



Department  
for Environment  
Food & Rural Affairs

# Natural Capital in the UK



# Background

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- The UK became interested in natural capital in the late 2000s.
- It published a major environmental policy paper in 2011 which championed a natural capital approach and committed to producing national natural capital accounts and to establishing a Natural Capital Committee.
  - The Natural Capital Committee was established in 2012 as a time-limited independent advisory body reporting into the centre of Government. It was re-established in 2016 to run to 2020. A chairman and six expert members.
  - Its remit was to advise Government on whether we were on a sustainable path, and if not, what could be done about it.
  - A roadmap to incorporate natural capital into the UK accounts by 2020 was published by the Office of National Statistics in 2012.
  - Natural capital is becoming a key way of informing environment policy.

# The Natural Capital Committee's advice

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The Natural Capital Committee. Its advice to Gov't was to:

- Take a natural capital approach to sustainability, and properly **measure, value and account** for natural capital and use that as the basis to manage it better (improve decision making);
- Develop a 25 year plan to improve the environment, based around the above building blocks, and invest in the environment where appropriate – using innovative funding mechanisms.



# Where are we now?

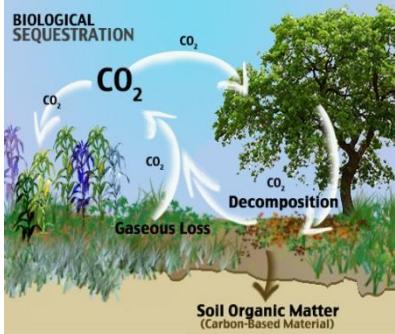
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- In line with the Government's manifesto commitment, the Government is committed to improving the environment within a generation. We are developing a 25 Year Plan for the environment to deliver this.
- Considerable thinking done on key building blocks of the Plan – key areas of action and key design principles. Based around a natural capital approach – the need to improve the decisions we all take that impact on the environment.
- We will publish an initial 25 Year Framework very soon, kicking off a period of public engagement to help shape the Plan which we aim to publish in 2017.
- Building in natural capital into the national accounts by 2020 – in line with the roadmap.



# Reasons for natural capital success

- It drives better use of resources by helping prioritise action – to identify the most important (net costly/beneficial) problems and the optimal solutions to these. This allows greater environmental improvement to be obtained for each dollar spent.
- It's the language of economics – demonstrating to finance ministries and business why the environment should be taken seriously.
- We have been able to use results from the accounts as an educational tool.



**30 x**



# The role of the Natural Capital Committee

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There are a few key ingredients to the Natural Capital Committee's success in shaping environment policy, these include:

- Its an independent body that is prepared to give frank advice on what needs to be done, while avoiding becoming a pressure group;
- Undertaking and presenting robust economic analysis to demonstrate how investment in the environment compares very favourably to non-environmental interventions such as building new transport infrastructure;
- Reporting into the centre of Government which means that more notice is taken of its advice, such as to prioritise the production of natural capital accounts;
- Having a very influential Chair who knows and is respected by politicians from all parties and who is supported by genuine multidisciplinary experts who can provide compelling advice, for example, on the benefits of why natural capital should be incorporated into the Government's appraisal guide (the Green Book).

# Above all, we are trying to be pragmatic

Avoid getting put off by the complexity of natural capital and the amount of data that is needed to fully identify what is happening to it, its interdependencies and its full value.

Start small (GDP took many years to fully develop). Use simple tools and readily available data to help. Use top down data to start accounts if resources are tight.

Learn from each other – share lessons learnt, e.g, on how to reduce barriers to companies, cities, regions doing accounting, and on how to influence policy.



Think big, start small, act now.