

# Review of UK Natural Capital Initiatives

Authors: Michela Faccioli and Kirsty Blackstock

\*Corresponding author: [michela.faccioli@hutton.ac.uk](mailto:michela.faccioli@hutton.ac.uk)

Suggested citation: Faccioli, M. and Blackstock, K. L. (2017). Review of UK Natural Capital Initiatives. James Hutton Institute, 22 pages.



## Contents

<b>EXECUTIVE SUMMARY.....</b>	<b>3</b>
<b>INTRODUCTION .....</b>	<b>6</b>
<b>AIM OF THE REPORT.....</b>	<b>7</b>
<b>1. WHAT IS THE PURPOSE OF THE REVIEWED ORGANISATIONS/INITIATIVES? .....</b>	<b>8</b>
1.1. When did the organisations/initiatives start? .....	8
1.2. What is the geographical remit of the organisations/initiatives? .....	9
<b>2. WHAT IS THE DEFINITION OF NATURAL CAPITAL EMPLOYED BY THESE INITIATIVES/ORGANIZATIONS? .....</b>	<b>9</b>
2.1. What other synonyms for natural capital do they use? .....	10
<b>3. IS 'NATURAL CAPITAL' THE MAIN <i>FOCUS</i> OF THESE ORGANISATIONS/INITIATIVES? .....</b>	<b>11</b>
3.1. Is the focus on all aspects of natural capital or just some? .....	12
<b>4. WHAT ARE THE ACTORS INVOLVED IN EACH ORGANISATION/INITIATIVE? .....</b>	<b>12</b>
<b>5. WHO ARE THE BENEFICIARIES OF THE WORK OF THESE ORGANISATIONS/INITIATIVES? .....</b>	<b>16</b>
<b>6. WHAT IS THE GOVERNANCE STRUCTURE OF THESE ORGANISATIONS/INITIATIVES?.....</b>	<b>16</b>
<b>7. WHAT APPROACH DO THESE ORGANISATIONS/INITIATIVES CONSIDER TO ACHIEVE THEIR PURPOSE?.....</b>	<b>17</b>
7.1. How are the organisations/initiatives funded? .....	18
<b>8. ARE THERE ANY FUTURE PLANS FOR THESE INITIATIVES? .....</b>	<b>19</b>
<b>CONCLUSIONS.....</b>	<b>21</b>
<b>ACKNOWLEDGEMENTS .....</b>	<b>22</b>

## Executive summary

Natural capital has become increasingly recognised as an important concept because natural assets underpin the prosperity and wellbeing of a society and provide the foundation for many businesses. Over the past decade, there has been a proliferation of initiatives working with the concept of natural capital across the international arena. In this context, to contextualise the research being undertaken on 'Sustainable Management of Natural Assets' in the Scottish Government Strategic Research Programme (2016-2021), this review analysed ten UK-based initiatives against the following seven aspects:

**Purpose:** The initiatives are equally split between (1) bringing together a range of stakeholders to progress the conservation or restoration of natural capital and (2) evaluating risks and opportunities for businesses in relation to their dependence on natural capital.

**Definitions:** Not all initiatives defined natural capital, but there was consistency amongst those that did, with natural capital generally referred to as, either the set of natural assets, or stock of natural resources, underpinning the provision of the flow of ecosystem services and benefits for society.

**Focus:** The majority of the initiatives mention natural capital in their mission statements, but a minority (mainly those with a focus on business risks) tend to talk more broadly about the natural environment. Most initiatives focus on all aspects of natural capital covering air, water, soil and living components.

**Actors:** Most initiatives were founded by, and involve, a wide range of stakeholders from public, private and third sector organisations. However, the initiatives with a strong business orientation involve a larger number of organisations but have less diverse membership, tending to be focussed on partnerships within the private sector.

**Beneficiaries:** About half of the initiatives aim to benefit a broad range of interests within society, as well as Nature, while others have a narrower focus on businesses or a specific industry sector. One initiative is focussed on supporting the UK Government.

**Governance structure:** taking into account the purpose of each organization, the actors involved and the beneficiaries, most of the initiatives can be classified as mixed public-private on a continuum from purely public to purely private initiatives.

**Approach:** The initiatives largely achieve their purpose through knowledge exchange. Some also provide tools and/or encourage actions on the ground, but only one of the initiatives currently provides funding to enable the concept of natural capital to be operationalised.

**Future Plans:** Three strands emerged that will guide the focus of these initiatives in the future 1) Highlighting the role of business in preserving natural capital. 2) Improving the definition and understanding of natural capital and better methods to value it. 3) Increasing the consideration of natural capital in policy-making.

