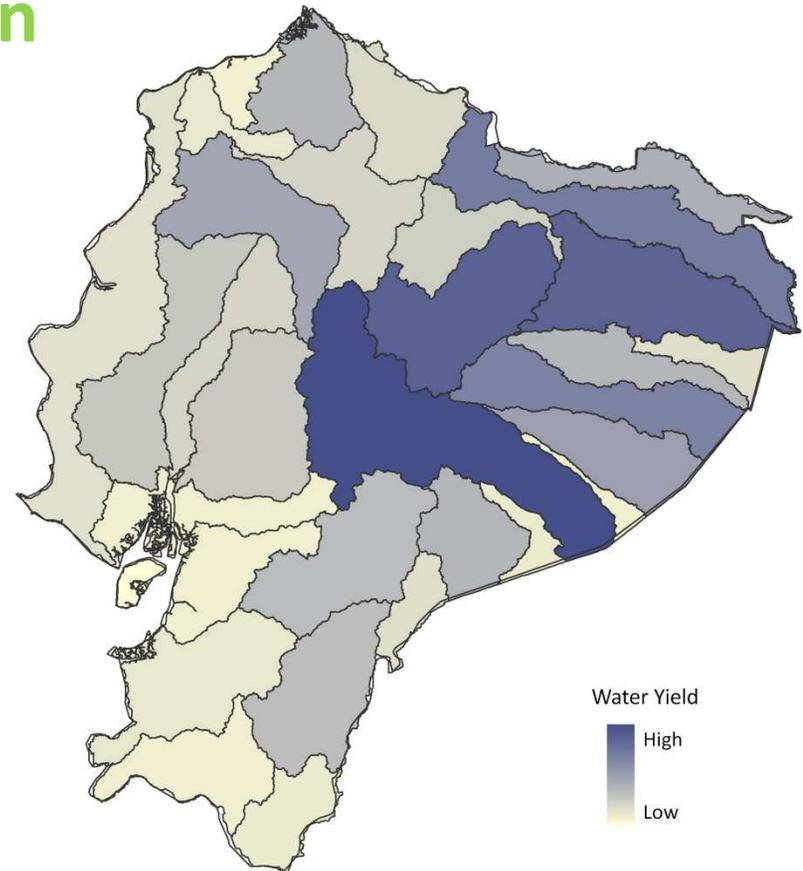
# Model Outputs

Actual Evapotranspiration  
mm/year

Water yield  
mm/year

Water supply  
m<sup>3</sup>/year  
Used in valuation

Energy/value for hydropower  
Kw/currency over timespan



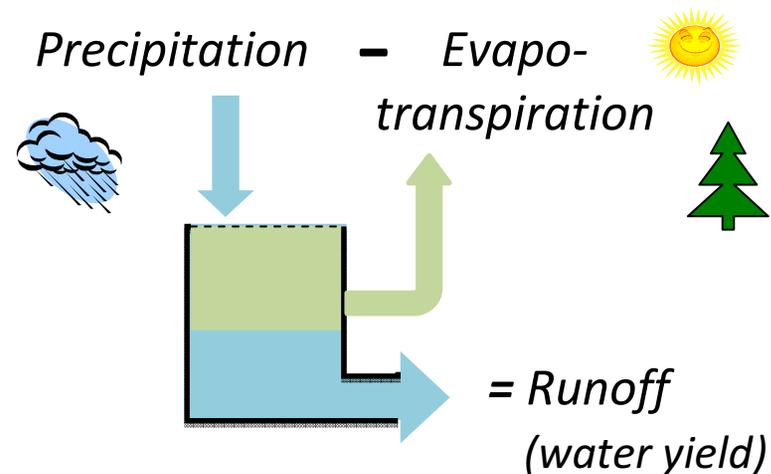
An aerial photograph of a braided river system. The river consists of numerous interconnected channels of varying widths, some of which are filled with light-colored sediment bars. The surrounding landscape is a mix of green vegetation and brownish soil. The text "InVEST Nutrient and Sediment Retention" is overlaid on the right side of the image in a white, bold, sans-serif font.

**InVEST  
Nutrient and  
Sediment  
Retention**

# Nutrient Retention Model

Based on runoff and export coefficients

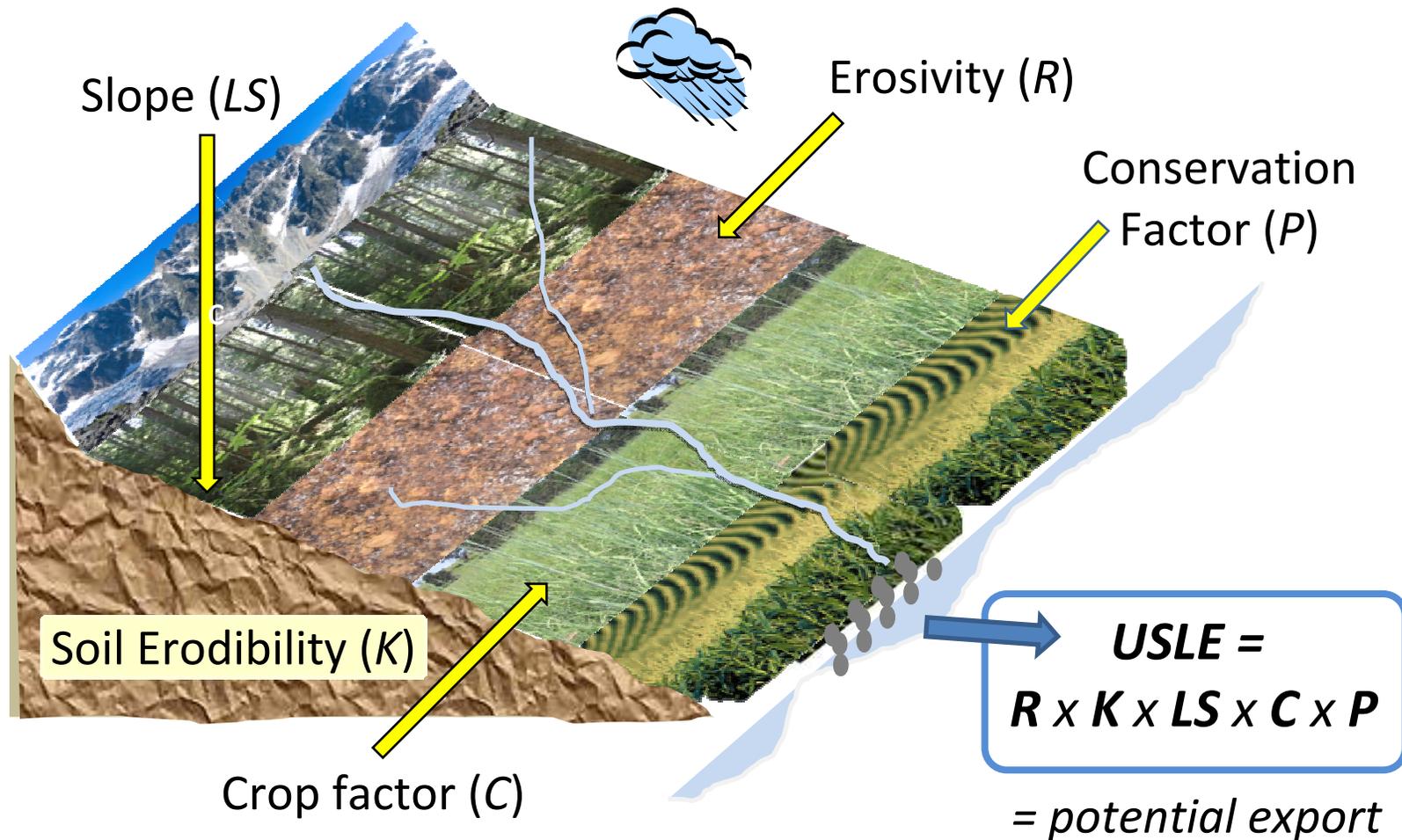
- Includes geomorphology and climate
- Nitrogen and phosphorus
- Potential export from a parcel



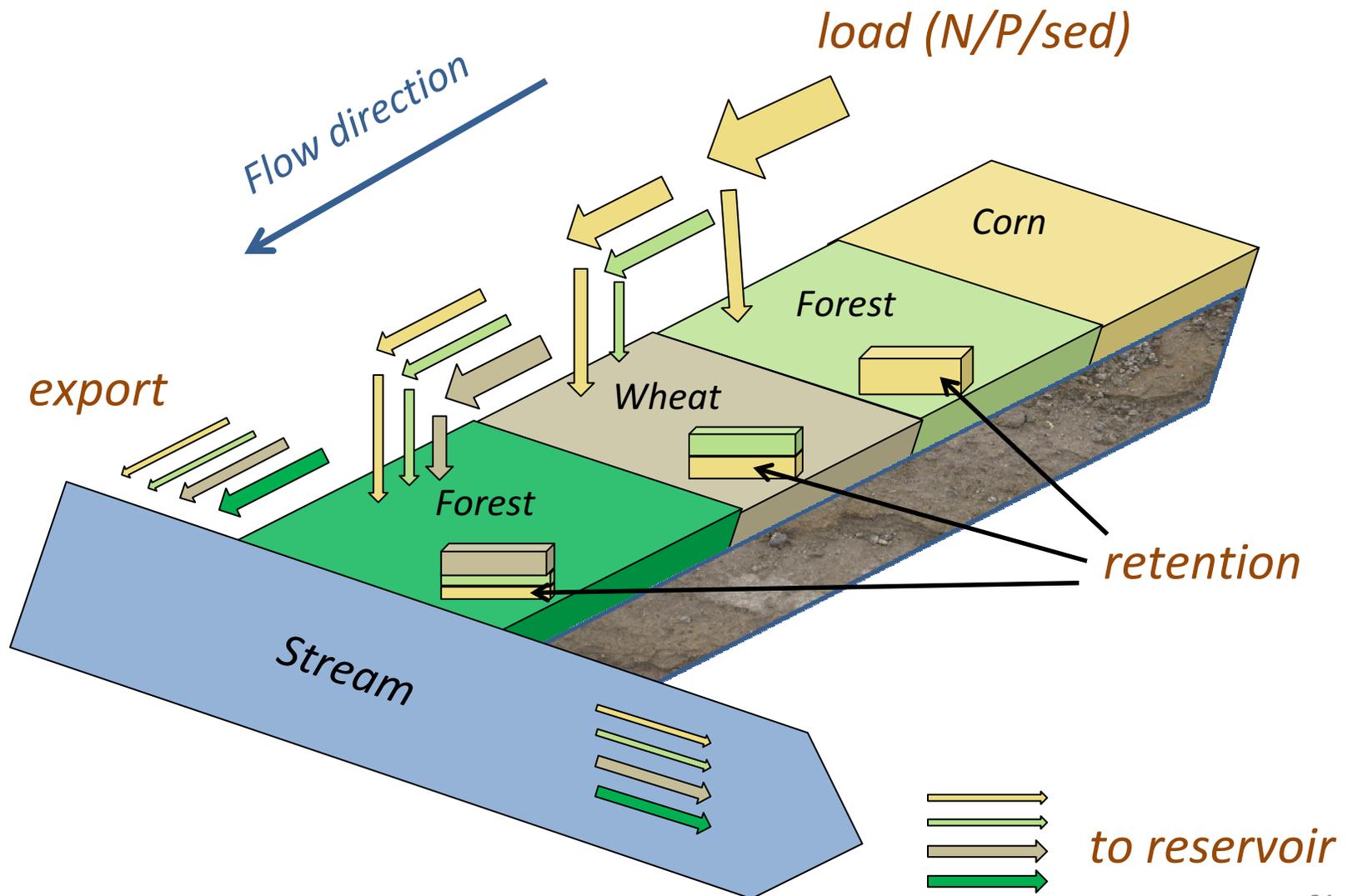
Landuse	Nitrogen Export Values (kg/ha/yr)	Phosphorus Export values (kg/ha/yr)
Forest	1.8	0.011
Corn	11.1	2
Cotton	10	4.3
Soybeans	12.5	4.6
Small Grain	5.3	1.5
Pasture	3.1	0.1
Feedlot or Dairy	2900	220
Idle	3.4	0.1
Residential	7.5	1.2
Business	13.8	3
Industrial	4.4	3.8

