

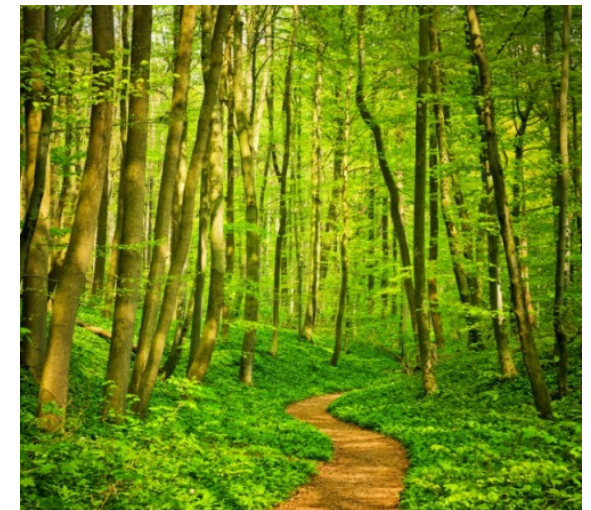
## Natural Capital: Principles



*Ian Dickie*  
*Eftec*

*NCI VOLSS*  
*6 Nov 2014*

	Mountains, moors and heaths			Enclosed farmland			Semi-natural grassland			Woodlands			Freshwaters			Urban			Coastal margins			Marine		
	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.
Food																								
Fibre																								
Energy																								
Clean water																								
Clean air																								
Recreation																								
Aesthetics																								
Hazard protection																								
Wildlife																								
Equable climate																								



- Asset Check (UKNEAFO)
- Research for UK Natural Capital Committee:
  - Risk register and restoration options (in SoNC II)
  - Corporate Natural Capital Accounting
- For Natural Capital Coalition: in team drafting natural capital protocol
- Business: natural capital accounts, scenarios and risks
- Defra: National ecosystem accounts (woodland, marine, peat)
- Local decision-makers: applying Asset Check

# Principles

- Economic principles are important for analysing natural capital, BUT
- Some practical failings in economic appraisal using CBA with respect to natural capital:
  - Non-linear changes
  - Lower substitutability
- Process of Natural Capital Asset Check

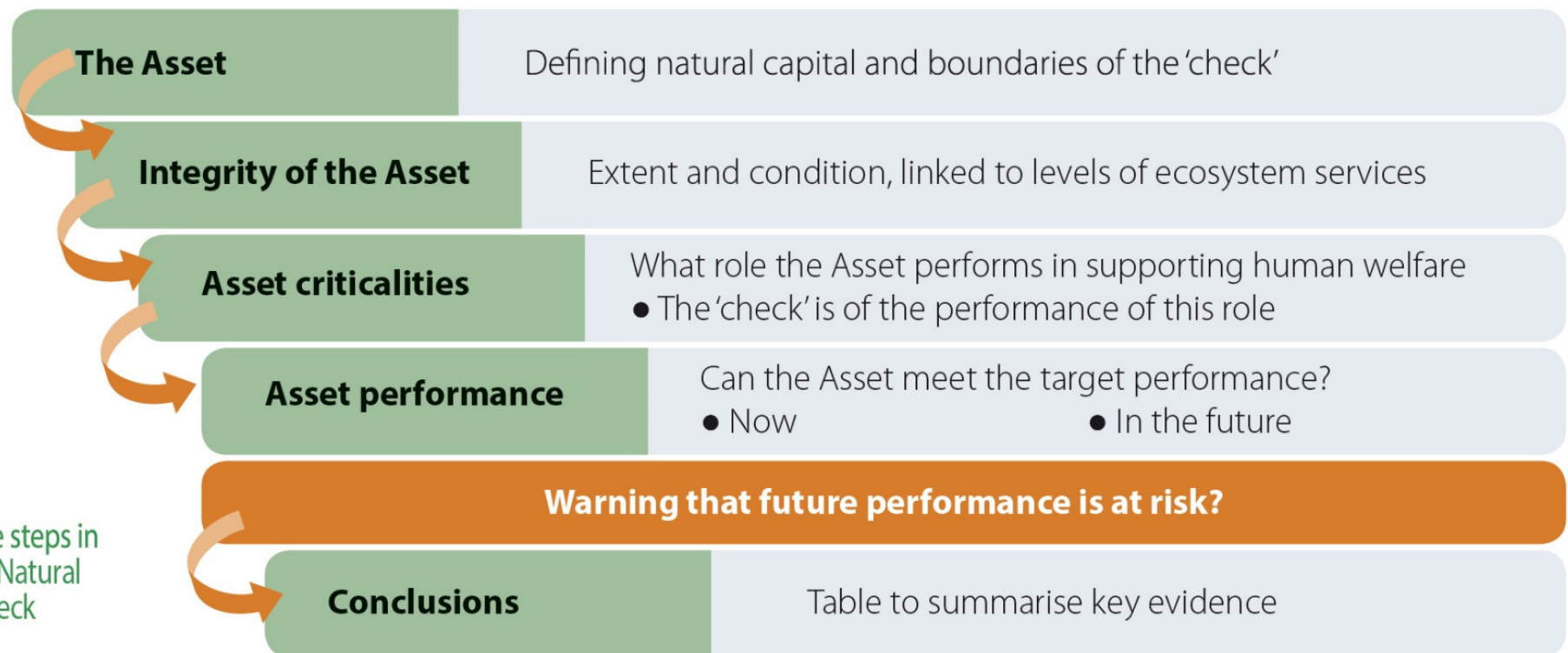


Figure 9. The five steps in the UK NEAFO's Natural Capital Asset Check (NCAC).

