

Working with Natural Capital



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Natural Capital Definition:

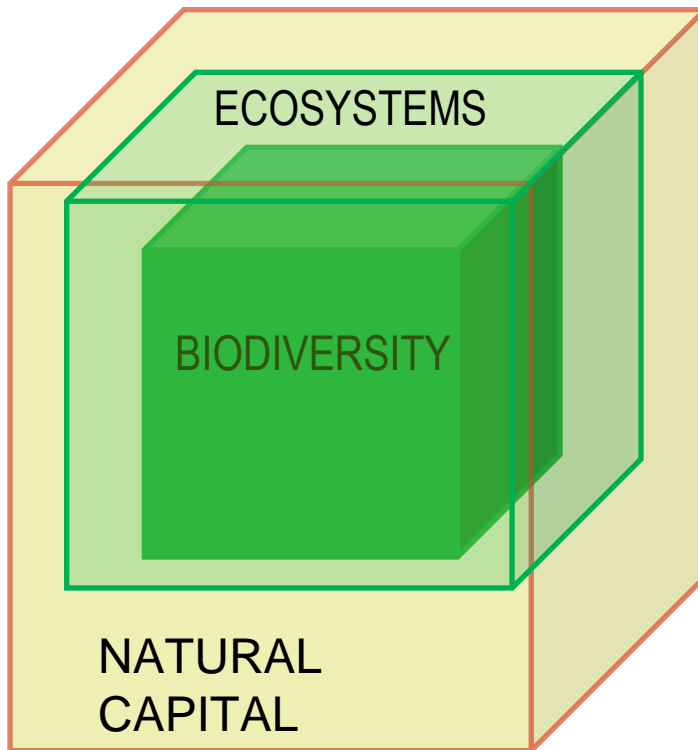


The Natural Capital Committee (NCC) has defined natural capital as:

“the elements of nature that directly or indirectly produce value to people, including ecosystems, species, freshwater, land, minerals, the air and oceans, as well as natural processes and functions” .



