



## Natural Capital tools & devices: Reinforcing or weakening logics of assetization?



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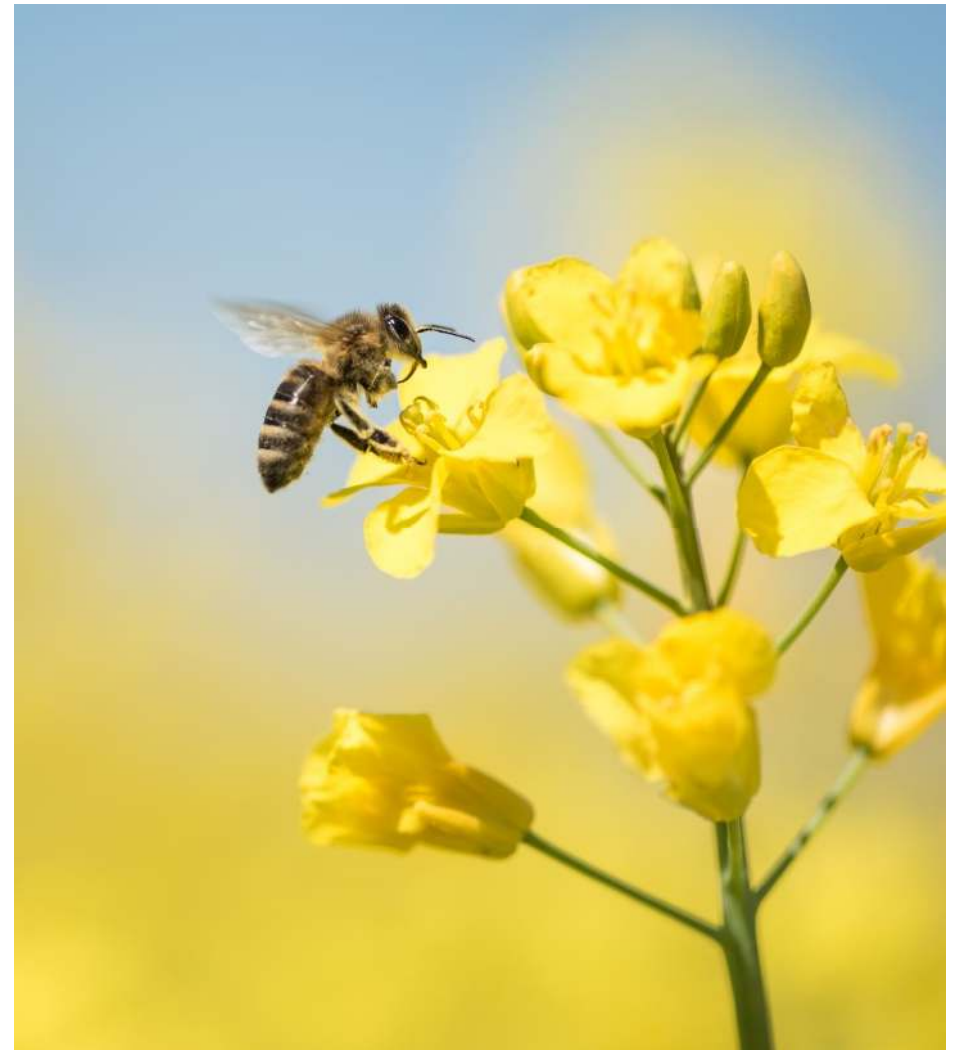
Thanks to Antonio Ballesteros & Esther Carmen



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# Introducing Natural Capital (NC)

- Understanding nature in terms of stocks, assets & flows of benefits (Ozdemiroglu, 2019)
  - Explicitly anthropocentric
  - Increasingly popular



# NC potential

A device for  
'mainstreaming' across  
sectors – public & private

- Economic rationalities  
already often dominate
- Connecting with these  
intended to improve  
those decisions  
(Bateman et al, 2020)