# Sediment Retention Model

Based on the Universal Soil Loss Equation (USLE)

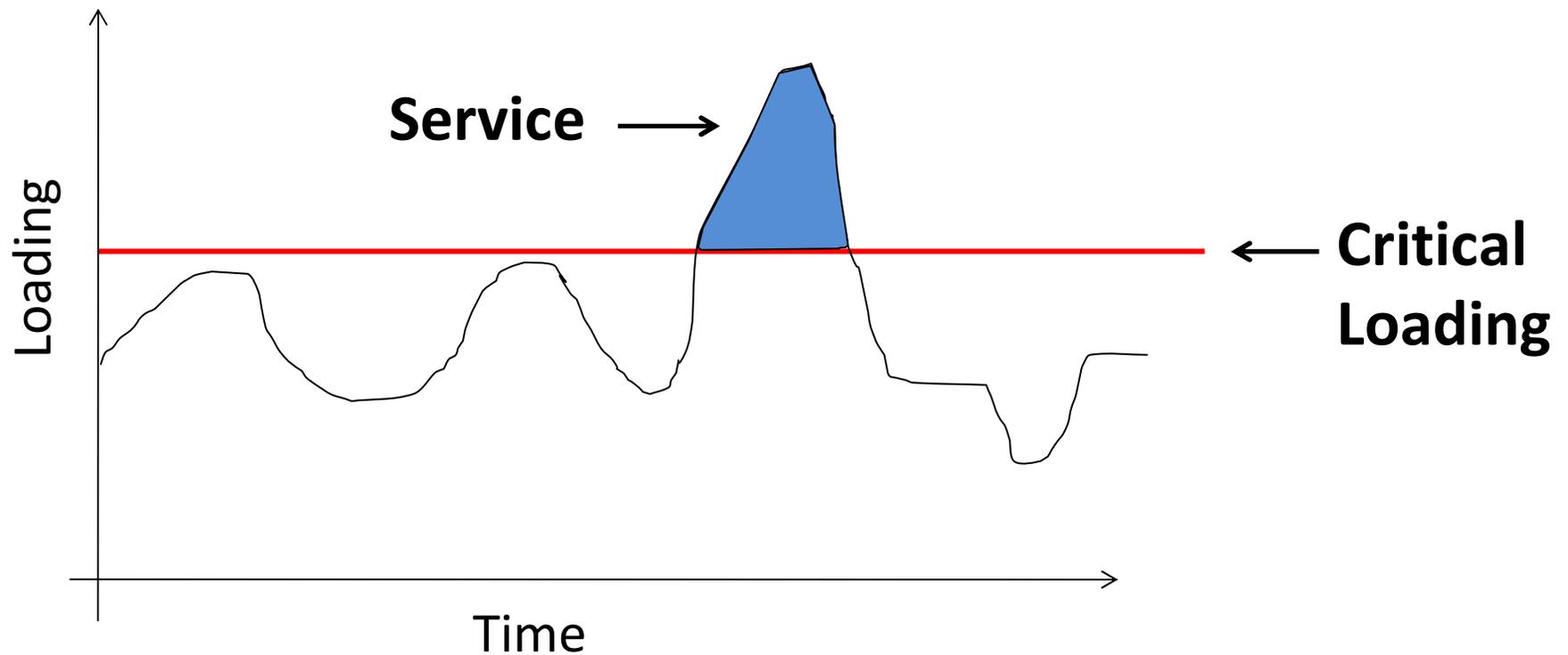


# Hydrologic Connectivity



# Valuation

Based on *avoided costs* (treatment or dredging)