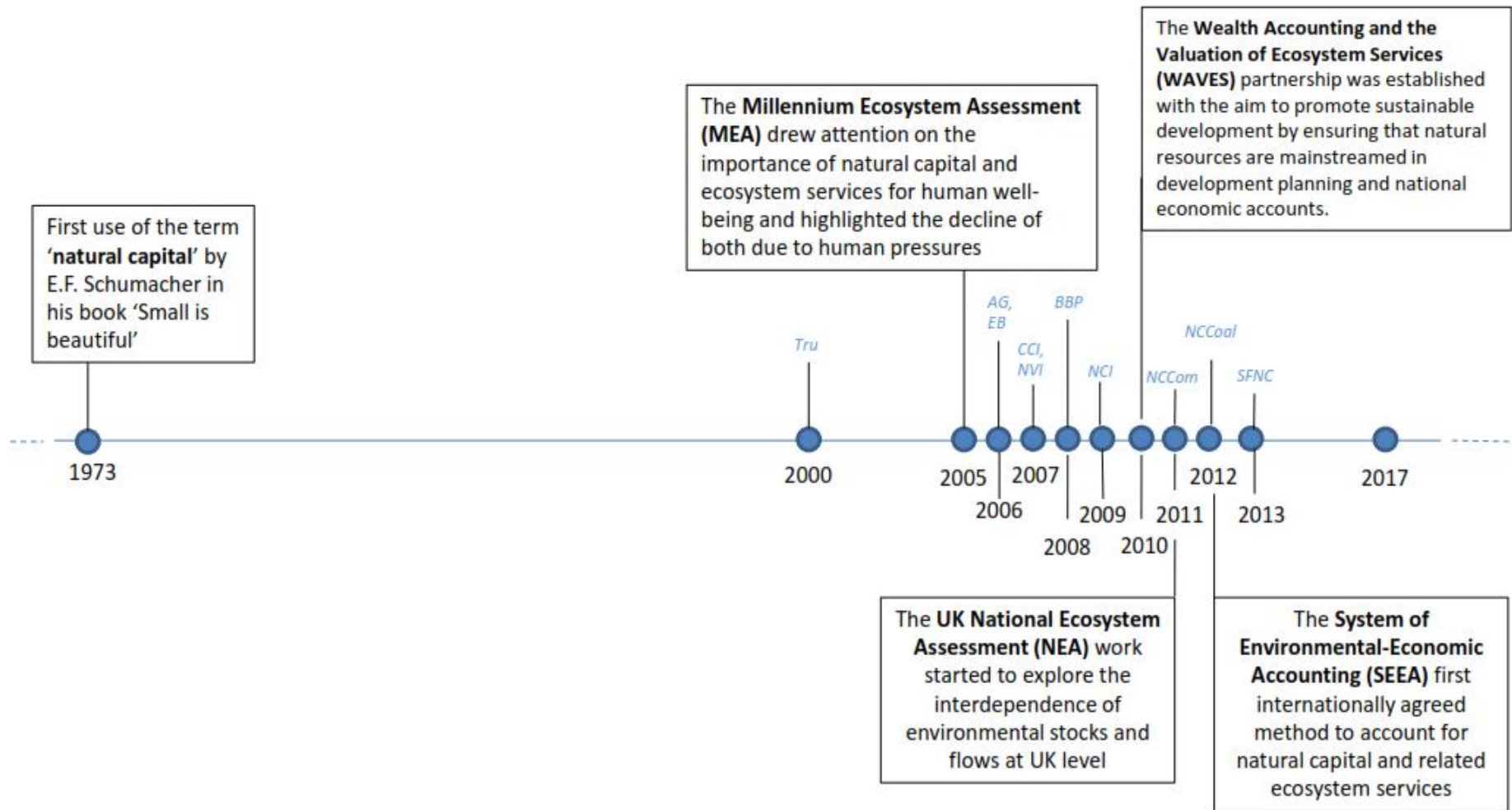
The oldest of these initiatives began in 2000, the youngest began in 2013. Although the initiatives selected for review are all based in the UK their remit ranges from within the UK (Scotland) to Global.

Overall, we conclude that there are many important natural capital activities in the UK but it is unclear, from an external perspective, to what extent there is coordination or collaboration between these initiatives, which often seem to share similar goals and ways of working. Furthermore, we believe it is important to go beyond provision of advice or tools, and to consider how to leverage funding for demonstration projects and how to evaluate benefits, in order to mainstream the approach across all sectors.

The review has provided valuable information about the context for our research on natural capital. We also believe it will help raise awareness of the concept and how it is being supported and promoted throughout the UK. It could be used by the organisations reviewed in this document or by other organisations to understand how they fit into the natural capital arena and where they can complement existing initiatives in this field.

For information about the wider research, please see: <http://www.hutton.ac.uk/research/srp2016-21/wp141-natural-asset-inventory-and-accounts>

Figure 1: Timeline of UK natural capital initiatives and relevant international achievements in natural capital work



## Introduction

There is an increasing recognition that the stock of natural assets (natural capital) contributes positively to the wellbeing of society by providing flows of goods and services (ecosystem services) that benefit both individuals, institutions and businesses. These benefits include the provision of food and raw materials, health, recreational and cultural benefits or the provision of habitat that sustains different forms of life, including wildlife and plants. Businesses derive important benefits from avoiding deleterious impacts on natural capital, as a better quality environment can generate higher profits, especially for those firms that are dependent on the natural environment to create and deliver their products.

Given that the provision of ecosystem services that benefit individuals, institutions and businesses depends on the state of the underpinning natural capital, it is of paramount importance to understand the concept of natural capital and to promote its conservation. Despite the concept of natural capital being first employed in 1973<sup>1</sup>, there has been a significant growth in the use of this term especially over the last decade. Actors in public and private sectors have increasingly adopted this term and now routinely talk about the importance of natural capital and ecosystem services. Scientific research has advanced significantly and new institutions are emerging around this concept. At international level, the Millennium Ecosystem Assessment (2005) drew attention on the importance of natural capital and ecosystem services for human well-being and highlighted the decline of both due to human pressures. The World Bank has set up a Wealth Accounting and Valuation of Ecosystem Services (WAVES) initiative in 2010 to expand national economic accounts to include the value of ecosystem services and natural capital. The United Nations set up the first internationally agreed method to account for natural capital and related ecosystem services in 2012 in the framework of the System of Environmental-Economic Accounts (SEEA). At the level of individual countries, some have been active in working with natural capital. China has announced to track natural capital and generate a new metric, the “gross ecosystem product”, as a measure to be reported alongside GDP. Costa Rica has moved from having the world’s highest deforestation rate to one of the few countries with net reforestation (Guerry et al. 2015)<sup>2</sup>.