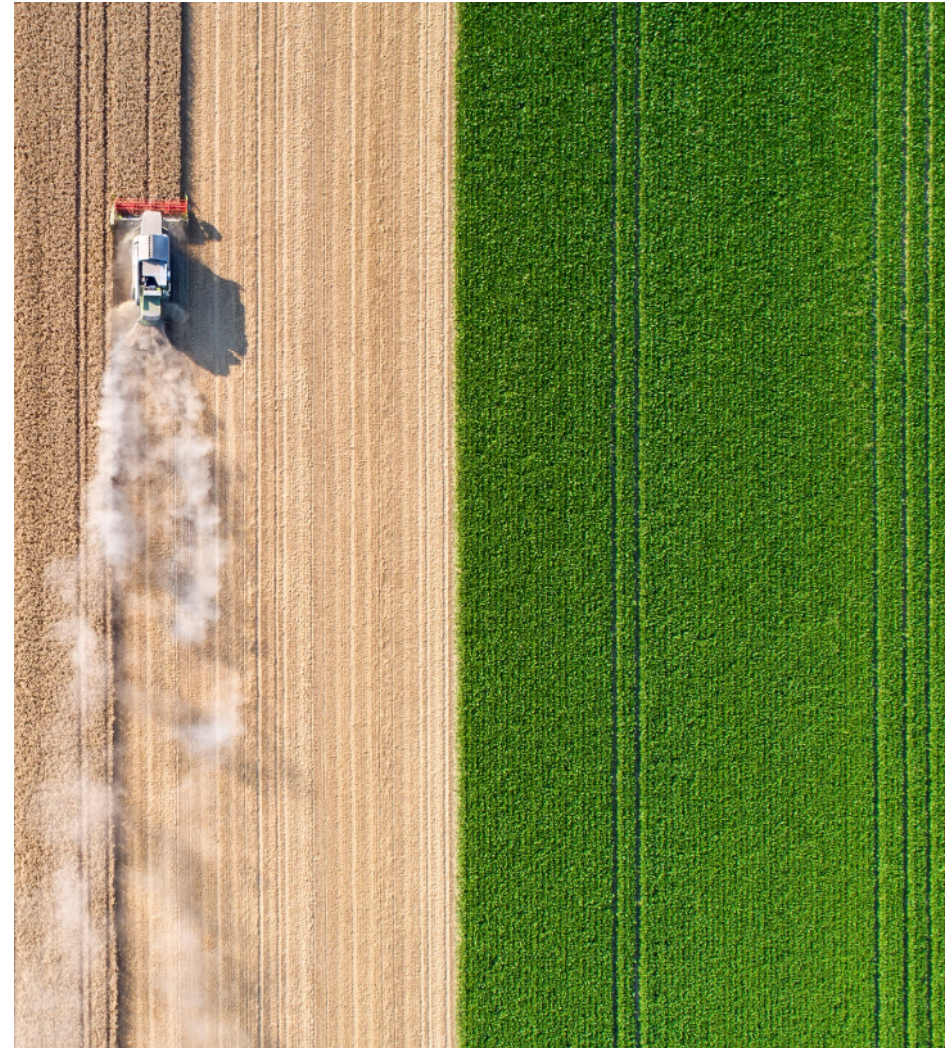




# NC concerns

Reinforces assetisation,  
degrades nature & our  
relationship with it (Sullivan,  
2018)

- Narrows appreciation of nature, encourages exploitation for ST profits (Levidow 2020)
- Associated with new private sector-driven changes in land management (ties to concerns about financing new markets - Birch 2023)





# Unpicking assumptions

Will NC conform with or alter dominant logics of assetisation?

- NC is not a singular concrete object
- Focus on 'ENCA' – something known to be salient to UK policy makers (Waylen, in subm)



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Guidance

## Enabling a Natural Capital Approach (ENCA): Guidance

Enabling a Natural Capital Approach (ENCA) guidance is a comprehensive document providing information and resources for Natural Capital.