# Outputs - Nutrient



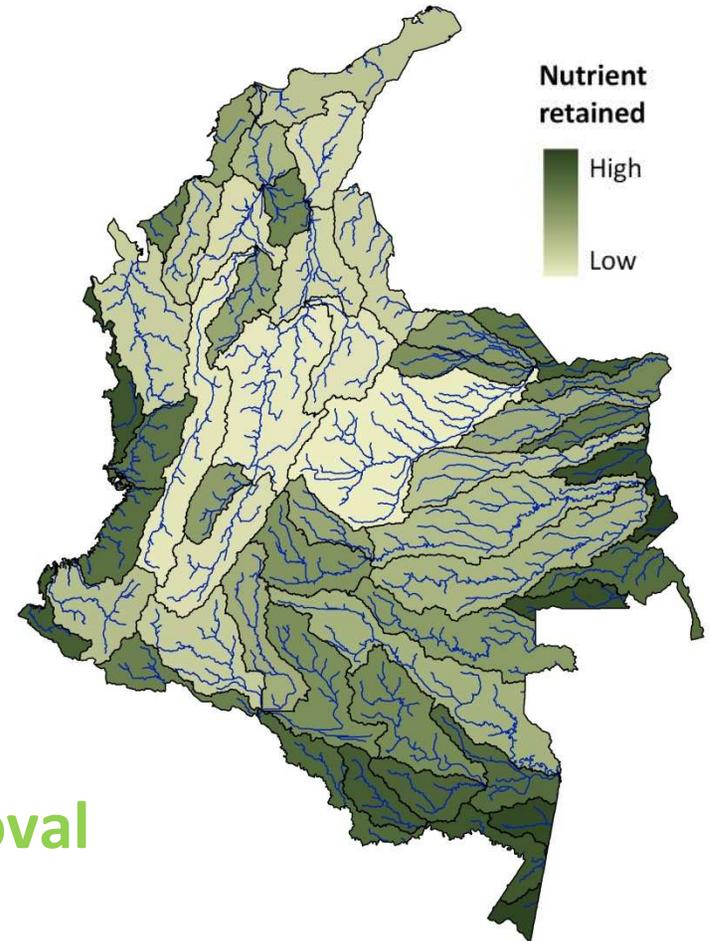
**Nutrient Exported**  
Kg/year



**Nutrient Retained**  
Kg/year  
Used in valuation



**Value of Nutrient Removal  
for Water Quality**  
Currency over time period



# Outputs - Sediment



## Potential Soil loss

Calculated from USLE  
Tons/year



## Sediment Retained

Tons/year  
*Used in valuation*



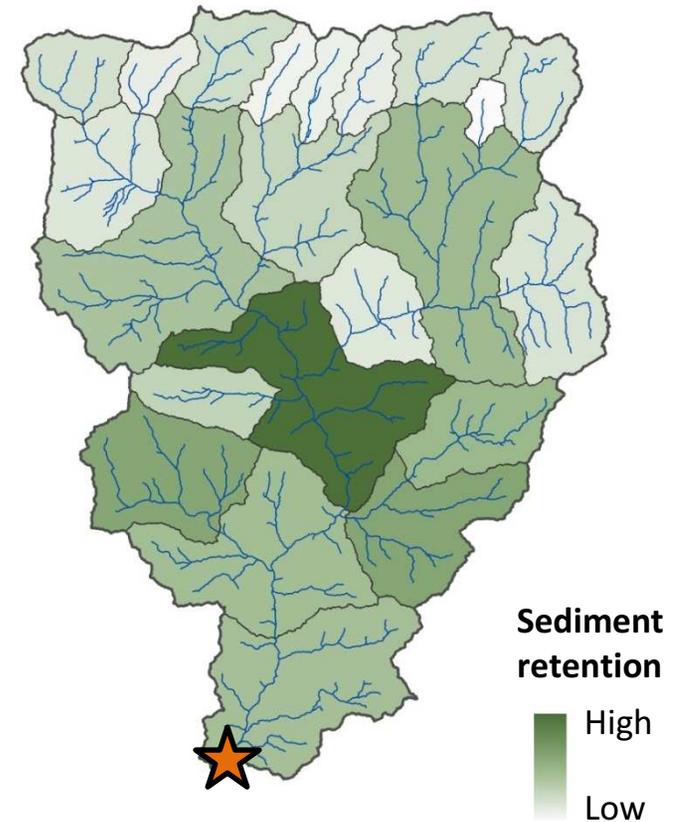
## Sediment Exported

Tons/year

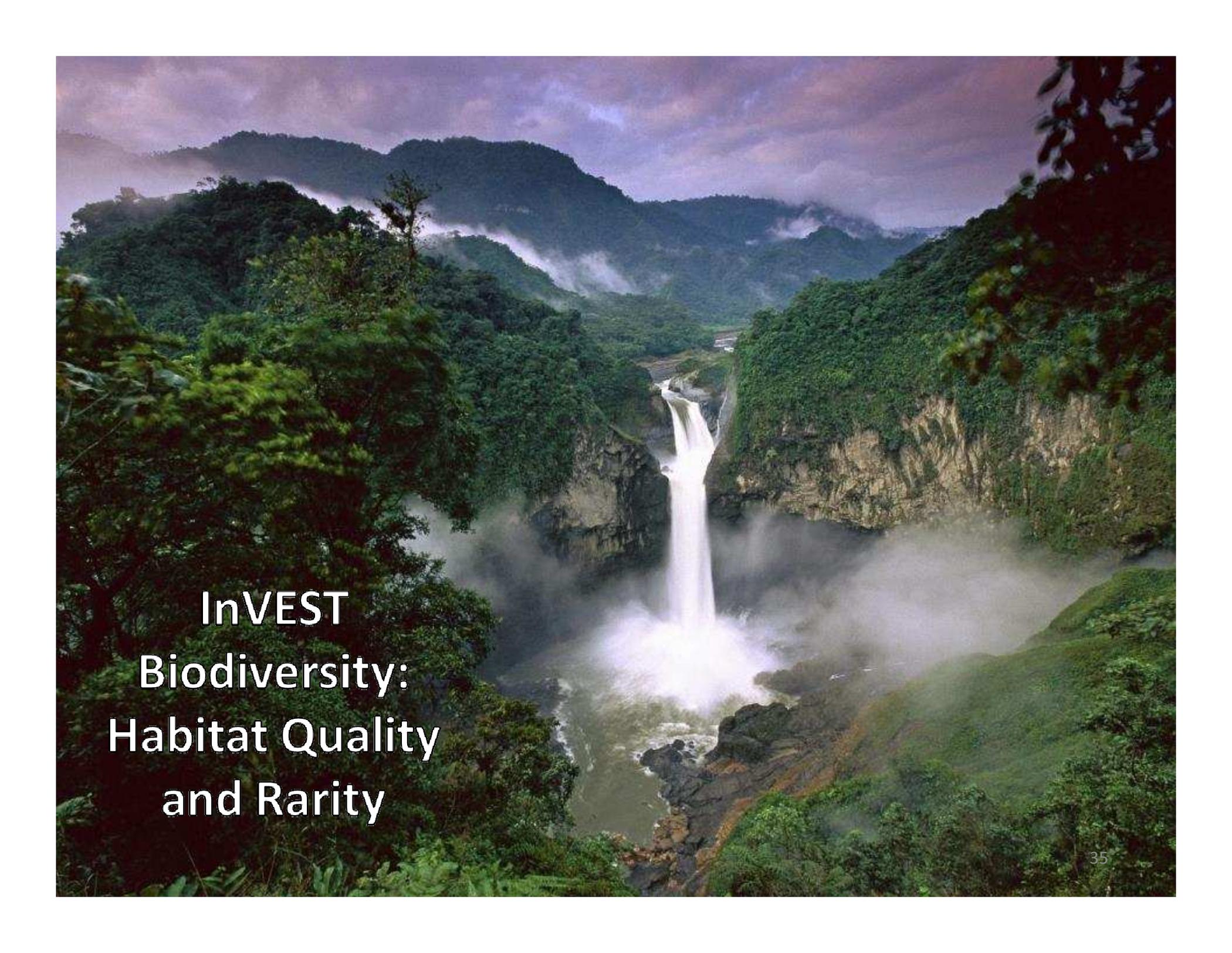


## Value of Sediment Removal for Water Quality/Dredging

Currency over time period



+ Total export  
to reservoir



**InVEST  
Biodiversity:  
Habitat Quality  
and Rarity**

# Habitat Quality: Model Overview

- Biodiversity is not treated as an ecosystem service per se
- Instead, it's used to assess **overlaps** and **tradeoffs**
- InVEST models **habitat quality** and **rarity** as indicators of the status of biodiversity
- Areas with high quality are generally better able to maintain biodiversity



# Habitat Quality: Model Overview

Habitat quality depends on:

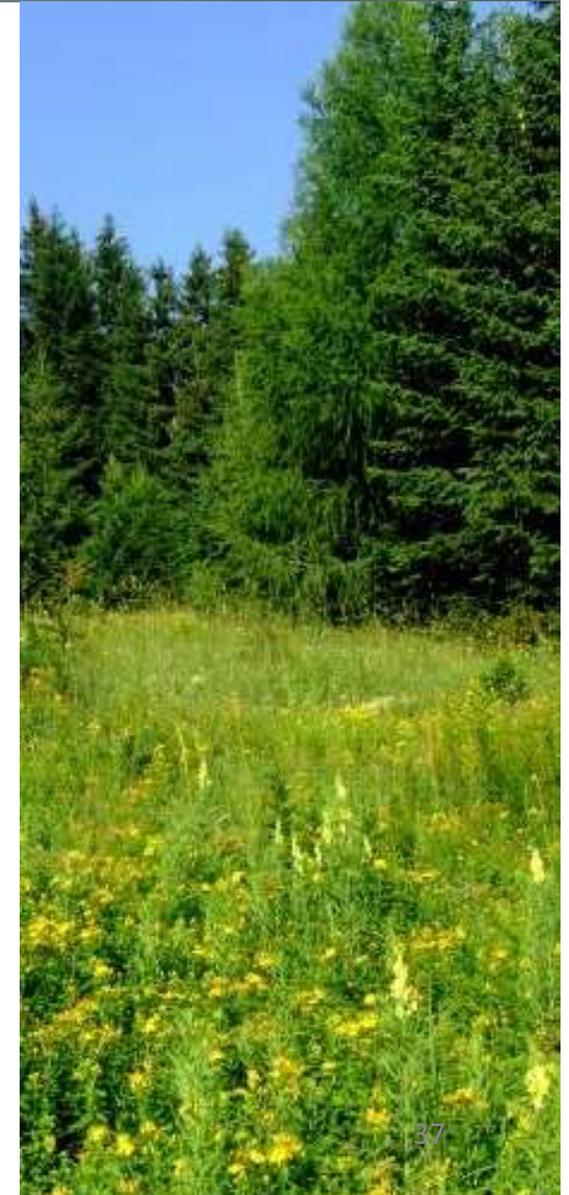
- **Suitability** of the habitat for the species of interest

*Does it prefer grassland, open canopy forest or closed canopy forest?*

- **Proximity** and **intensity** of threats

*Proximity: how far away is the threat?*

*Intensity: how severe a threat is it?*



# Habitat Quality: Threats

Degradation of habitat depends on:

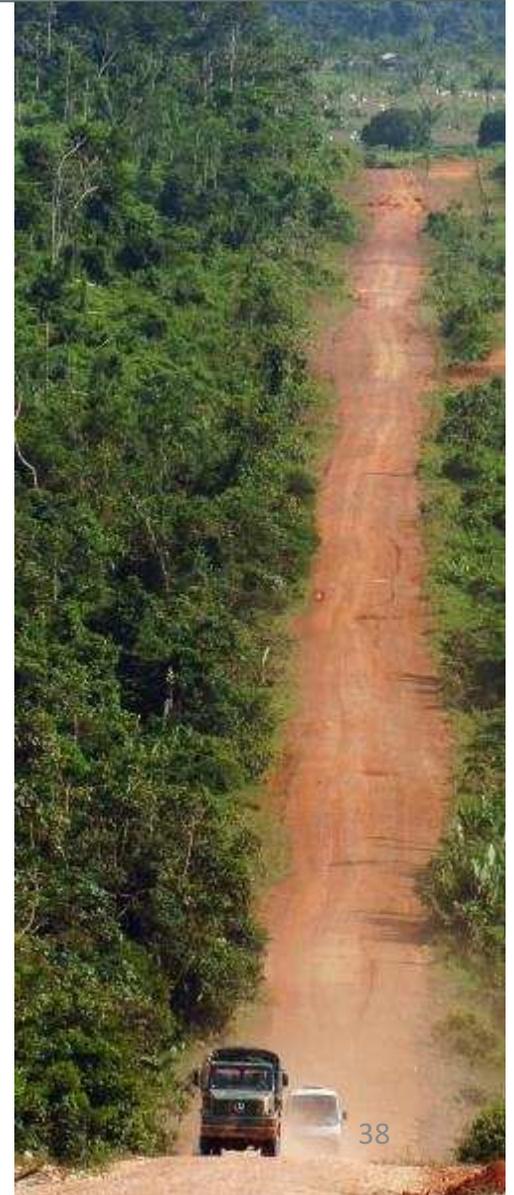
- **Distance** between habitat and threat
- **Relative weight** of threat

*Are highways a greater threat than dirt roads?*

- **Sensitivity** of habitat to the threat

*Is forest more sensitive to roads than a grassland would be?*

- How quickly the impact **decays** with distance
- **Accessibility** / Protection status



# Data needs

## REQUIRED

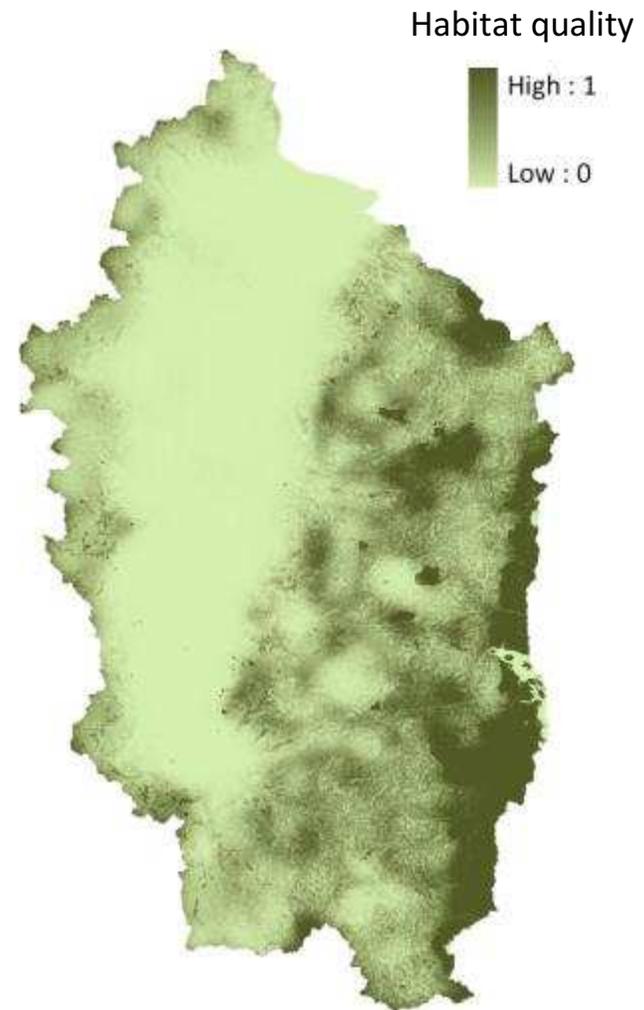
- Current LULC map
- Threat information table
- Threat maps
- Habitat information and sensitivity table
- Half-saturation constant value

## OPTIONAL

- Future LULC map
- Baseline LULC map
- Accessibility and/or protected areas map

# Model Outputs

- Habitat **degradation**  
*relative to rest of landscape*
- Habitat **quality**  
*relative to rest of landscape*
- Habitat **rarity**  
*relative to baseline*