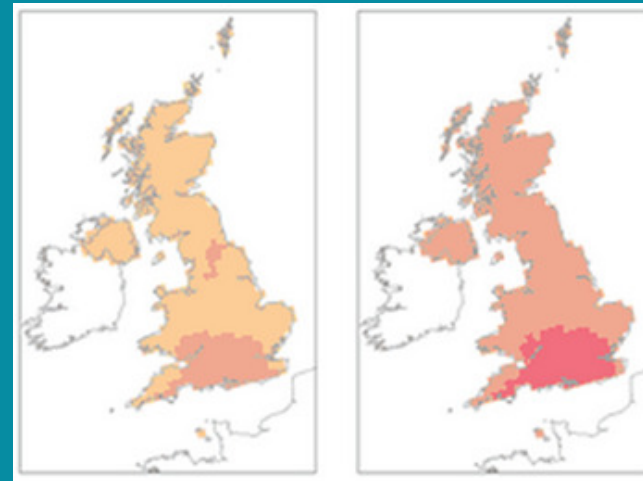
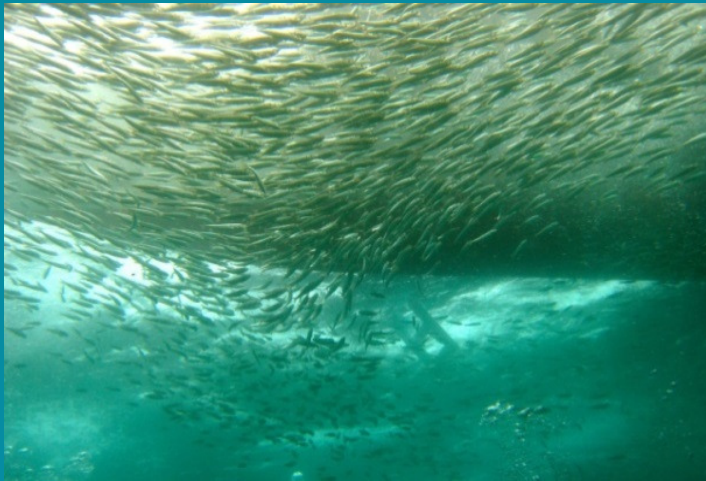
# Barriers

- Tools – but we are getting better
- Data, especially scenarios/modelling of future
- Sharing data (e.g. rainfall – how are we expected to respond to climate risks without something as simple as data layer of rainfall?)
- Misunderstanding (George Monbiot!); we are not putting a price on nature, we are valuing how a change in the environment affects people

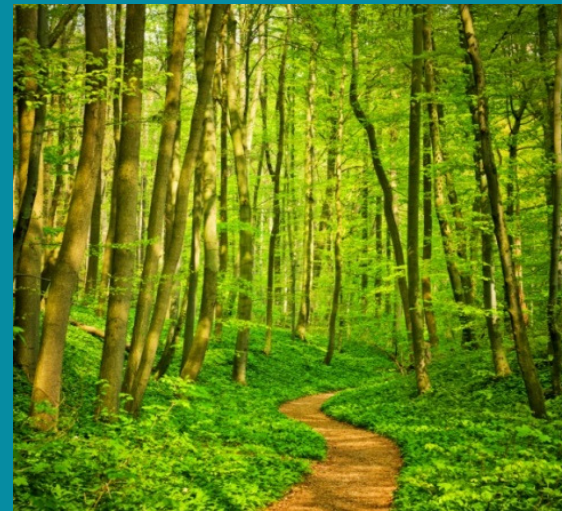
## How to move forward

- Positive approach to decision-making: uncertainty is not an excuse to ignore natural capital!
- OK to rely on expert judgement (Society does this in other areas):
  - Make this explicit, but use systematic processes:
  - Structure approaches for collating and analysing data (e.g. Accounting, NCAC), and for reporting (e.g. recording uncertainty, giving ranges)
- Businesses to take this on board:
  - Consider cradle to cradle reliance on natural capital
  - Relate this to company business models, value chains
  - Identify material impacts and dependencies





	Mountains, moors and heaths			Enclosed farmland			Semi-natural grassland			Woodlands			Freshwaters			Urban			Coastal margins			Marine		
	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.	Qun	Qul	Sp.
Food																								
Fibre																								
Energy																								
Clean water																								
Clean air																								
Recreation																								
Aesthetics																								
Hazard protection																								
Wildlife																								
Equable climate																								



eftec