From: [Department for Environment, Food & Rural Affairs](#)

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### Documents



#### [Enabling a Natural Capital Approach guidance](#)

HTML

### Details

<https://www.gov.uk/guidance/enabling-a-natural-capital-approach-enca>

### Related content

[ENCA: Featured tools for assessing natural capital and environmental valuation](#)

[Enabling a Natural Capital Approach \(ENCA\)](#)

[Valuing environmental impacts: guidelines for the use of value transfer](#)

[What nature can do for you](#)

[Impact assessment and options assessment calculator](#)

# ENCA

- **Rationale:** *“help you understand natural capital and know how to take it into account”*
- **By whom:** UK policy-makers (in Defra),
- **For whom:** UK policy-maker/ civil servants especially economists & analysts
- **Expected outcomes:**
  - Build capacity...to assess & value the natural environment by providing comprehensive information & resources
  - Reduce search costs
  - Provide a platform to update tools and guidance
  - Identify new evidence and areas for development



# ENCA

## Detail on what it 'is'

- **Assessment Template** – excel Q&A to guide process
  - prompt consideration of how NC can support policy goals,
  - how potential policy options may affect NC both positively & negatively
- **Databooks** (excel lists) on “assets” and “services”
- **Tools** for valuation, biodiversity metrics
  - e.g. how to value recreation, ideas for how ESS can be managed
- **Case studies** of using natural capital and valuation of nature at different scales





<b>I am interested in</b>	<b>Check section</b>	<b>Other ENCA resources</b>
<b>An overview of natural capital and its relevance</b>	<a href="#">1</a>	
<b>Applying HM Treasury Green Book guidance on Natural Capital</b>	<a href="#">3</a>	<a href="#">ENCA Assessment Template</a>
<b>Understanding whether my proposal will affect nature</b>	<a href="#">3.3 to 3.4</a>	ENCA <a href="#">Featured Tools</a>
<b>How ENCA can support my policy priorities</b>	<a href="#">3.2</a> and <a href="#">Annex 1</a>	ENCA <a href="#">Case Studies</a>
<b>Find monetary values for environmental effects</b>	<a href="#">2</a> and <a href="#">6</a>	ENCA <a href="#">Services Databook</a> , ENCA <a href="#">Assets Databook</a> and ENCA <a href="#">Featured Tools</a>
<b>Assessing natural capital that I own or manage</b>	<a href="#">4</a> and <a href="#">5.1</a>	
<b>Developing a natural capital account</b>	<a href="#">4</a>	
<b>Experience with natural capital approaches</b>	<a href="#">3.5</a> and <a href="#">5.6</a>	ENCA <a href="#">Case Studies</a>
<b>Tools and data</b>	<a href="#">5.2</a> and <a href="#">7</a>	ENCA <a href="#">Featured Tools</a>
<b>Local economic development</b>	<a href="#">5.4</a> and <a href="#">Annex 1</a>	
<b>Generating new income streams to support the natural environment</b>	<a href="#">5.5</a>	ENCA <a href="#">Case Studies</a>
For a more detailed 'roadmap' of what ENCA can offer for specific cross-cutting themes of policy interest, check <a href="#">Annex 1</a> of this guidance.		

## Step 1 - Describe the environmental context

Understand the relevant natural systems that may be affected or which may contribute to outcomes, and the environmental and geographic context of the proposal.

This Step isn't about assessing impact, rather the context and current / baseline environmental situation within the area / remit of your policy.

It helps establish a baseline against which positive or negative effects can be assessed.

Short description of measure	Detailed description of measure, quantifying where possible and indicating likely spatial scale
<i>Describe the proposed policy option you'll consider in the remainder of this exercise</i>	<i>Natural capital assessments work best where there are well-specified and quantified measures with respect to scale and location. Here it is useful to: Identify the scale, location, outputs and spatial reach of the intervention. Where in the UK will the policy effect? (specific region/specific types of land?). Over what time scale will it be implemented?</i>
type here	type here

[ENCA Assets Databook](#)

Copy and paste this row for multiple effects on more than one broad habitat

Which of the 8 broad habitat categories are likely to be relevant to consider?	Provide further detail where possible
<i>See section 1.5 of the ENCA Guidance for more info on these habitats. And the ENCA Assets Databook for relevant data and evidence sources</i>	<i>Please give any indicative estimates of areas of land relevant to consider that may be affected in any way (e.g. hectares of woodland, square km of urban area, km of river)</i>
Select from drop-down list	type here
Select from drop-down list	type here

## Step 2 - Consider how natural assets might be affected

Understanding the physical, spatial or ecological changes in the location, extent, condition and diversity of natural assets is the starting point of the appraisal and associated economic valuation.