# Ongoing Work: GLOBIO

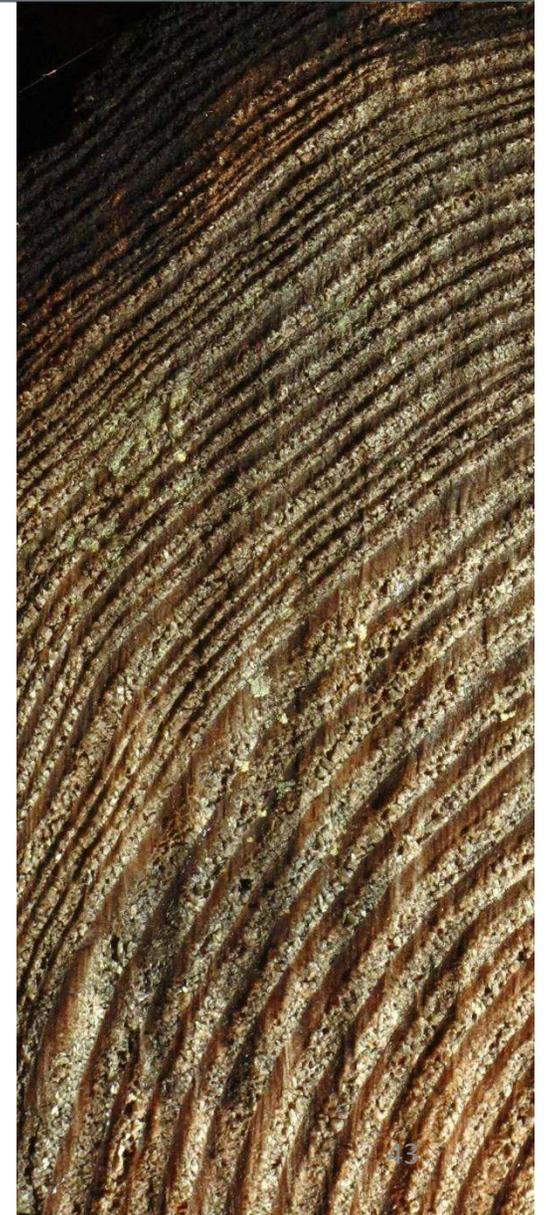
- We implement GLOBIO's methodology with several improvements:
  - Can be used with high-resolution, local data
  - Assign LULC sub-classes with more precision
    - Based on high-res data rather than continent-wide aggregates
  - Improved fragmentation and infrastructure effects
  - The model quickly (1-click) calculates MSA for thousands of possible scenarios
    - Identify thresholds
  - Python script only (no interface)



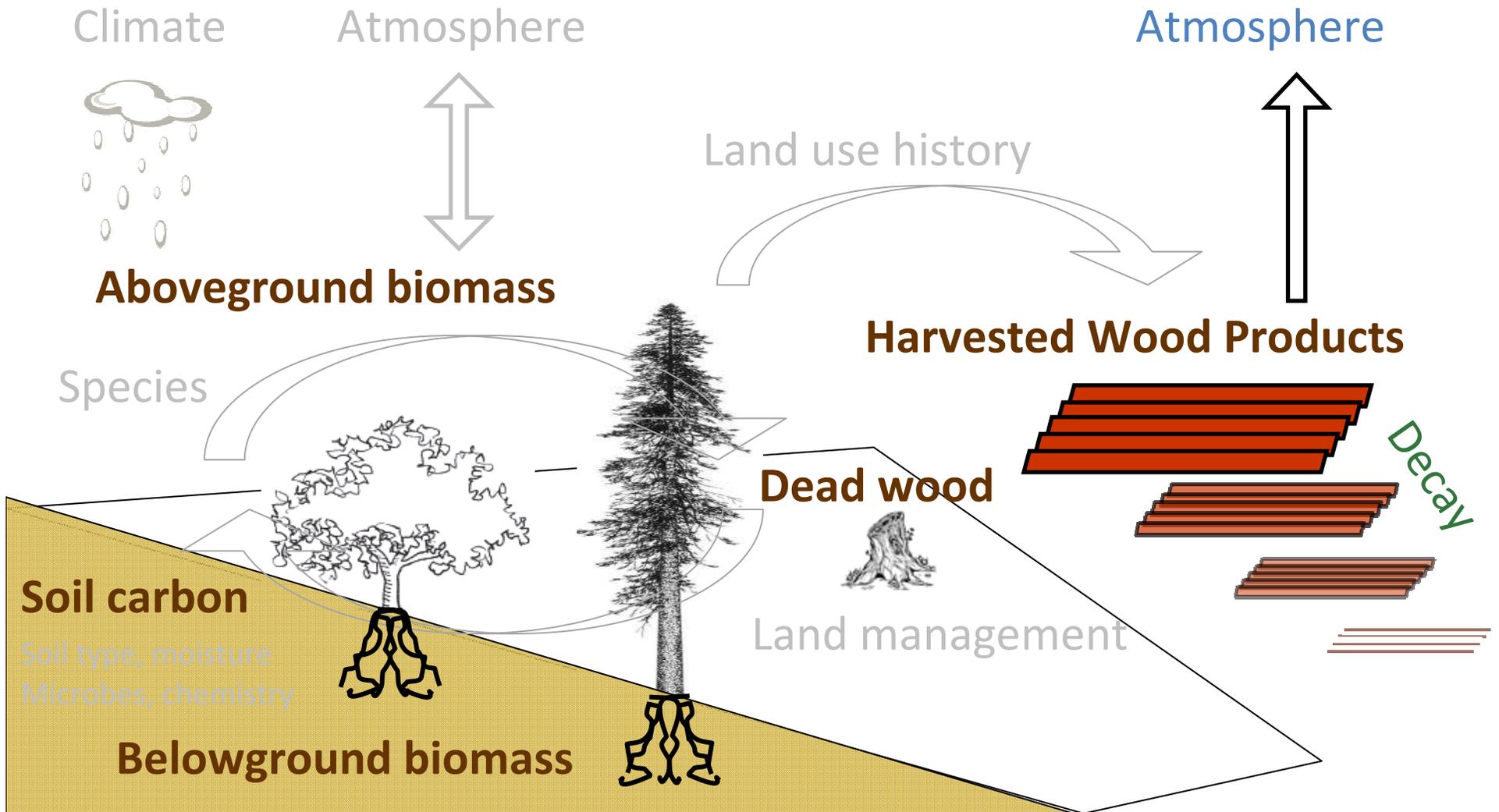
InVEST  
Carbon Storage  
and Sequestration

# InVEST Carbon Storage Model

- Carbon stock as a function of land use/land cover
- **Storage** indicates the mass of carbon in an ecosystem at any given point in time.
- **Sequestration** indicates the change in carbon storage in an ecosystem over time.
- Valuation is applied to sequestration

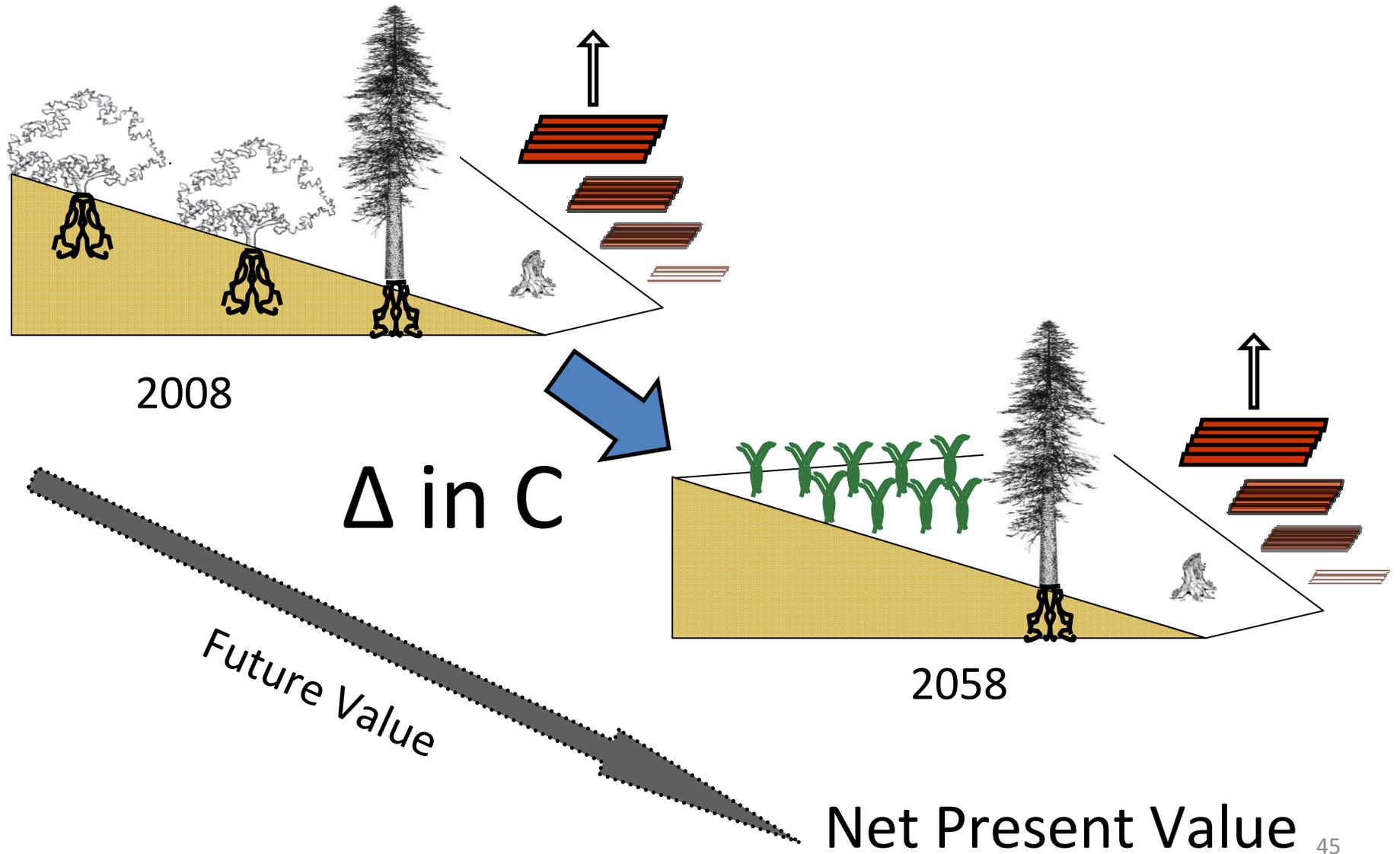


# InVEST Carbon Storage Model



$$5 \text{ pools} \times f(\text{cost/ton}) = \text{Value}$$

# Sequestration and Value



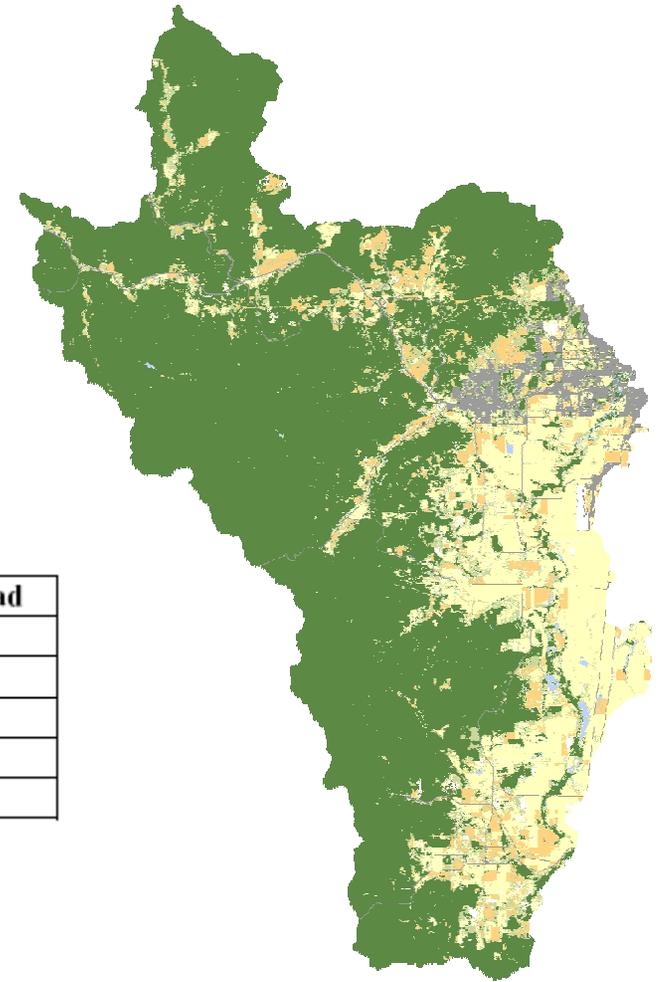
# Input Data

Required data:

