

Economics for nature

A partnership to put natural capital
at the heart of economics



www.greeneconomycoalition.org

Without nature, there is no 'us'

Nature, the bedrock of all life, is in trouble.

But we can't just turn off the global economy. We all – government, business, citizens – must start to value nature in what we do.

Nature provides us with the air we breathe and the water we drink. It ensures all our soils are healthy and our climate is stable. It is our greatest inspiration, our most vital asset.

Until recently, the role that nature plays in sustaining a country, company or a community has been largely invisible. This is in part because our economic models are incomplete – and have no way of accounting for the many values of nature.

Waking up to nature

Now, the concept of '**natural capital**' is changing practices.

Thanks to new initiatives and models, for the first time governments and businesses are starting to account for natural capital. They are seeing their dependency on healthy soils, clean water, and other environmental resources.

75% of national green economy plans make no mention of natural capital

Example:

Economic modelling has underestimated natural capital

Until now, mainstream economic tools, such as cost-benefit analyses, have assumed that natural capital can be replaced, or 'substituted', by different forms of capital in the production process. New research by leading economists has found that the substitutability of natural capital is much lower than previously thought, meaning that new governance regimes must protect critical natural capital to prevent major risks to future prosperity.

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The problem is that natural capital initiatives are happening in isolation from economic and social policy making. As a result, economic decisions are not reflective of the new knowledge of our national and global natural capital stocks and flows.

We want to change that.

Economics for Nature



Economics for Nature is a six year programme to put nature's capital at the heart of economics.

- How is natural capital being mainstreamed successfully into national economic planning?
- What does a financial market that protects critical natural capital look like?
- What are alternative ways for valuing nature beyond monetary values alone?

The programme brings together four global networks: The Green Economy Coalition; Green Growth Knowledge Platform (GGKP); Finance Watch; and the Scottish Wildlife Trust.

Together, we aim to bring robust natural capital approaches into finance ministries and boardrooms around the world.

It will do this by:

- Commissioning rigorous research into natural capital methodologies, to develop a stronger understanding of how economics can integrate natural capital into theory and practice
- Convening experts, academics, business leaders and policy-makers to build a consensus on best practices
- Collating examples of successful economic reform based along natural capital principles that are delivering change around the world
- Campaigning for financial systems that serve people and planet by investing in natural capital, resisting commodification, and championing a holistic approach to nature's value.

Natural capital

- Tools
- Approaches
- Methodologies

Economics for Nature:

Putting natural capital at heart of economic planning.

Green Economy

- National plans
- Global frameworks
- Investment strategies

Natural capital in practice

- The UK's **Natural Capital Committee** is an independent advisory body that reports to the Treasury. It provides advice to the government on the sustainable use of natural capital - that is, our natural assets including forests, rivers, land, minerals and oceans.
- **Wealth Accounting and Valuing Ecosystem Services (WAVES)** is a World Bank-led global partnership supporting countries to conduct natural capital accounting. Botswana, Colombia, Costa Rica, Guatemala, Indonesia, Madagascar, Rwanda and the Philippines are all leading natural capital approaches.
- More and more companies are taking up natural capital approaches such as the Natural Capital Protocol: Jaguar Land Rover, Skanska, Roche, AkzoNobel, Novartis, Yorkshire Water and Dow to name but a few.

What do you think?

The partners behind the Economics for Nature programme see that our economy needs remodelling if we are going to protect nature while continuing to benefit from its wealth. It's clear that natural capital is one part of that transformation.

But we also know that natural capital approaches have both opportunities and limitations. We don't pretend to have all the answers. Instead we want to build a global conversation based on robust evidence and real life experience of how natural capital approaches can support the transition to green and fair economies.

That's why we want to hear from you: we need your expertise, your experiences, and your questions.

Join the conversation:
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What is natural capital?

Nature provides us with clean air, drinkable water, food, energy, medicines, and raw materials.

Other natural benefits are less obvious, but no less vital: flood defence, pollination, and a stable climate.

This is natural capital, and it is the basis of all the wealth that human economies create. Without nature, no other value is possible.



The transition to greener and fairer economies.

It's necessary. **It's desirable.**

It's happening – faster than you might think.

Join us.

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