There may well be a variety of effects across a range of affected habitats and assets, so use additional rows to capture these

How might the intervention affect natural assets within or across the broad habitats identified in Step 1?	Does this effect represent a risk or benefit to nature?	How might the quantity and quality of these assets be affected?
	<i>When assessing the magnitude of the effect as a first assessment, take a proportionate approach. You may wish to collect further evidence to test an initial judgement. Where it is</i>	

Read Me

Nature-based options

Screening assessment

4-Step assessment

# ENCA Implications

- Emphasis on salience to existing decisions, considered mainly in relation to preexisting policy options
  - Only enables incremental change, at best?
  - May reinforce dominant logics of assetisation
- But.. could perhaps be a stepping stone for more transformative /profound change?
  - Can be used to widen appreciation of nature?
  - Depends on context as well as ‘tool’?





CAPITALS APPROACH

# Natural Capital Protocol



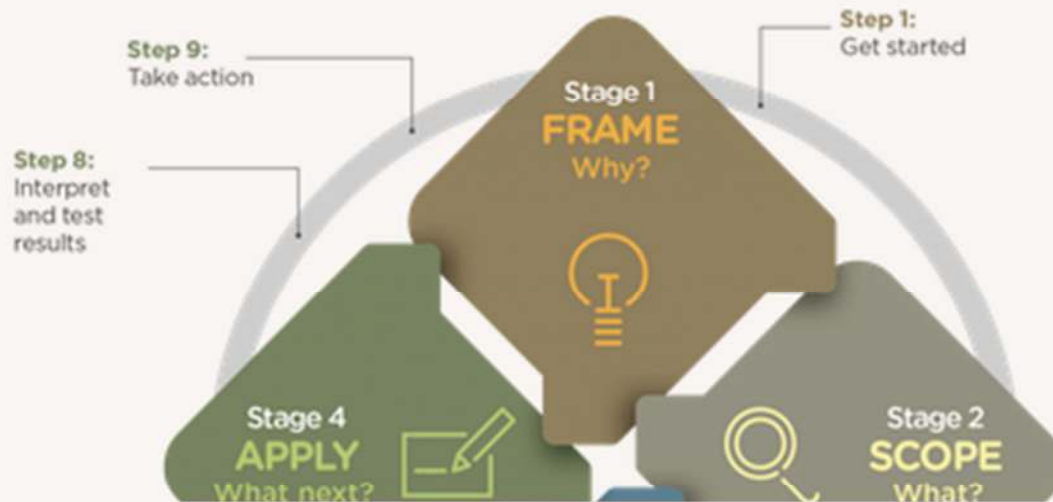
<https://capitalscoalition.org/capitals-approach/>

**The Natural Capital Protocol is a decision-making framework that enables organisations to identify, measure and value their direct and indirect impacts and dependencies on natural capital.**

All organizations to varying degrees are dependent on the health of the natural world. Organizations also impact on nature's health, both positively and negatively.

Understanding the complex and dynamic relationships that organizations have with the health of natural assets and the ecosystem services they provide enables organizations to make more informed decisions. A capitals approach empowers organizations to deliver benefits their employees, society, the broader economy and the natural world alongside their businesses.

# NCP



- **By:** Developed by World Business Council



## Natural capital

The stock of renewable and non-renewable natural resources that combine to yield a flow of benefits to people.



## Social capital

The networks together with shared norms, values and understanding that facilitate cooperation within and among groups.



## Human capital

The knowledge, skills, competencies and attributes embodied in individuals that contribute to improved performance and wellbeing.



## Produced capital

The human-made goods and financial assets that are used to produce goods and services consumed by society.