Land use / land cover (LULC) map

Table of carbon pools  
(metric tons / hectare)

LULC	LULC_name	C_above	C_below	C_soil	C_dead
1	Forest	140	70	35	12
2	Coffee	65	40	25	6
3	Pasture/grass	15	35	30	4
4	Shrub/undergrowth	30	30	30	13
5	Open/urban	5	5	15	2

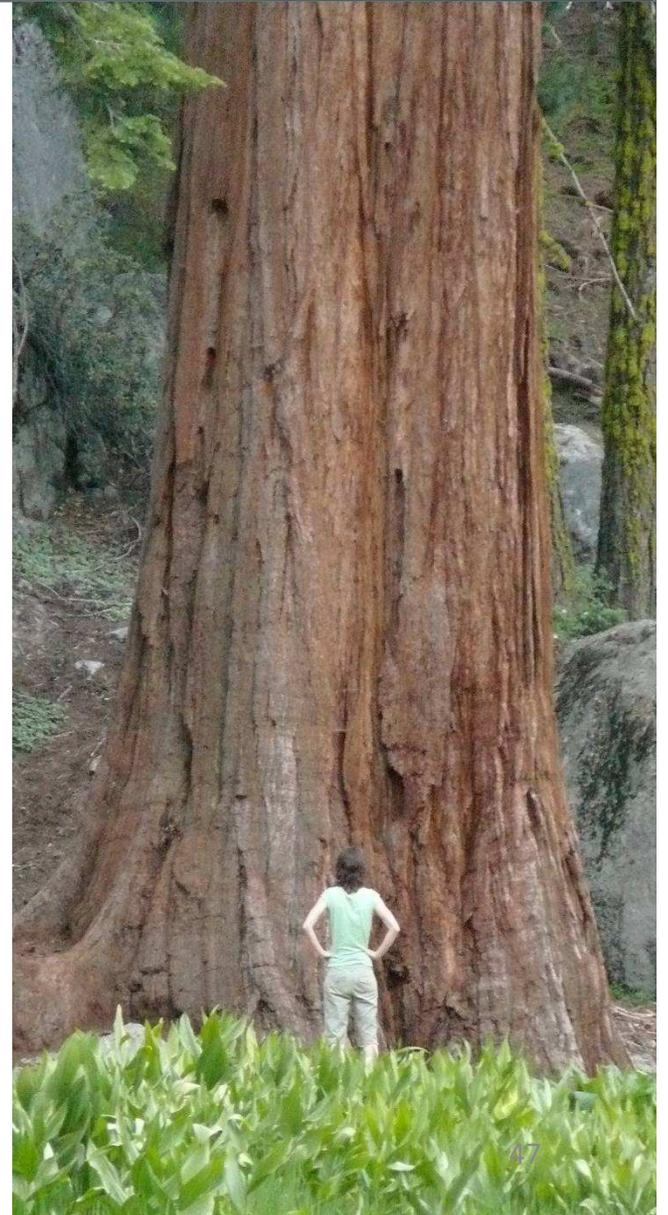


# Approach to Valuation

**Net Present Value** is a function of:

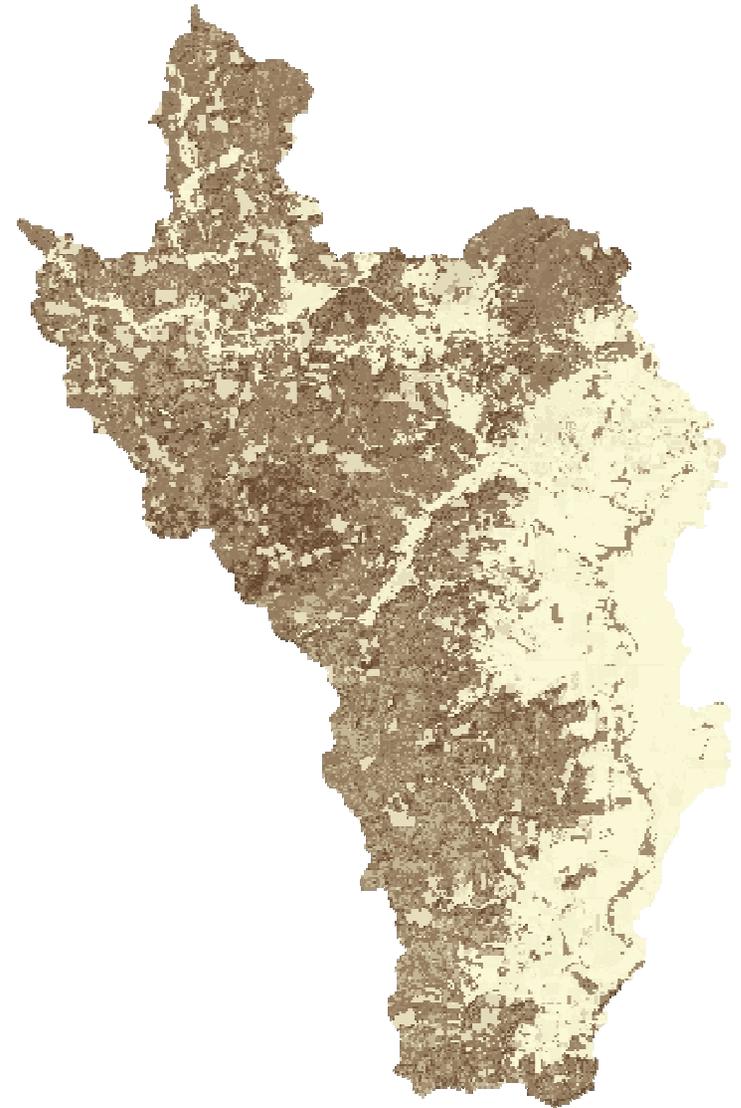
- Market discount rate
- Rate of change in the social value of carbon
- Social or market cost of carbon

Carbon model is most appropriate for valuing the **Social cost of carbon**: What is the benefit to society from avoiding damage from CO<sub>2</sub> release?



# Output

- Map of current carbon storage (Mg C / cell)
- Map of future carbon storage - If future land use provided
- Carbon sequestration map = (future - present storage)
- Map of economic value of carbon sequestered



# Thank You!

**Adrian Vogl**

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## Application

How much impact will a proposed infrastructure project have on ecosystem services?

Who will lose which services?

# Servicesheds

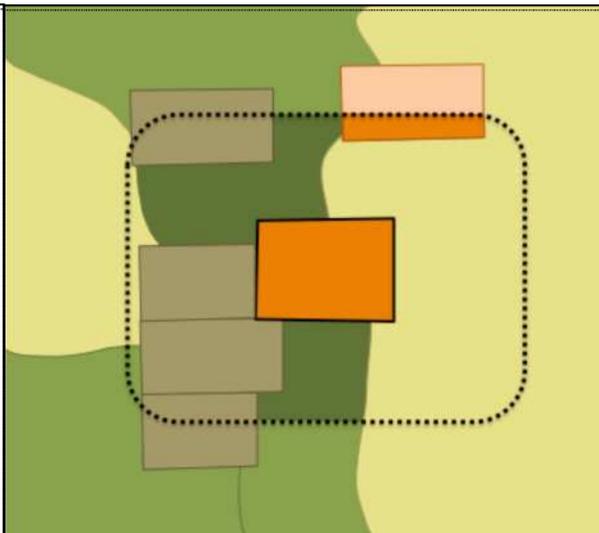
*Serviceshed*: area that provides a specific benefit to a specific group of people

