

Economics for nature

A six year programme convened by the Green Economy Coalition, the Green Growth Knowledge Platform, The Scottish Wildlife Trust and Finance Watch.

Why?

A healthy natural world is the foundation on which our lives, our societies and our economies are built. Despite the many laudable efforts to slow the trend of environmental loss, our natural systems are deteriorating at an alarming rate. We urgently need a more systemic approach.

The critical role that nature and its services provide to our economies and well-being – providing clean air, healthy soils, fresh water, carbon sequestration and much more – has traditionally been ignored. This means that seemingly rational economic decisions soon prove to be irrational when understood in the context of our finite and deteriorating natural systems.

The good news is that decision makers are becoming more alert to nature and the many benefits it provides. Thanks to global efforts such as the World Bank Wealth Accounting and the Valuation of Ecosystem Services (WAVES) programme and the Natural Capital Coalition (NCC), governments and businesses are starting to track and quantify their impacts and dependencies on natural capital.

Despite the momentum for natural capital approaches, the linkages into economic decision making are still at an early stage of development. This is in part because the methodologies for valuing natural capital are still evolving. Some valuation techniques focus solely on economic values, while others take a holistic approach to a full range of cultural, social and intrinsic values. These very different ways of valuing nature need to be acknowledged.

Secondly, and relatedly, natural capital approaches are contentious. For many, economic valuation techniques are another step towards pricing and 'marketising' nature. There is a strong need to take better account of the many values that our natural

resources play in economic activity while ensuring that the methods of valuation build confidence and trust among all stakeholder communities that nature is indeed improving

What?

Economics for Nature is a six year programme of work being led by the Green Economy Coalition (GEC) and its partners, the Scottish Wildlife Trust, Finance Watch and the Green Growth Knowledge platform. **The overarching aim of the programme is to support development, economic and spatial planning processes to internalise the many values of nature.**

The Green Economy¹ movement is escalating. There are over 65 national plans in action and over USD 7.2 trillion has been invested in the Green Economy since 2006.

Economics for Nature will take advantage of the political opportunity that has opened up around Green Economy to consider how natural capital approaches can inform national planning and policymaking processes.

An example from the GEC network: Uganda is hoping to become a Middle Income Country in the next twenty years and has been developing a Green Economy plan to do so. In assessing the sectors that could drive that development – agriculture, tourism, and forestry – the Ministry of Planning recognised that consistent rainfall was paramount to the health of those sectors. The government is now considering ways that those sectoral plans can conserve natural capital.

How?

The programme will bring together the communities – particularly the international institutions – working on Natural Capital (mainstreaming the value of ecosystems within economic planning processes)

¹ Green Economy is "one that results in improved human well-being and social equity, while significantly reducing

environmental risks and ecological scarcities. It is low carbon, resource efficient, and socially inclusive" (UNEP)

with those working on Green Economy. The aim is not only to create a better understanding of how the two approaches interact, but to build intellectual and institutional ownership, and create an open space where Natural Capital and Green Economy strategies - including natural capital valuation and regulatory deployment - can be challenged and improved. To do so the programme will actively engage policymakers, practitioners and civil society representing a broad spectrum of views.

The Economics for Nature programme will develop an international 'research theme' to improve valuation methods, data and tools and to collect best practice examples of natural capital policies in action. It will consider policies and practices taken at the private sector level, in order to generate practical solutions to the problem of integrating natural capital valuation.

Last but not least, the programme will develop a public campaign aimed at making the financial system serve people and the planet – including bringing to scale the financing of natural system restoration and conservation. The 'financialisation' of the economy over the past 30 years accelerated the depletion of nature by promoting short-termism and the exclusion of any non-financial criteria from investment decisions. A paradigm shift – that the G20 post-crisis agenda failed to trigger – is necessary to ensure that the momentum for green and sustainable finance delivers more than growing investment niches.

Who?

Four organisations are the core team, each of which convene larger networks. Together they create a platform that reaches out to civil society, business finance and intergovernmental institutions.

The six year programme is led by the **Green Economy Coalition (GEC)**, the world's largest alliance committed to green and fair economies. Made up of over 50 civil society groups, businesses, governments, and research agencies from around the world, the GEC exists to accelerate the transition to greener and fairer economies. It does so by fostering multi-stakeholder national dialogues, developing common positions and building the case for economic reform.

The Scottish Wildlife Trust is Scotland's leading nature conservation charity and the organiser of the World Forum on Natural Capital, which is delivered in partnership with UN Environment, International Union for Conservation of Nature (IUCN), World Business Council for Sustainable Development (WBCSD), NCC and the GEC.

Finance Watch is an independent non-profit who believe that finance should serve society – not the other way round. They campaign for a transparent financial system that is sustainable, equitable, and effectively regulated to encourage productive investment over harmful speculation. Finance Watch is working together with regulators, politicians, media, civil society and the industry itself to break the dominance of the powerful financial lobby and bring about a fairer, more productive financial system for all.

The **Green Growth Knowledge Platform (GGKP)** is a global network of over 55 international organizations committed to collaboratively generating, managing and sharing green growth knowledge and data. The initiative was founded by the Global Green Growth Institute, OECD, UN Environment, and the World Bank.