In the UK, where the loss of natural capital has imposed significant costs on the economy and businesses, a national-scale assessment has been conducted on the status and trends of ecosystems, services and impacts (UK NEA 2011).<sup>3</sup> The Office of National Statistics (ONS) is now in charge of producing natural capital accounts for the UK and, recently, a wealth of initiatives and organizations were established to engage different stakeholders (policy-makers, academics, businesses, non-government organizations) to raise awareness about the importance of natural capital and to promote action oriented towards the protection of natural capital for the benefit of society. To progress knowledge about natural capital and to contextualise the growing research in this field, it is

---

<sup>1</sup> E.F. Schumacher (1973). *Small is beautiful – a study of economics as if people mattered*. Blond and Briggs, London

<sup>2</sup> Guerry, A.D., Polasky, S., Lubchenco, J., Chaplin-Kramer, R., Daily, G.C., Griffin, R., et al. (2015). Natural capital and ecosystem services informing decisions: from promise to practice. *Proceedings of the National Academy of Sciences of the United States of America*, vol. 112 (24), pp. 7348-7355.

<sup>3</sup> UK National Ecosystem Assessment (2011). *The UK National Ecosystem Assessment: Synthesis of the Key Findings*. UNEP-WCMC, Cambridge.

helpful to clarify how these initiatives understand natural capital, what are their aims, how they are achieving their goals, who they involve and their geographical remit.

## Aim of the Report

The report aims to shed more light on the above questions to provide a better understanding of the fast changing context in which natural capital research is developing and to raise awareness on the existing initiatives and organizations working in this field. In particular, the present report is part of the WP 1.4. “Sustainable Management of Natural Assets” within the Strategic Research Programme of the Scottish Government, where considerable research efforts are being undertaken towards the development of natural capital asset registers and natural capital accounts by research institutes belonging to the SEFARI network.<sup>4</sup> This reflects current commitments of the Scottish Government to protect and enhance natural capital as part of Scotland’s Economic Strategy (2015).

This work has critically reviewed the following ten UK-based current initiatives and organizations focusing on natural capital:

- ) Aldersgate Group (*AG*) (<http://www.aldersgategroup.org.uk/>)
- ) Better Buildings Partnership (*BBP*) (<http://www.betterbuildingspartnership.co.uk/>)
- ) Cambridge Conservation Initiative (*CCI*) (<http://www.cambridgeconservation.org/>)
- ) Environment Bank (*EB*) (<http://www.environmentbank.com/>)
- ) Natural Capital Coalition (*NCCoal*) (<https://naturalcapitalcoalition.org/>)
- ) Natural Capital Committee (*NCCom*) (<https://www.gov.uk/government/groups/natural-capital-committee>)
- ) Natural Capital Initiative (*NCI*) (<http://www.naturalcapitalinitiative.org.uk/>)
- ) Natural Value Initiative (*NVI*) (<http://www.fauna-flora.org/initiatives/nvi/>)
- ) Scottish Forum for Natural Capital (*SFNC*) (<http://naturalcapitalscotland.com/>)
- ) Trucost (*Tru*) (<https://www.trucost.com/>)

This list was produced after a google search for UK organizations and initiatives (public private or mixed, including coalitions, committees, forums, partnerships, groups, etc.) working with natural capital.<sup>5</sup> As our review will show, some initiatives included in the list are more central for the development of natural capital work in the UK, while some others are less active and only partly deal or have started to deal with natural capital. Arguably, our list may have included also other organizations that are working with natural capital (i.e. Cambridge Institute for Sustainable Leadership (CISL)’s Natural Capital Impact Group)<sup>6</sup>. However, we were not aware of their efforts when starting the process of information collection. All this indicates that the landscape is fuzzily defined and a fast moving arena to work in. The review is therefore a starting point and it is intended to be a ‘living’ document to be updated with further input on an ongoing basis. The information contained in this report is based on publicly available data on the work that the

---

<sup>4</sup> Scottish Environment, Food, Agriculture Research Institutes (SEFARI)

<sup>5</sup> In the review, we focused on organisations and initiatives therefore events or tools dealing with natural capital are not included. Feedback suggested that we should mention the World Forum for Natural Capital biannual meetings or Scotland’s Natural Heritage’s Natural Capital Asset Index (NCAI) as further arenas developing the concept in the UK.

<sup>6</sup> The Cambridge Institute for Sustainable Leadership (CISL)’s Natural Capital Impact Group represents a group of multi-national companies who are exploring how to sustain the natural world through their operating practices and strategies



initiatives are doing (i.e. their webpages) and it additionally integrates the comments and feedback received from some of the initiatives after a first draft of the review was produced. Ideally, follow up interviews or a survey should be considered to enrich the analysis carried out in this review by adding more information not available in published material.

## 1. What is the purpose of the reviewed organisations/initiatives?

The main objectives of the UK-based natural capital initiatives reviewed in this report in terms of their work on natural capital can be summarized as follows:

- 1) Bringing together different stakeholders to support (through innovative approaches) the achievement of natural capital conservation goals, provide advisory services/ research/ knowledge exchange and promote understanding (*n=5*)

Some of the reviewed initiatives focus on all the above objectives (*CCI, NCI, SFNC*), while others focus more on some specific elements. For example, *NCCoal* is more oriented towards bringing together different stakeholders to support (through innovative approaches) the achievement of natural capital conservation goals, while *NCCom* is more oriented towards providing advisory services/research/knowledge exchange and promoting understanding.

It is not clear the extent to which the above initiatives differentiate from other existing initiatives focusing more broadly on ecosystem services. Initiative focussed on ecosystem services were not included in our review, but similarly aim to bring together stakeholders to encourage debate and action. What seems to be clear, though, is that talking about natural capital rather than biodiversity or ecosystem services is a more easily understood concept by stakeholders, particularly from the business sector, to convey the economic importance of natural assets to decision makers.<sup>7</sup>

- 2) Evaluate financial risks and opportunities for businesses and help companies building competitive advantages in compliance with regulation requirements and to promote more sustainable practices (*n=5*).