- Supply
- Physical access
- Institutional access

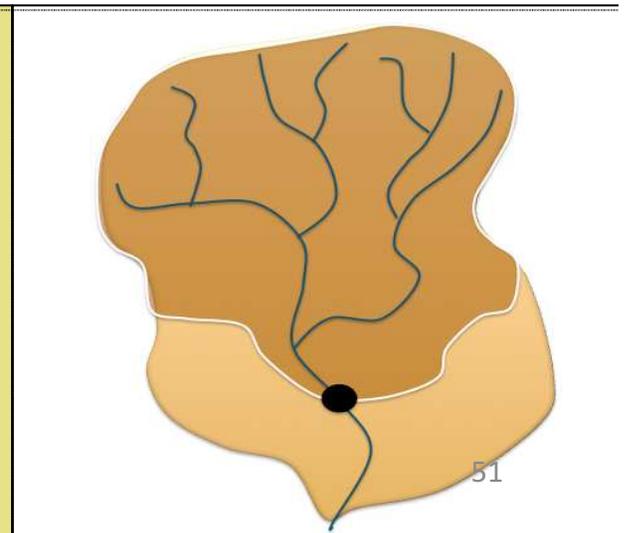
CARBON



POLLINATION



WATER

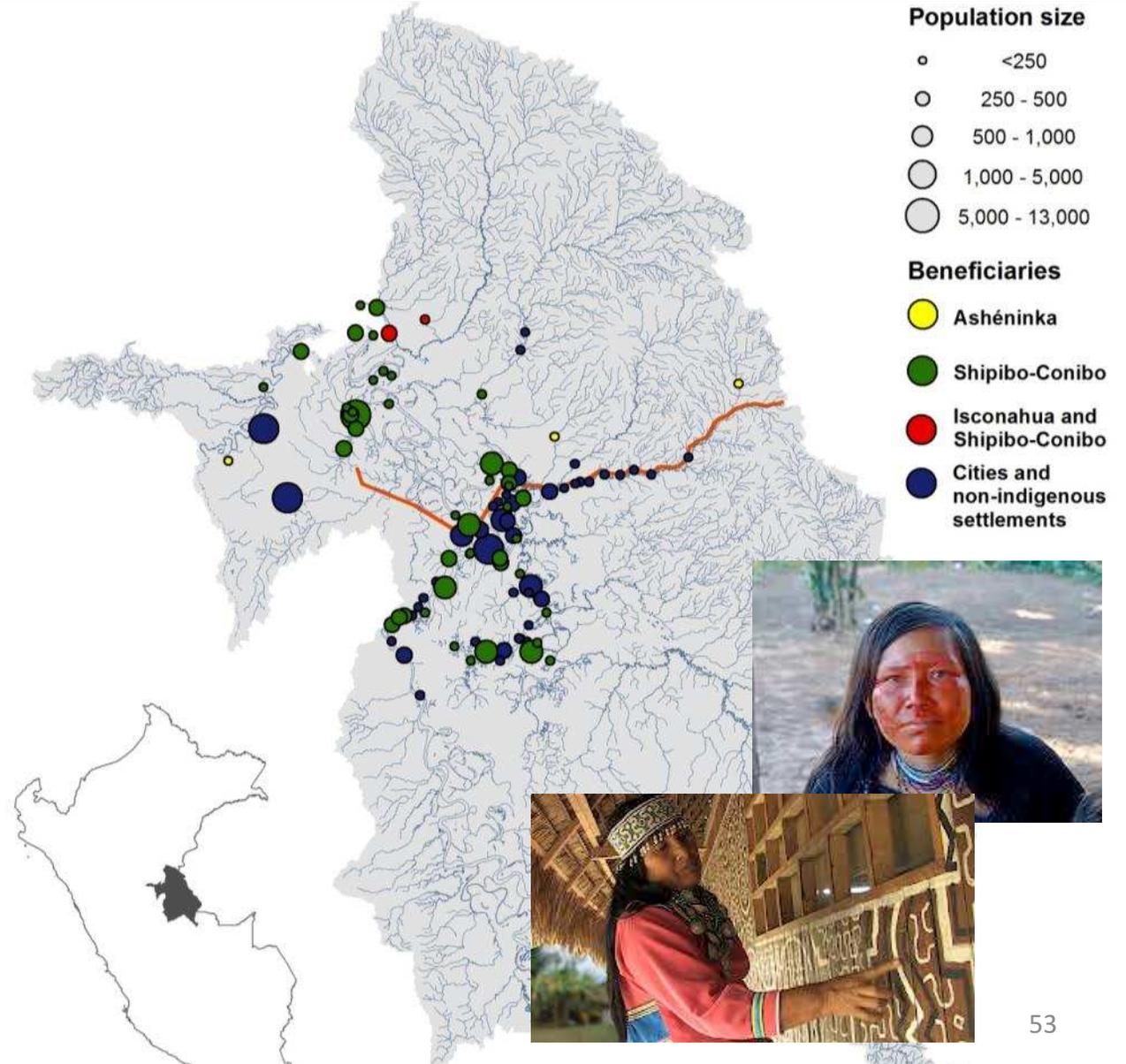


# Proposed Road



Lisa Mandle, Jerry Touval, Leandro Baumgarten, et al.