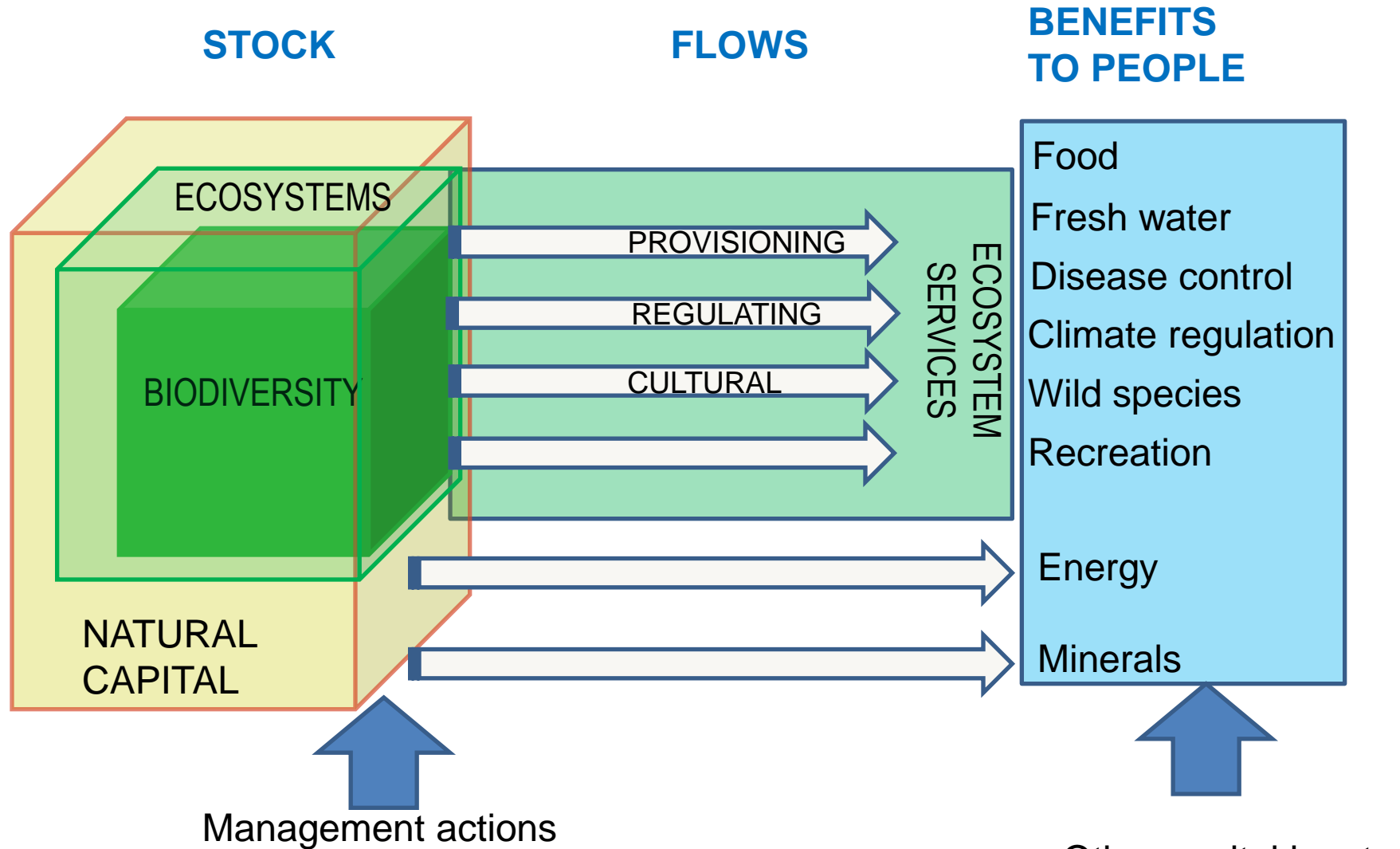
What natural capital is and isn't



Source: Natural Capital Committee

- Natural capital > Ecosystems > Biodiversity
- Includes sub-soil assets and non-renewables
- But its not 'everything'
- Natural capital describes nature in economic terms
- An extension of ecosystem services with a greater focus on 'stocks'

Natural Capital



Natural capital is a stock, from which people derive benefits.

Benefits to human health, wellbeing and prosperity

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Regulating
services



Provisioning
services



Cultural
services



Ecosystem Services Flows



- Heritage / cultural interactions
- Recreation
- Educational
- Inspiration
- Sense of place
- Sense of history

Natural Capital Stock

"The elements of nature that directly and indirectly produce value or benefits to people, including ecosystems, species, rivers, land, minerals, the air and oceans, as well as natural processes and functions".

NCC

Why natural capital? Why now?

Too often natural capital is an afterthought, left out of the core of economic considerations. Without an economic price, it has too often been assumed to be of zero value.



Dieter Helm, Chair of the Natural Capital Committee

Types of values – Total Economic Value Framework

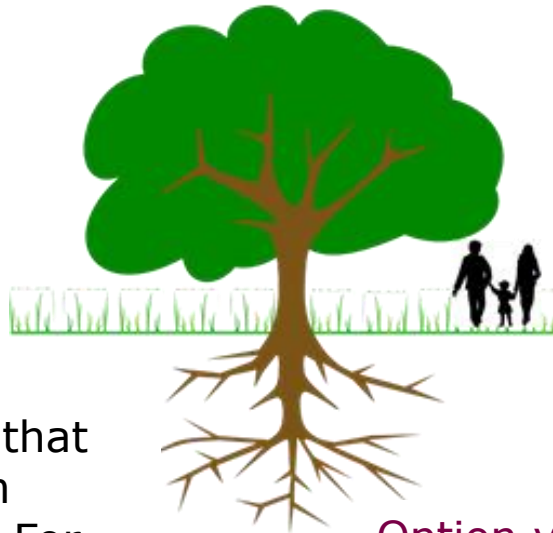
Direct Use values

- Wood for timber, pulp and fuel (extractive use)
- Place to visit, have a picnic (non-extractive use)

Indirect Use values

- Ecological processes that give rise to ecosystem services and benefits. For example, prevent loss of soil, nutrients, reduce flooding and improve water quality.

A tree in a park



Non-use values

- Altruistic values knowing others can enjoy the tree.
- Bequest values knowing that the tree will be there for future generations.
- Existence values knowing the tree and the services continue to exist.

Option values

- The tree is preserved for some form of use in the future.

Gets progressively harder to place a monetary value

Using valuation to aid decision making

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What is special about your place?