The following initiatives are mainly targeting this goal: *AG, BBP, EB, NVI* and *Tru*.

### 1.1. When did the organisations/initiatives start?

Most of the initiatives have started over the last 10 years, with the 'oldest' being probably *Tru* (founded in 2000) and the 'newest' being the *SFNC* (founded in 2013) (see Figure One above).

---

<sup>7</sup> I. Dickie, on behalf of EFTEC (2017), as part of the Ecosystem Knowledge Network seminar on 'natural capital accounting at the local and landscape scale'. SNH Perth, March 2017.



## 1.2. What is the geographical remit of the organisations/initiatives?

All of the reviewed initiatives are based in the UK. Just one initiative (*SFNC*) operates at Scottish level. Half of the reviewed UK organizations focus their work only at UK level. The other half have an international remit.

*Table 1: Summary of the initiatives*

*by purpose, date of formation, headquarters' location and geographical remit*

<b>Initiative</b>	<b>Purpose</b>	<b>Date of formation</b>	<b>Headquarters' location</b>	<b>Geographical remit</b>
<i>CCI</i>	Bringing together different stakeholders to support the achievement of natural capital conservation goals, provide advisory services/ research/ knowledge exchange and promote understanding	2007	Cambridge (UK)	Global
<i>NCI</i>		2009	London (UK)	UK
<i>NCCom</i> <sup>1</sup>		2011	suspect London (UK), but not known based on information available online	UK
<i>NCCoal</i> <sup>2</sup>		2012	London (UK)	Global
<i>SFNC</i>		2013	Edinburgh (Scotland, UK)	Scotland
<i>Tru</i>	Evaluate financial risks and opportunities for businesses and help companies building competitive advantages in compliance with regulation requirements	2000	London (UK)	Global
<i>AG</i>		2006	London (UK)	UK
<i>EB</i>		suspects 2006 <sup>3</sup>	Grewelthorpe (UK)	UK
<i>NVI</i>		2007	Cambridge (UK)	Global
<i>BBP</i>		2008	London (UK)	UK

<sup>1</sup> In terms of its purpose, *NCCom* is more oriented towards providing advisory services/research/knowledge exchange and promote understanding.

<sup>2</sup> In terms of its purpose, the *NCCoal* is more oriented towards bringing together different stakeholders to support (through innovative approaches) the achievement of natural capital conservation goals.

<sup>3</sup> Suspects 2006, but not known based on information available online.

## 2. What is the definition of natural capital employed by these initiatives/organizations?

In the review, it emerged that some initiatives (*AG*, *NCCoal*, *NCCom*, *NCI*, *SFNC*, *Tru*) provided a definition of natural capital, while others (*BBP*, *CCI*, *EB*, *NVI*) didn't. Where a definition of natural capital was provided (see summary below), there seems to be consistency in terms of the

terminology and concepts employed, with natural capital generally referred to as the set of natural assets and stock of natural resources underpinning the provision of ecosystem services/benefits for society.

**Table 2: Definitions of Natural Capital provided by the Reviewed Initiatives**

<b>Initiative</b>	<b>Definition of natural capital</b>
<i>AG</i>	“The term natural capital is used to describe all <b>natural resources</b> that provide goods and services of value to people and our economy. The benefits from these resources include ecosystem services such as the provision of healthy air, clean water, food, timber and opportunities for recreation as well as the regulation of flood risk and climate.” <sup>8</sup>
<i>NCCoal</i>	“Natural capital is another term for the <b>stock</b> of renewable and non-renewable <b>resources</b> (e.g. plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people. The benefits provided by natural capital include clean air, food, water, energy, shelter, medicine, and the raw materials we use in the creation of products. It also provides less obvious benefits such as flood defence, climate regulation, pollination and recreation. Natural capital is one of several other commonly recognized forms of capital. Others include financial, manufactured, social and relationship, human, and intellectual capital. Natural capital supports all of the other capitals by providing essential resources, that support a healthy planet and underpins thriving societies and prosperous economies.” <sup>9</sup>
<i>NCCom</i>	“Natural capital refers to the elements of the <b>natural environment</b> which provide valuable goods and services to people. The state of natural capital matters, not just because people enjoy the aesthetic elements of landscapes and wildlife of England, but because of the wide ranging economic benefits that <b>natural assets</b> provide when managed well.” <sup>10</sup>
<i>NCI</i>	“‘Natural capital’ is different to another frequently-used term, ‘ecosystem services’, in that natural capital is the <b>stock</b> (living and non-living components in the environment), while ‘ecosystem services’ are the flows of benefits that are derived from this stock. The difference is, therefore, between <b>assets</b> and the goods and services that are produced from those assets, as in all other forms of capital e.g. manufactured capital (such as factories and machines that produce clothes, gadgets or infrastructure), human capital (such as knowledge and skills that produce information or products) and social capital (such as the quality of relationships like trust and connectedness that produce wellbeing or social cohesion). By looking after and managing our natural capital well, we can ensure the benefits, or ecosystem services, received from that natural capital are sustained.” <sup>11</sup>
<i>SFNC</i>	“Natural Capital can be defined as the <b>stocks of natural assets</b> which include geology, soil, air, water and all living things.” <sup>12</sup>
<i>Tru</i>	“Natural capital refers to the <b>natural resources</b> and services provided by the planet on which companies depend, such as clean air and water, a stable climate and a host of raw material inputs.” <sup>13</sup>