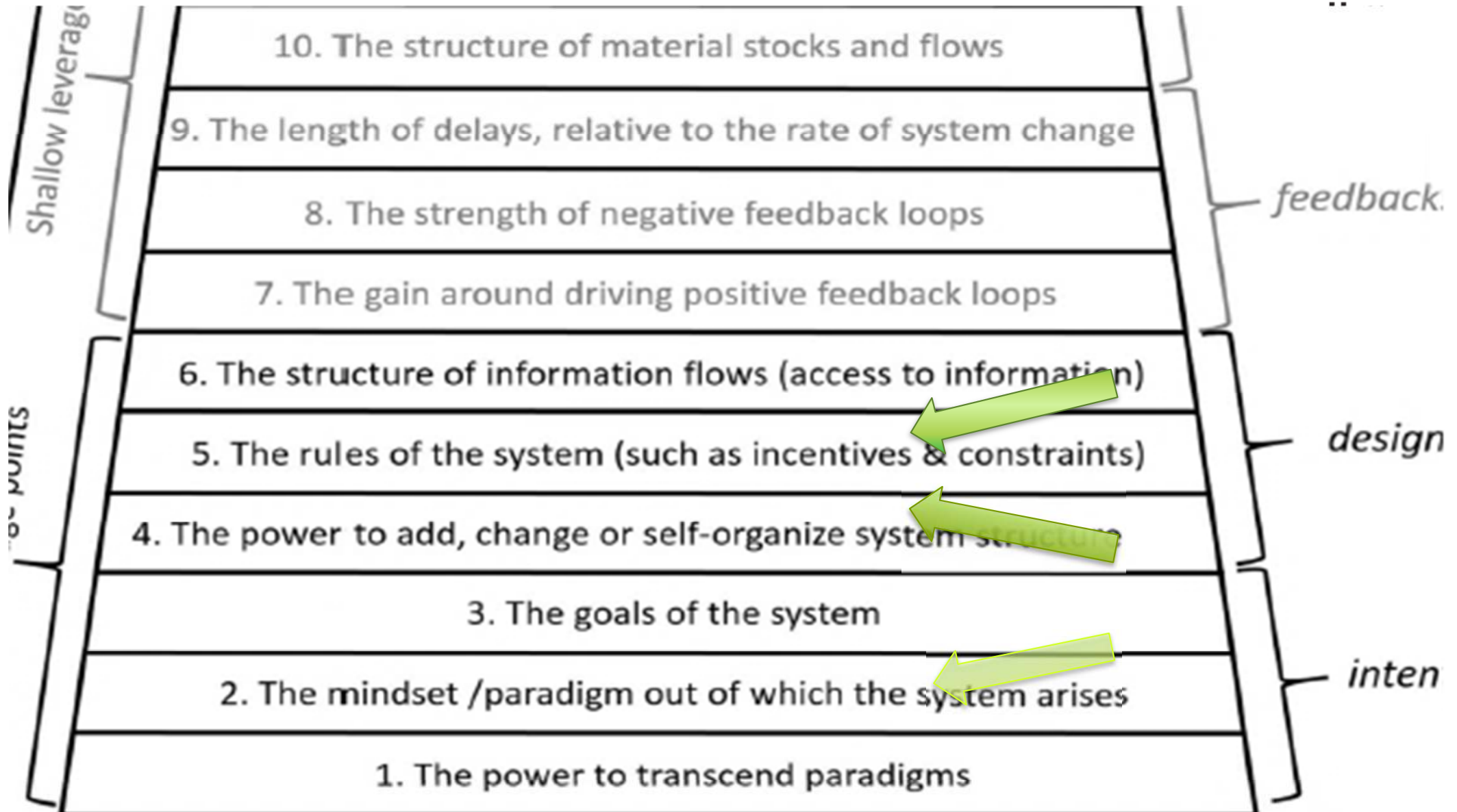
# Implications

- Even 'just' ENCA consists of many specific devices, representations
- Users and contexts are similarly multiple
  - though similarities in shared professional formal rationality
- NC not necessarily 'all good' or 'all bad' - plural possibilities over time





# Appraising multiple possibilities



Interacting Leverage points for change (Abson et al 2016). ENCA could be relevant to several of these?

# Conclusions and future needs

- Keep an open mind on NC— alert to both concerns & opportunities
- Appraise evolving initiatives
  - Study expected ‘users’ over time
  - Relational approaches
  - Bring in other concepts?
- Need transdisciplinary partnerships to identify & shape possibilities



## Galvanising Change via Natural Capital

Part of 'Galvanising change via Natural Capital' project JHI-D5-3 in the Scottish Government RESAS Strategic Research Programme

<https://www.hutton.ac.uk/project/galvanising-change-via-natural-capital/>



Scottish Government  
Riaghaltas na h-Alba  
gov.scot



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