1. Recognising value

Ask your stakeholders;
involve the community



2. Demonstrating value

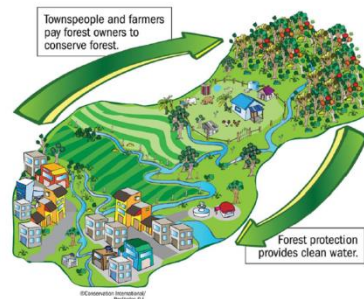
Describe

Quantify

Value



3. Capturing value



Valuing natural capital and place-based delivery - some limitations



- Biodiversity and ecosystem health don't show in value or economic metrics.
- The natural environment is complex
- Lack of recognition of intrinsic value of nature.
- Difficult to reconcile with what makes places special
- Focus just on monetary values
- Values may not stack up against large infrastructure projects.
- Could focus on quantifying services and benefits rather than looking after our natural capital assets.
- Cherry picking just a few ecosystem services
- Services that can't be valued or quantified aren't included in decision making.

A Natural Capital approach? Ecosystem Approach



Adopted by the Convention on Biological Diversity in 2000 as the primary framework for action under the Convention

a strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way



Convention on
Biological Diversity

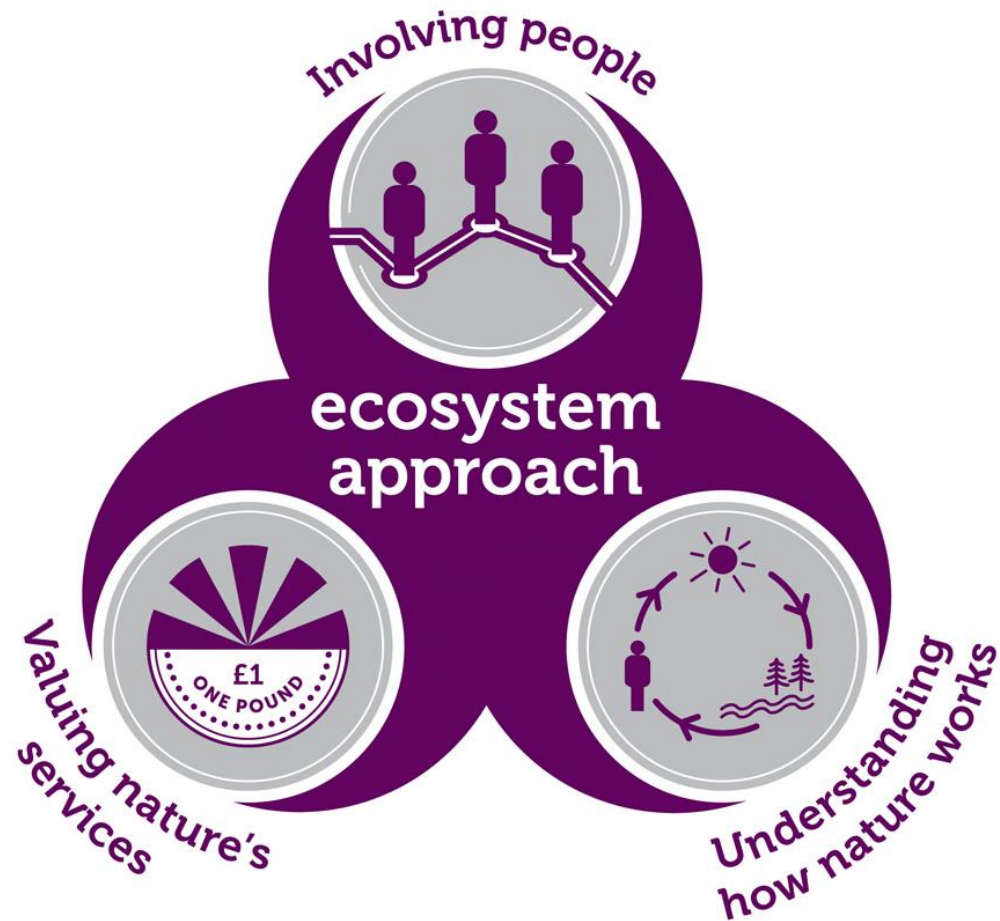


MILLENNIUM ECOSYSTEM ASSESSMENT

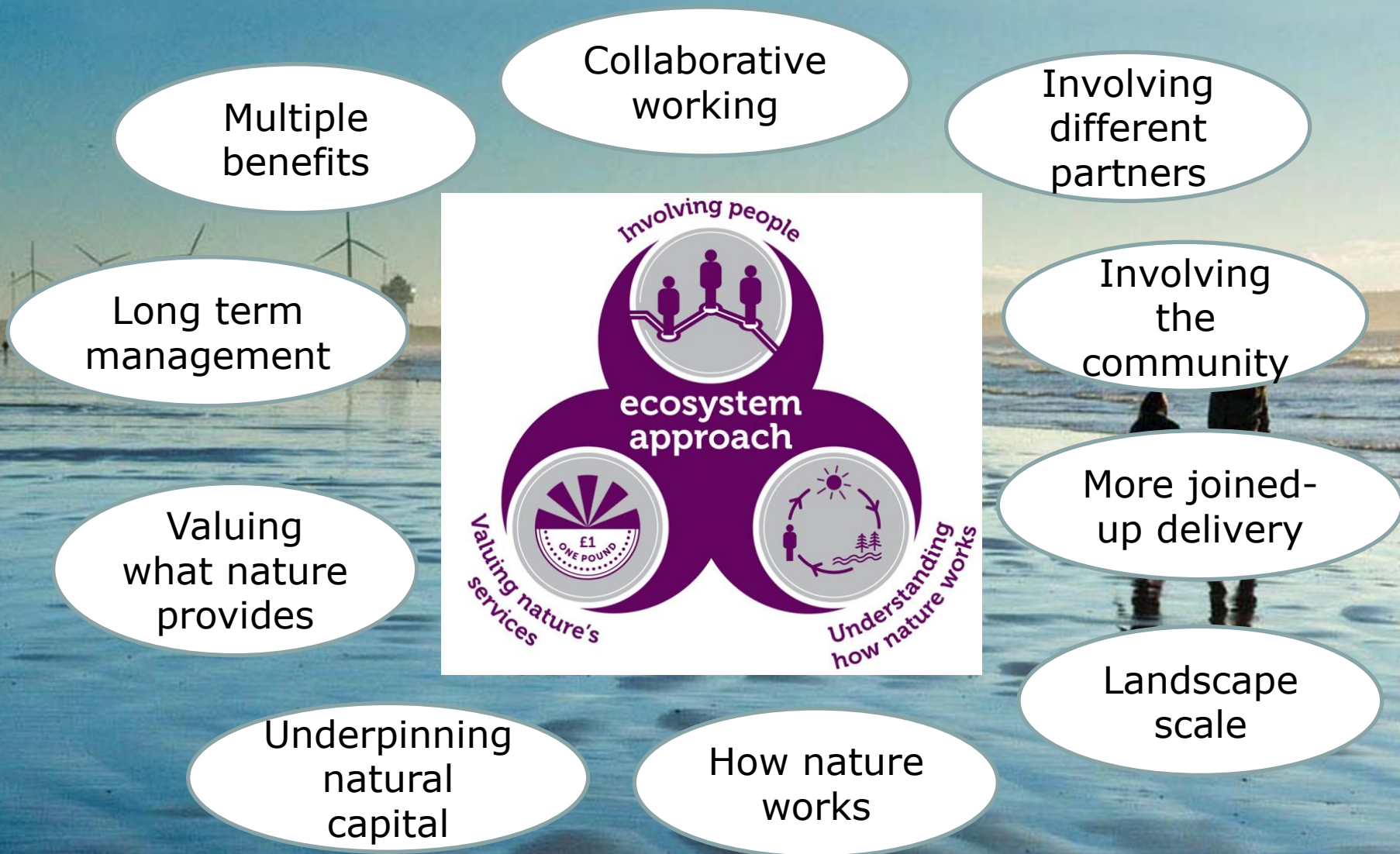
The Ecosystem Approach

An integrating approach with 3 key aspects:

- ▶ **Systems:** It considers the whole ecosystem
- ▶ **People:** Puts people and sustainability at the heart of environmental management
- ▶ **Values:** the environment provides us with important and valuable benefits (ecosystem goods and services)



A practical and integrated approach to delivery



Working with natural capital in places and partnerships



1. What natural capital have you got?

Where is it?

How does it combine with heritage and landscape character?

2. What does it do and for who?

What are the benefits?

Who benefits?

Where are the beneficiaries?

3. What is the value of the benefits?

What do people think make this place special?

Will economic valuation help you make decisions or build a case for investment?

4. What are the pressures, drivers of change?

What is the current state of your natural capital?

Assess vulnerability to change.

5. How do we manage it?

For healthy functioning ecosystems

For the long term

For people as well as species..

The benefits of working with natural capital



Include:

- Potential new funding
- Demonstrates need to care for our natural capital
- Recognises natural capital underpins other capitals
- Appeals to different people and sectors
- Enables management for multiple benefits in a place
- Can identify synergies and “win-win” management
- Efficient use of limited resources
- Opportunity to consider trade-offs
- Natural environment taken into consideration in decision making....