## 2.1. What other synonyms for natural capital do they use?

In the definitions provided by the different initiatives, the terms natural assets (*n=3*), stock (*n=3*), natural resources (*n=3*), natural environment (*n=1*) are most frequently employed as synonyms for

<sup>8</sup> <http://www.aldersgategroup.org.uk/natural-capital>

<sup>9</sup> <http://naturalcapitalcoalition.org/natural-capital/>

<sup>10</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/585429/ncc-annual-report-2017.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/585429/ncc-annual-report-2017.pdf)

<sup>11</sup> <http://www.naturalcapitalinitiative.org.uk/about/>

<sup>12</sup> <http://naturalcapitalscotland.com/about/natural-capital/>

<sup>13</sup> <https://www.trucost.com/corporate-advisory/>

natural capital. Other frequently mentioned terms related to natural capital are ecosystems, benefits and people, as natural capital is often described as supporting the provision of benefits (goods and services) for people.

*Figure 2: Word cloud regarding the definition of natural capital and related concepts*



### 3. Is ‘natural capital’ the main focus of these organisations/initiatives?

For most of the initiatives ( $n=6$ ), natural capital is mentioned in the mission statement as the main focus or as one of the main areas of interest (instrumental to the achievement of wider nature conservation objectives). This is the case for *AG*, *CCI*<sup>14</sup>, *NCCool*, *NCCom*, *NCI* and *SFNC*.

The remaining initiatives ( $n=4$ ), mostly private sector initiatives, do not mention explicitly natural capital as their focus in their mission statements and natural capital plays only a marginal role in their work. They generally focus on the interdependencies of businesses with the natural environment, in particular biodiversity. Despite not mentioning natural capital conservation as the main interest in their mission statements, this second group of initiatives in practice are concerned with minimizing the negative impacts of business operations on the environment and for this reason they are relevant for the present review. The initiatives belonging to this second group are:

- ) *BBP*, whose main focus is the environmental sustainability of the building industry;
- ) *EB*, whose main focus is biodiversity offsetting;
- ) *NVI*, whose main focus is to enable investors to understand risk and opportunity relating to the impacts and dependency of their investments on biodiversity and ecosystem services.

<sup>14</sup> In the case of *CCI*, natural capital is mentioned in the mission statement, but the overall focus of *CCI* is on biodiversity conservation more broadly. For *CCI*, natural capital, particularly the consideration of biodiversity assets within natural capital accounting, is an important mechanism to ensure the protection and recognition of biodiversity globally.

) *Tru*, whose main focus is the environmental performance of businesses;

For some of these initiatives, the link with natural capital is more explicit than for others. *Tru* has developed a study for The Economics of Ecosystems and Biodiversity (TEEB) on natural capital risks for businesses, investors and governments and *NVI* supports the Natural Capital Declaration, which is a finance sector initiative to green the economy, while *EB* and *BBP* have dealt with the concept of natural capital to a lesser extent.<sup>15</sup>

### 3.1. Is the focus on all aspects of natural capital or just some?

In general, all the initiatives take a broad approach and refer to all types of natural capital, including geology, soil, air, water and all living things.

Only in two examples, is emphasis put on specific types of natural capital. i.e.

- ) the *CCI*, which specifically focuses on biodiversity and life on Earth
- ) the *NVI*, which focuses on the biodiversity and ecosystem services within the agricultural supply chain, especially in relation to the production of food, beverages and tobacco.

## 4. What are the actors involved in each organisation/initiative?

In general not all initiatives provide information on founders (i.e. who started the initiative). Some exceptions, when such information was available, are reported in the table below. Based on the available information on founding partners, it seems that the initiatives were started by a mix of actors – government, non-government organizations and by private organizations – rather than by a single actor. There is often more information about current members or partners available.

*Table 3: Information on Founding partners of these Initiatives*

<b>Initiative</b>	<b>Government</b>	<b>Non-government</b>	<b>Private</b>
<i>NCCoal</i>	International Union for Conservation of Nature (IUCN), Department for Environment, Food and Rural Affairs (DEFRA)	Conservation International, The Economics of Ecosystems and Biodiversity (TEEB), Global Reporting Initiative, Accounting for Sustainability Project	Chartered Institute of Management Accountants, Corporate EcoForum, FMO – Entrepreneurial Development Bank, Global Initiatives, Institute of Chartered Accountants England

<sup>15</sup> Based on feedback received from *BBP*, this initiative has been active in organizing meetings with members to make them aware of the topic of natural capital and how it relates to the real estate investment and management.

			and Wales, International Federation of Accountants, The World Bank, World Business Council for Sustainable Development
<i>CCI</i>	United Nation Environment World Conservation Monitoring Center, International Union for Conservation of Nature (IUCN)	Royal Society for the Protection of Birds (RSPB), The University of Cambridge, Fauna & Flora International, British Trust for Ornithology (BTO), The Wildlife Trade Monitoring Network (TRAFFIC), BirdLife International, Tropical Biology Association, Cambridge Conservation Forum	-
<i>SFNC</i>	-	The Scottish Wildlife Trust, The University of Edinburgh	Scotland's 2020 Climate Group, Institute of Directors, Institute of Chartered Accountants of Scotland

Information on 'members' or 'partners' seems to be more easily available for all initiatives, except a few examples (*EB and Tru*). Sometimes information on 'members' and sometimes information on 'partners' can be found. Generally, multiple stakeholders are brought together (as partners, members, steering group/committee representatives) from a broad spectrum of organizations (public, NGOs, research, private businesses). Often in the case of initiatives with a marked orientation towards the private sector (e.g. *BBP*), the governance model is much less multi-actor with partners and members predominantly from private companies only. In three occasions (e.g. *CCI, NCCom, NCI*), a more specialized (niche) group of experts is involved, particularly from the academia.