# Beneficiaries



# Services

Towns as beneficiaries

-ethnic groups tracked

Carbon sequestration

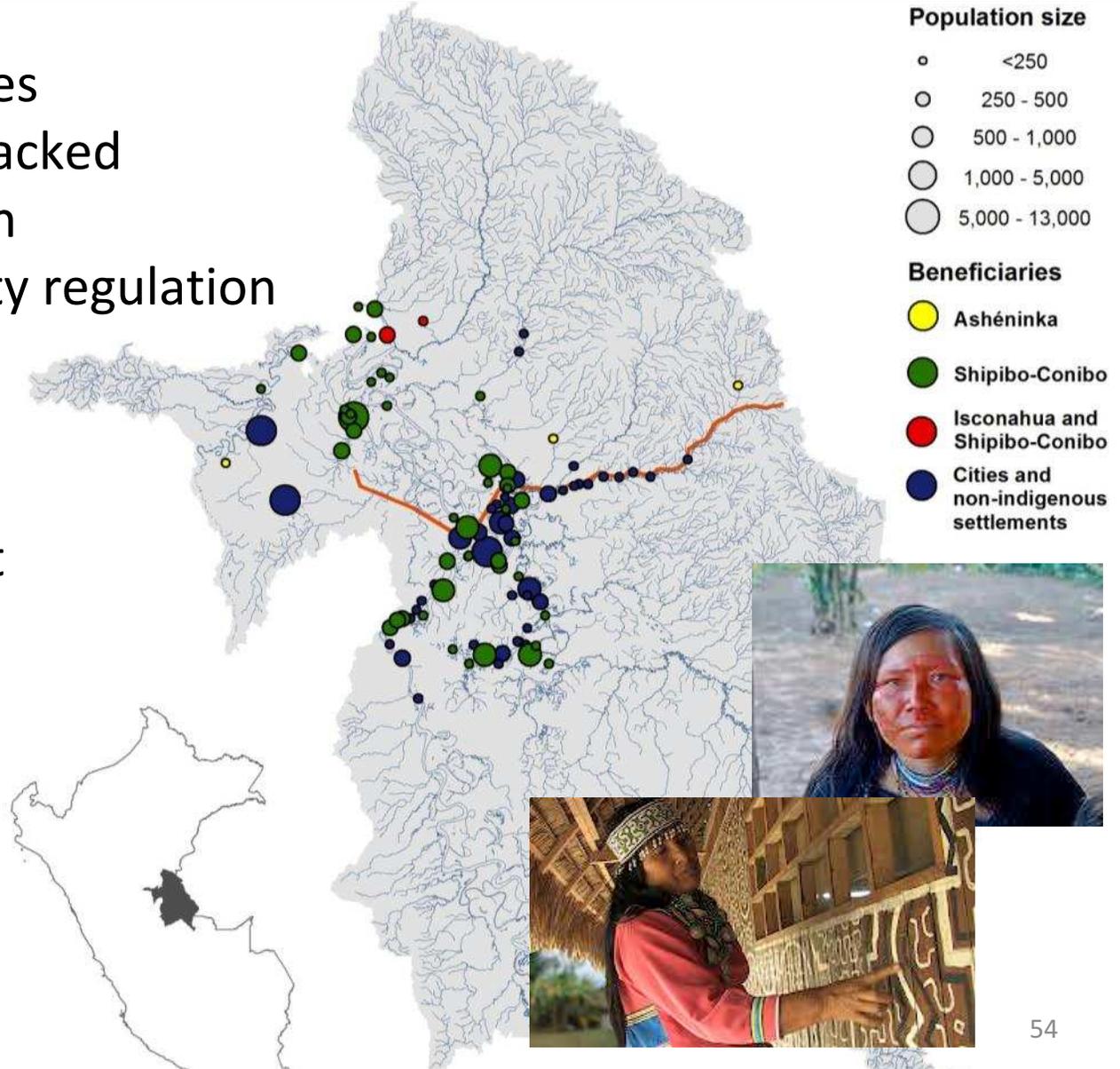
Drinking water quality regulation

Nitrogen

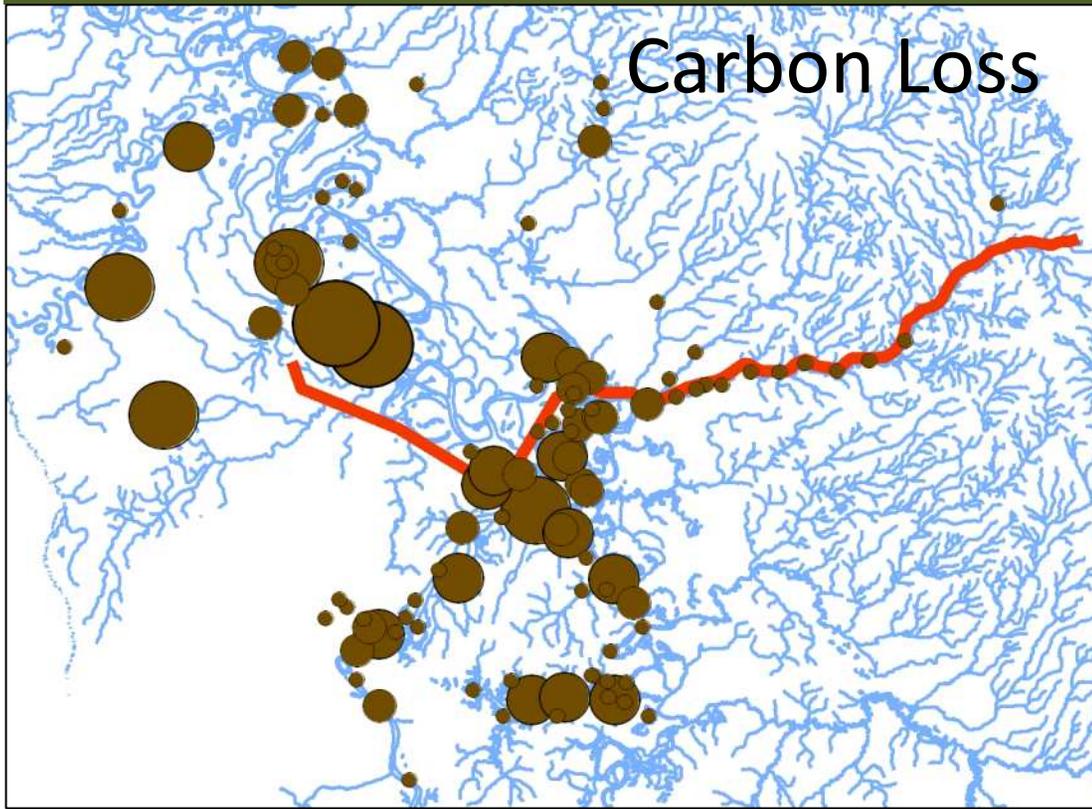
Phosphorus

Sediment

Wild product harvest

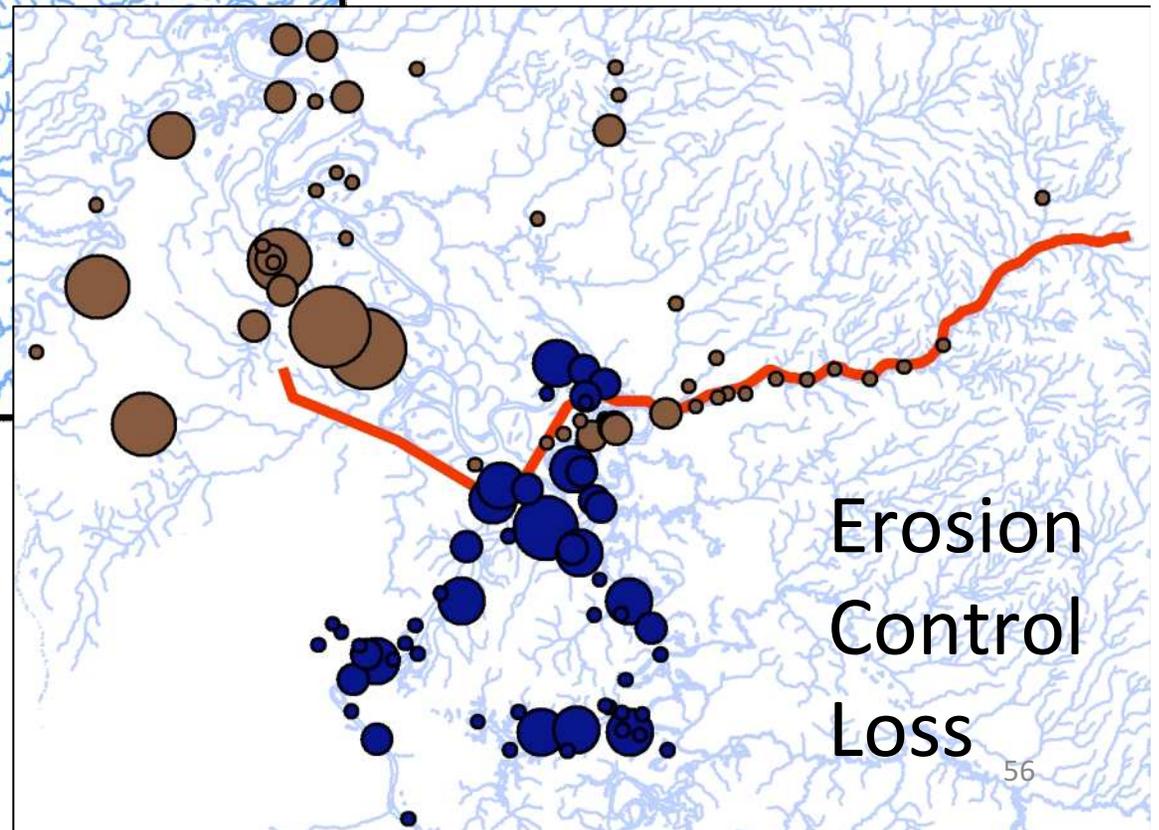
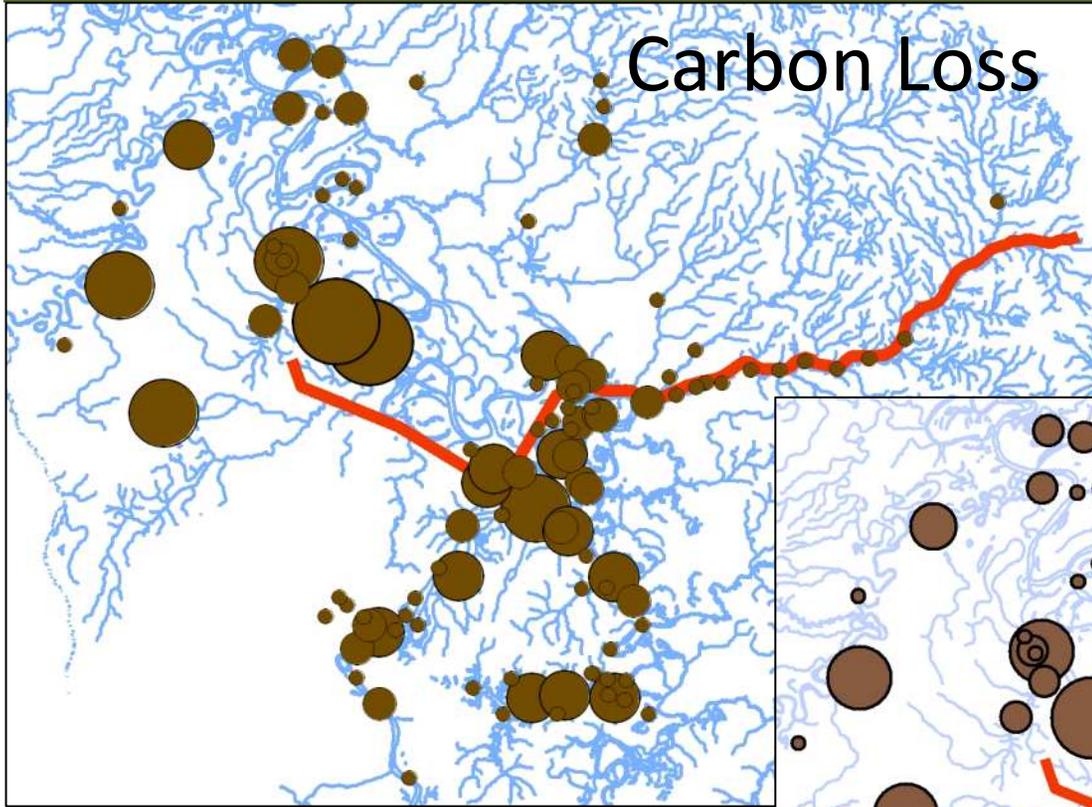