*Table 4: the main partners or members of these Initiatives*

<b>Initiative</b>	<b>Government</b>	<b>NGOs</b>	<b>Research</b>	<b>Private</b>
<i>NCCoal</i> <sup>16</sup>	n= 13 <a href="http://naturalcapitalcoalition.org/who/coalition-organizations/?mfilter=policy">http://naturalcapitalcoalition.org/who/coalition-organizations/?mfilter=policy</a>	n= 35 <a href="http://naturalcapitalcoalition.org/who/coalition-organizations/?mfilter=conservationbodies">http://naturalcapitalcoalition.org/who/coalition-organizations/?mfilter=conservationbodies</a>	n= 16 <a href="http://naturalcapitalcoalition.org/who/coalition-organizations/?mfilter=scienceandacademia">http://naturalcapitalcoalition.org/who/coalition-organizations/?mfilter=scienceandacademia</a>	n= 127 <a href="http://naturalcapitalcoalition.org/who/coalition-organizations/?mfilter=business">http://naturalcapitalcoalition.org/who/coalition-organizations/?mfilter=business</a>
<i>NVI</i>	United Nations Environment Programme (UNEP) Finance Initiative <sup>17</sup>	Flora and Fauna International	Brazilian business school Fundação Getulio Vargas (FGV)	United Nations Environment Programme (UNEP) Finance Initiative <sup>17</sup>
<i>SFNC</i> <sup>18</sup>	Scottish Environment Protection Agency, Scottish Government, Scottish Natural Heritage	The Scottish Wildlife Trust, Royal Society for the Protection of Birds (RSPB)	The James Hutton Institute, The University of Edinburgh	Scotland's 2020 Climate Group, Institute of Directors, Institute of Chartered Accountants of Scotland
<i>AG</i>	-	-	-	small- to medium-sized enterprises
<i>BBP</i>	-	-	-	n=28 <a href="http://www.betterbuildingspartnership.co.uk/members">http://www.betterbuildingspartnership.co.uk/members</a>
<i>NCFA</i>	-	-	-	Working group members are mainly financial/ investment institutions

<sup>16</sup> As of 8/8/2017 the members of the *NCCoal* altogether include 259 organizations. 240 of these are listed on the website with the others either waiting to be added or who have requested not to be listed. By focusing on the categories considered across all the reviewed initiatives, the above list only includes about 75% of the total members of the Coalition. Though, other relevant categories of members not included in the Table include, membership organizations (N=35), standard setters (N=4), etc.

<sup>17</sup> The United Nations Environment Programme (UNEP) Finance Initiative was included both as a government as well as a private member because it represents a collaboration between the United Nations Environment Programme and the financial sector.

<sup>18</sup> For a complete list of members of the steering group, see: <http://naturalcapitalscotland.com/who-is-involved/steering-group/#.WdNghGeWz4g>

<b>Initiative</b>	<b>Government</b>	<b>NGOs</b>	<b>Research</b>	<b>Private</b>
<i>CCI</i>	United Nations Environment World Conservation Monitoring Centre, International Union for Conservation of Nature (IUCN)	Royal Society for the Protection of Birds (RSPB), Fauna & Flora International, The Wildlife Trade Monitoring Network (TRAFFIC), BirdLife International, Cambridge Conservation Forum, Tropical Biology Association	The University of Cambridge, British Trust for Ornithology (BTO)	-
<i>NCCom</i>	Department for Environment, Food and Rural Affairs (DEFRA) (provide the Secretariat)	-	The Committee consists of 7 experts from the academia	-
<i>NCI</i>	-	-	Royal Society of Biology, Centre for Ecology and Hydrology, British Ecological Society, The James Hutton Institute	-



## 5. Who are the beneficiaries of the work of these organisations/initiatives?

There are different claims made by the different organizations regarding who they aim to benefit. There is also heterogeneity in terms of how each initiative will benefit different parties. The majority have a broad scope and suite of potential beneficiaries, whereas others have a more restricted set of aims and beneficiaries:

- Most have a broad scope and aim to benefit the private and public sectors, society and nature

Examples:

*CCI* main beneficiaries are: decision-makers, researchers, academia, businesses, voluntary sector organizations and the wider public;

*NCCoal* main beneficiaries are: businesses, wider society, decision-makers, nature;

*NCI* main beneficiaries are: decision-makers, academia, business, civil society and policy;

*SFNC* main beneficiaries are: public, private and voluntary sector organizations, society as a whole, nature;

*Tru* main beneficiaries are: companies, financial institutions, regulators, thought leaders.

- Some other initiatives aim to offer support primarily to businesses and the industry

Examples:

*AG* main beneficiaries are businesses (other beneficiaries mentioned are the wider economy and society);

*BBP* main beneficiaries are wider industry organizations;

*EB* main beneficiaries are landowners and developers.

*NVI* main beneficiaries are: institutional investors and companies from the tobacco, food and beverage sectors;

- One initiative (*NCCom*) aims to predominantly benefit public institutions/decision-makers (i.e. the UK government).

## 6. What is the governance structure of these organisations/initiatives?

By taking into account the founders and/or partners/members of the different initiatives, their main objectives and aims and their main beneficiaries, we have classified each initiative or organization as 'purely public', 'purely private' or 'mixed'. Most of the initiatives/organizations ( $n=5$ ) are identified as 'mixed'. Some are prevalently private ( $n=4$ ). Only one is 'purely public' ( $n=1$ ).

*Table 5: the governance structure of the reviewed initiatives*

<b>Initiative</b>	<b>Pure public</b>	<b>Mixed</b>	<b>Pure private</b>
<i>CCI</i>		X	
<i>NCCoal</i>		X	
<i>NCI</i>		X	
<i>NVI</i>		X	
<i>SFNC</i>		X	
<i>AG</i>			X
<i>BBP</i>			X
<i>EB</i>			X
<i>Tru</i>			X
<i>NCCom</i>	X		

## 7. What approach do these organisations/initiatives consider to achieve their purpose?

The main approaches include:

- Encouraging knowledge exchange (e.g. offering advisory services, a forum platform, communication/dissemination services, foster collaboration and dialogue, encouraging research and publishing reports/guidelines).

Examples:

*AG* is oriented to develop independent policy solutions and engage with key decision makers in discussions and round tables to publicise important topics.

*BBP* offers knowledge sharing across the property industry, dissemination activities and supports collaborations.

*CCI*, as part of the broader programmatic areas of work of the initiative, within which the natural capital work sits, aims to achieve its goals through: i) conducting research to inform policy and practice; ii) developing capacity and leadership; iii) fostering collaboration and influencing others.

*NCCom* advises the government through periodic releases of reports.

*NCI* achieves its targets through initiating and facilitating dialogue between people from academia, policy, business and civil society who make or influence decisions to find shared solutions and approaches. In addition, it supports communication of independent and authoritative syntheses and evaluations of scientific evidence base.

- Providing tools to measure/assess/monitor risks and opportunities related to natural capital

Examples:

*EB* helps landowners and developers by offering support in monitoring (through the calculation of metrics) to inform about compensation requirements/benefits/etc.

*NVI* offers a toolkit to enable investors to evaluate biodiversity impacts and ecosystem services dependency within the food, beverage and tobacco sectors, and to assess risks and opportunities.

*Tru* aims to achieve its objectives by providing natural capital investment metrics and assessment/monitoring tools to support businesses.

- A mix of the above

Examples:

To achieve its aims, the *SFNC*: i) calculates the monetary value of Scotland's natural capital and the cost of depleting it; ii) communicates to a broad audience of stakeholders the risks of depleting Scotland's natural capital and the benefits of protecting and enhancing it; iii) sets up collaborative projects to deliver tangible action.

*NCCoal* wants to create a space for collaborations and, to do this, it aims to: i) harmonize approaches to natural capital, getting solutions to scale quickly; ii) promote a shift in behaviour that enhances rather than depletes natural capital; and iii) support the evolution of an enabling environment that both aids natural capital thinking and integrates it into other initiatives.

- In general, the 10 reviewed initiatives do not primarily aim to offer grants or loans to fund activities on the ground to preserve or restore natural capital. The only exception is *CCI*, which has established a Collaborative Fund for Conservation (also known as the CCI Fund) to support innovative, collaborative conservation projects undertaken by CCI partners on, among other things, natural capital.

## 7.1. How are the organisations/initiatives funded?

For those natural capital initiatives that are private businesses or that are predominantly oriented towards the private sector (e.g. *AG*, *BBP*, *EB*, *Tru*), profit-making or financial support from the members represents the main source of funding.

For public or mixed organizations funding sources are much less clear. Only in few cases information is disclosed on funding sources and, in such examples, donations/financial support from the member organizations/partners are mentioned.

Example:

*NCCoal* funding model is a mixture of public, philanthropic and private sector funding from businesses.<sup>19</sup>

*CCI* funding partners include: Arcadia, a charitable fund of Lisbet Rausing and Peter Baldwin, Garfield Weston Foundation, Grantham Foundation, Isaac Newton Trust, John Ellerman Foundation, MAVA Foundation,

---

<sup>19</sup> <http://naturalcapitalcoalition.org/wp-content/uploads/2016/07/Terms-of-Reference-Final-20150423..pdf>

Mitsubishi Corporation Fund for Europe and Africa (MCFEA), Paul and Louise Cooke Endowment, Westminster Foundation.<sup>20</sup>

For all 10 initiatives, there was no information on the duration of the funding.

## 8. Are there any future plans for these initiatives?

Most of the initiatives ( $n=8$ ) have highlighted future plans and gaps to address. These are related to the following:

- Increasing consideration of the role of private businesses in preserving the natural capital and of financial institutions in providing support for 'green' businesses

Example:

*AG* calls for more involvement of the business sector in helping to sustain natural capital protection. *NCCoal* recognizes that more guidance is needed for the financial sector to better understand risks and opportunities associated with natural capital. Future work also focuses on harmonizing approaches to natural capital, getting solutions to scale quickly. This includes the Natural Capital Protocol and supporting work such as sector guides, supplements and the inputs needed to carry out an assessment such as data and tools.<sup>21</sup>

*NCI* also acknowledges that businesses and companies can have an increasing role in natural capital initiatives.

*SFNC* also argues that the role that land managers should play in preserving natural capital should increase. Please see reference to all strategic framework of this initiative here: <http://naturalcapitalscotland.com/about/vision/#.WdNqZGeWz4h>

*Tru* discussed the risks and opportunities of the reliance of businesses on natural capital.

- Address methodological and definitional challenges

Example:

*NCI* recognizes that we need a more common understanding of concepts, terms and principles and more needs to be understood regarding what exactly needs to be valued.

*CCI* discusses that priorities for the future should be: understanding to what extent the flow of useful ecosystem services depends on stocks of natural capital and associated species and ecosystem diversity; quantifying natural capital, estimating monetary values for it and incorporating these into policy; creating markets or similar to provide incentives for resource users to conserve scarce ecological assets; understanding the circumstances under which ecosystem service delivery can be a threat to biodiversity conservation.