# Who Will Lose Which Services?



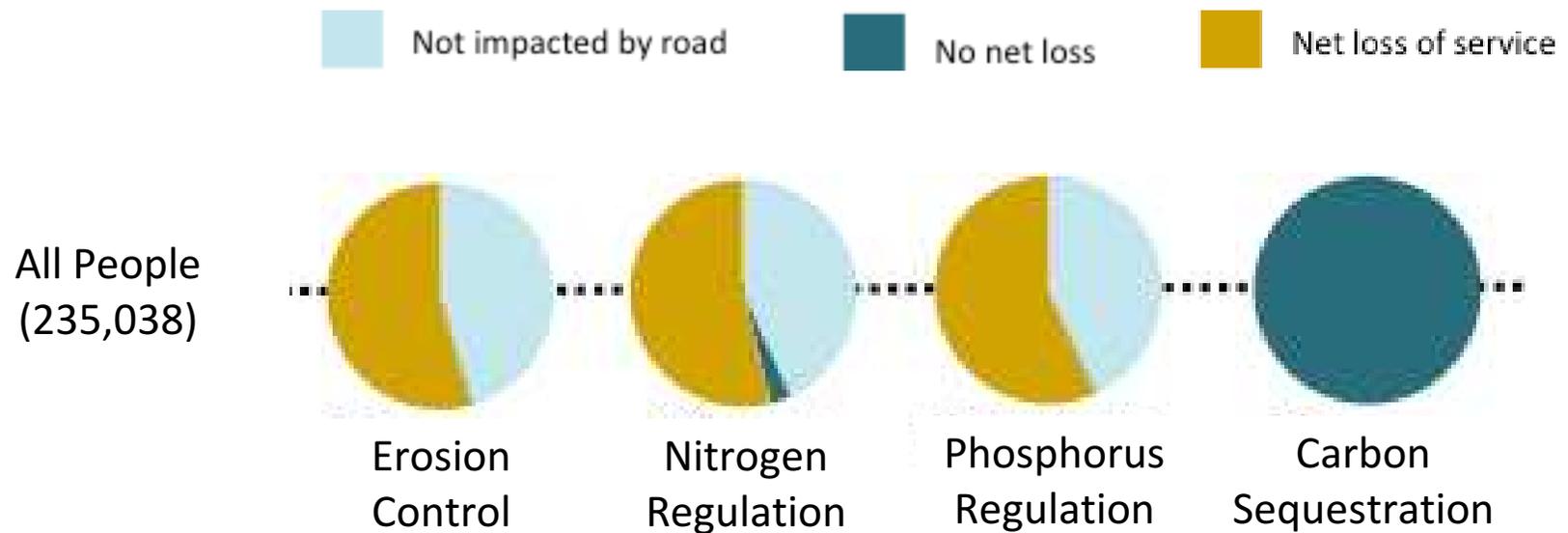
-  Un-impacted city
-  Impacted city

# Who Will Lose Which Services?

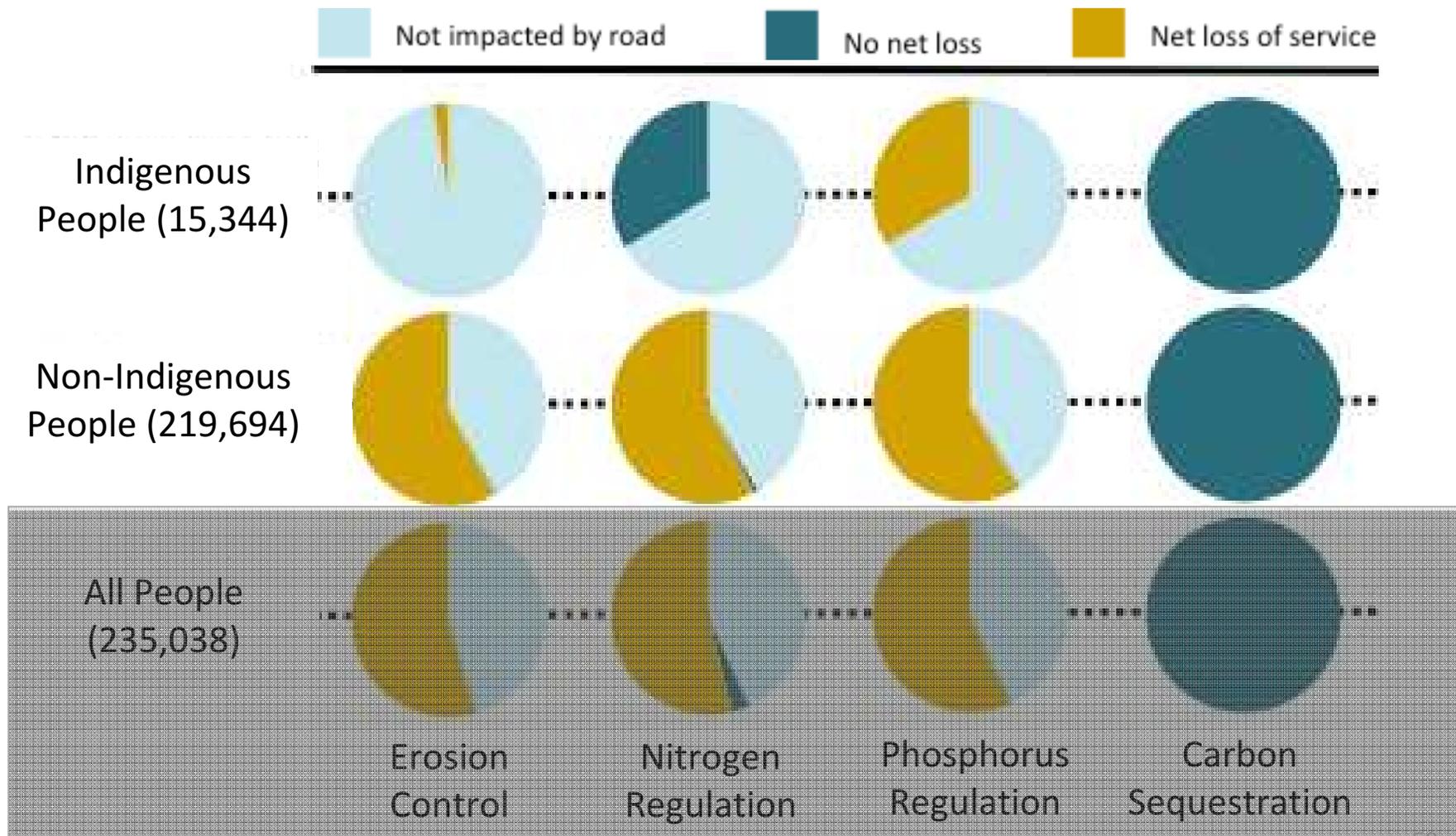


-  Un-impacted city
-  Impacted city

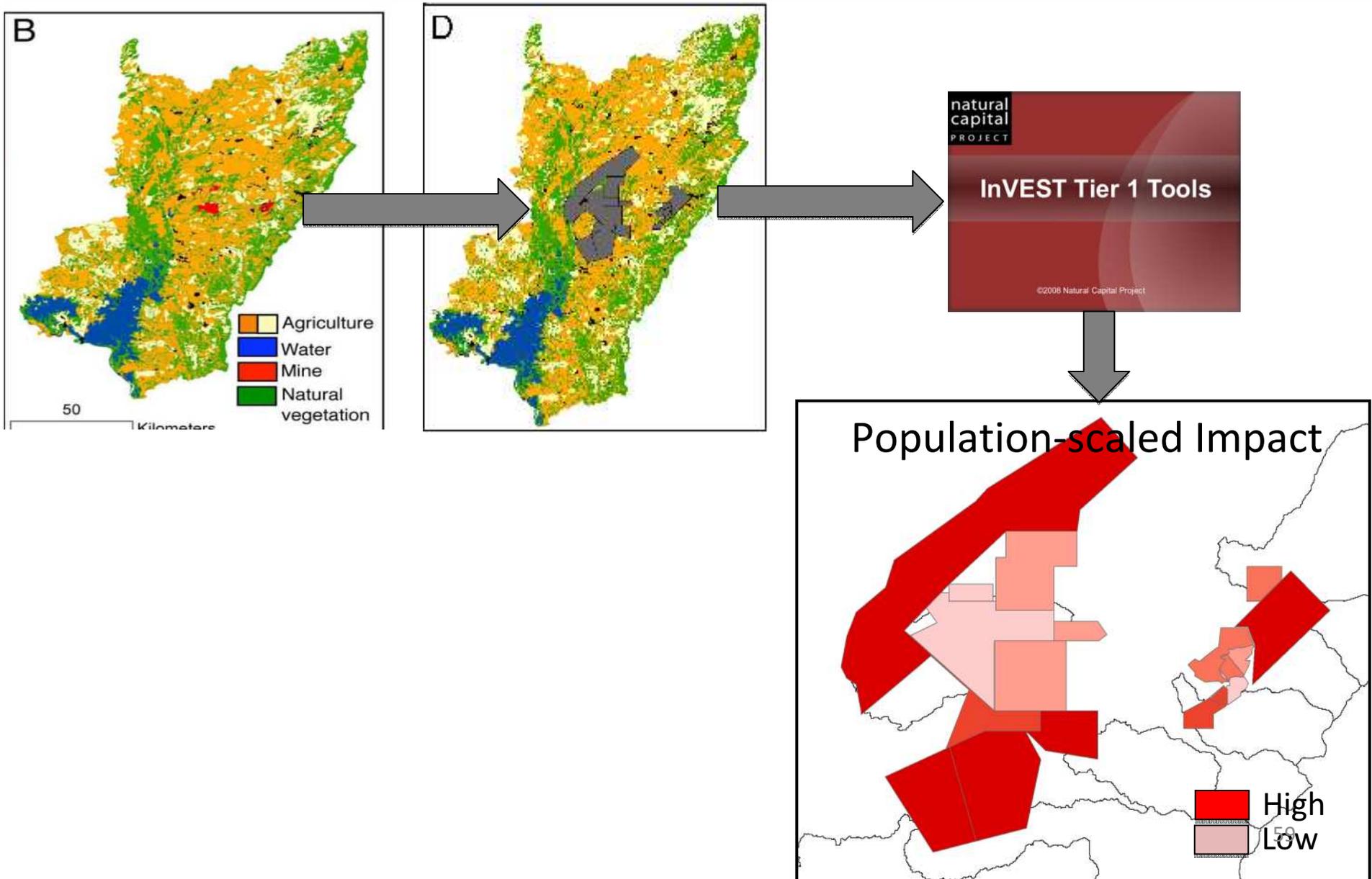
# Who Loses After Mitigation?



# Who Loses After Mitigation?

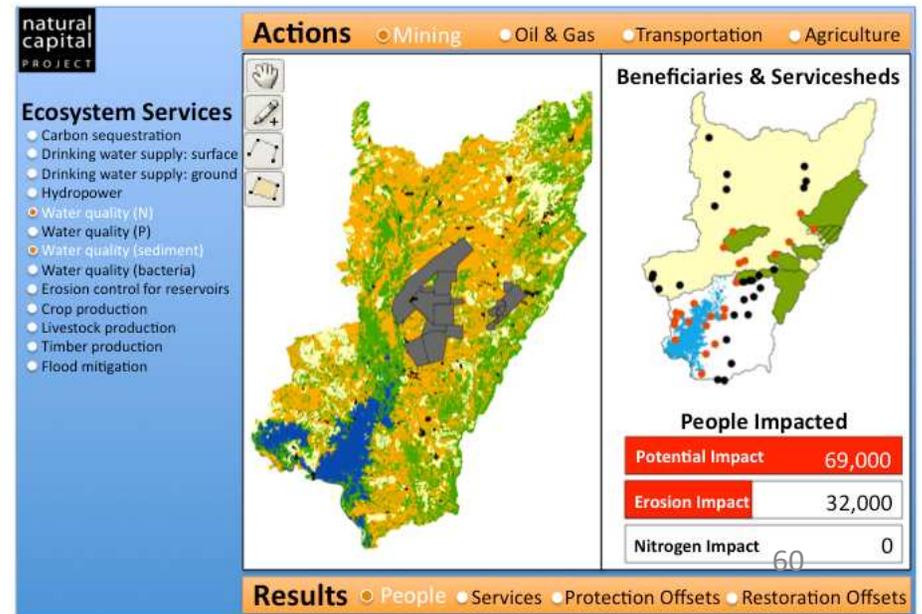


# Which Permits Have the Most Impact?



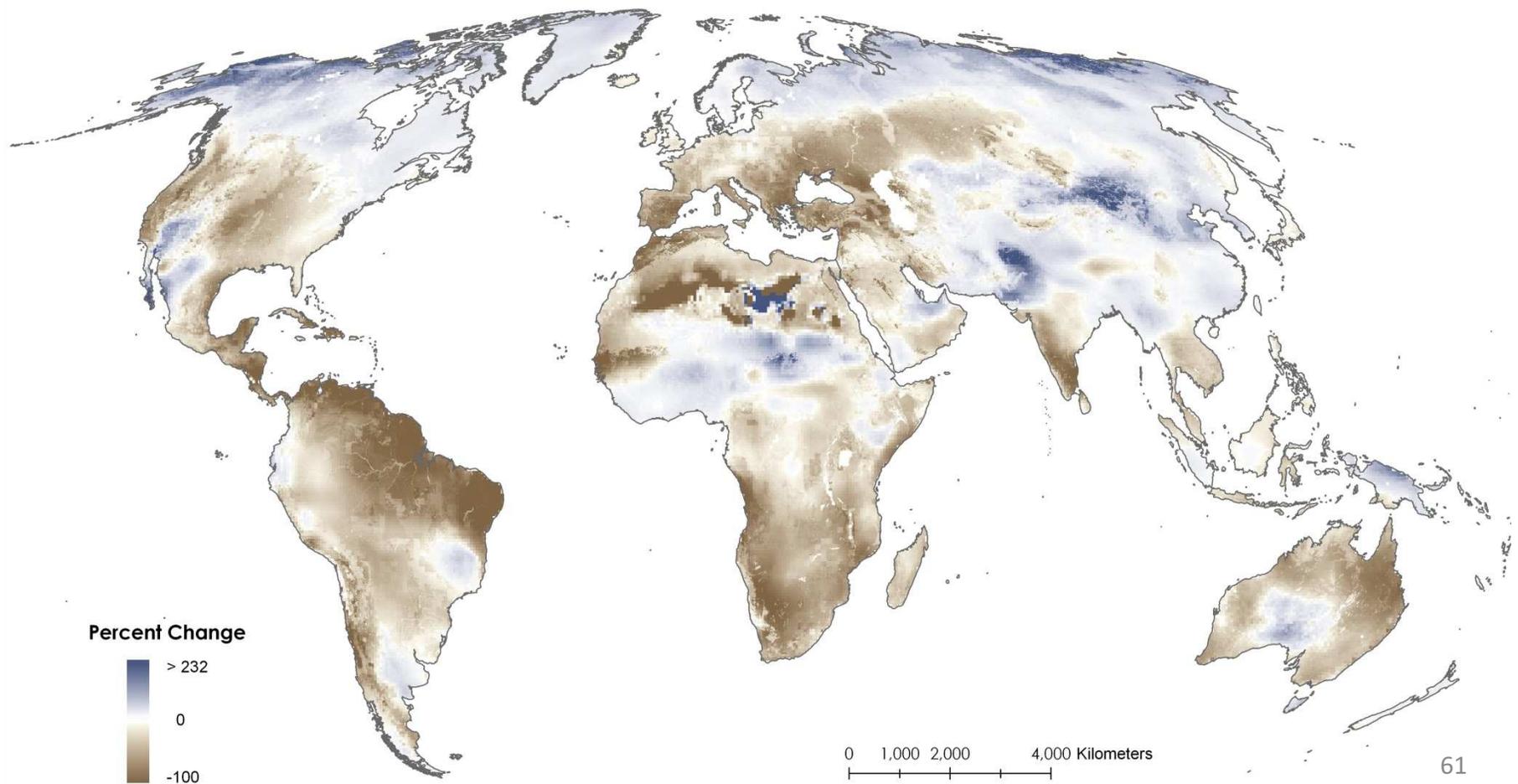
# Ongoing Work

- Application in Indonesia with Millennium Challenge Corporation and Rockefeller Foundation
- Application with Colombian Ministry of Environment, simple online tool for all sectors
- Aligning with biodiversity approach



# Application

Predicted water yield change 1990-2060, HADCM climate change model



# Application

Predicted per capita water yield change 1990-2060, HADCM climate change model