---

<sup>20</sup> <http://www.conservation.cam.ac.uk/node/519> Funding specifically for *CCI*'s natural capital work has come via the *CCI* Collaborative Fund (<http://www.cambridgeconservation.org/ccl-collaborative-fund-conservation> an internal grant-making fund that supports projects undertaken by collaborations of *CCI* partners). Future funding will come from the EC Life programme, thanks to a joint bid by *CCI* and the *NCCoal*. Both of these funding opportunities are 2 years in duration.

<sup>21</sup> Other projects include: i) The Protocol Application Program; ii) The Natural Capital Protocol Toolkit; iii) The Finance Sector Supplement; iv) The Forest Products Sector Guide; v) The Oceans Supplement; vi) Biodiversity Workstream.

- Increase consideration of natural capital in policy-making

Example:

*AG* calls for a higher support from the policy sector to enable successful conservation of natural capital

*NCCool* aims to support the evolution of an enabling environment that both aids natural capital thinking and integrates it into other initiatives, as well as promoting a shift in behavior through outreach and advocacy that enhances rather than depletes natural capital.

## Conclusions

The recent proliferation of initiatives focusing on natural capital over the last decade in the UK has reflected the important role that natural capital is acknowledged to play for society and businesses and, therefore, the growing attention it has attracted in the policy debate. Given the publicly available information, the present work has aimed to review some of the existing UK-based initiatives that either primarily focus on natural capital conservation or that have natural capital as one of their points of concerns. Our aim was to provide a starting point analysis of the evidence available regarding existing natural capital initiatives, including who these organizations involve and represent, what are their objectives, their geographical remit, their understanding of the term 'natural capital' and who they aim to benefit. This provides a descriptive snap shot of the 'state' of the UK natural capital arena, to better understand what is being done, by whom and for what purposes.

Although the initiatives reviewed had heterogeneous characteristics, some common patterns could also be identified:

- ) half of the reviewed organizations operate at UK level and the other half has a more international geographical remit;
- ) overall, half of the initiatives primarily focus on bringing together different stakeholders from the public and private sectors to promote dialogue and confrontation and to offer platforms for knowledge exchange in order to support the achievement of natural capital conservation objectives. The other half of the initiatives identified, tends to be primarily supported by and operating for the private sector with the objective to promote understanding of the dependence of businesses on natural capital and to support sustainable behaviours and decisions by firms in different sectors (from agriculture to the building industry);
- ) there seems to be agreement regarding the definition of the natural capital concept, which is understood as the stock of natural resources and assets which support the provision of ecosystem services and goods that flow from the environment to society;
- ) there are similarities in terms of the goals set and the stakeholders involved by each initiative.

The work of the UK-based initiatives is important to promote understanding of the role of natural capital in our society and to encourage the prioritization of natural capital conservation actions. However, some limitations also need to be mentioned. From the publicly available information, it is not clear to what extent these initiatives already cooperate with each other. From feedback on the draft document, it appears there is close and careful collaboration<sup>22</sup>, however these efforts are not apparent to the external observer, based on the publicly available information. Nonetheless, given the common goals set and actors involved, more could be done to foster coordination and

---

<sup>22</sup> In the framework of the Natural Capital Coalition, there is close cooperation with five reviewed initiatives (NCI, SFNC, Tru, CCI and NVI) and some degree of collaboration also exists between the Natural capital Coalition and the remaining organizations (AG, BBP, NCCom, EB). The CCI has signed a Statement of Intent with the NCCoal with the objective to strengthen the inclusion of biodiversity in the Natural Capital Protocol and the use of this latter is also recommended by the SFNC.

collaborations between the independent organizations to build economies of scale towards the achievement of the common goal of ensuring natural capital conservation.

Another limitation of the reviewed initiatives seems to be that little support is offered in terms of the actual implementation of natural capital conservation. The provision of advice and technical knowledge seems to be a strong focus of the different initiatives, but more could be done in terms of providing funding for specific projects. In this sense, private businesses and financial institutions are recognized to play a central role in providing funding for natural capital projects. An increasing number of businesses is becoming active on this side by promoting natural capital conservation in the framework of the Natural Capital Protocol and, more recently, a Coalition for Private Investment in Conservation<sup>23</sup> was set up to address limited funding availability. However, more can be done and, according to many of the reviewed initiatives, increased participation of the private sector in funding natural capital conservation initiatives will be an area deserving further attention in the future.

Limited funding is one aspect but creating an enabling environment is also very important in order to support these initiatives. Connection and mutual support between the different actors is required to facilitate the uptake of natural capital initiatives. Without this necessary support, both from a financial and a system perspective, there is the risk that the work of the natural capital initiatives remains a coalition of the willing and it relies on voluntary capacity, which may restrict the ability to get the messages mainstreamed across wider economics and society. The reviewed natural capital initiatives represents an excellent starting point to illustrate the benefits that arise from partnership working together for natural capital conservation and the progress that can be made through raising awareness and providing tools. But with further support and resources even better results are possible.

To summarize the past evolution in the field and speculate about possible trajectories for the coming years, we present a timeline, showing the timing when the different UK organizations and initiatives reviewed were formed, together with some important milestones related to international achievements around the work on natural capital. Based on past trend and on a growing need for natural capital preservation, it is to expect that work in this field will grow further in the future. What we don't know, and hardly can predict, is whether the pattern of proliferation of more initiatives over time will move towards a greater diversity/specialization of each initiative or rather towards the creation of bigger all-encompassing initiatives.

## Acknowledgements

The draft report was improved by the feedback from representatives from the initiatives analysed and Professors Colin Campbell and Steve Albon, James Hutton Institute.

This report was funded by the Rural & Environment Science & Analytical Services Division of the Scottish Government.

Cover photos courtesy of Courtesy of Carlos Galan-Diaz and Kirsty Blackstock.

---

<sup>23</sup> <http://cpicfinance.com/>