Natural Capital Coalition

(Ian Dickie, eftec, NCC Advisory Panel)

New York, October 2019
The Natural Capital Coalition was established by the natural capital community as a collaborative space to harmonize approaches and grow a supportive enabling environment for natural capital thinking.

**Purpose**
To mainstream the inclusion of natural capital in decision making, harmonizing approaches and getting them to scale, quickly.

**Our Vision**
A world that conserves and enhances natural capital

The Coalition represents almost 300 organizations.
The Natural Capital Protocol is a standardized framework for business to identify, measure and value its direct and indirect impacts and dependencies on natural capital.
What do Capitals provide?

- Impacts
- Measure
- Separate issues

- Dependencies
- Value
- A systems approach
Enabling Environment

“The context needed to support the transition to a society in which natural capital approaches are an integral part of public and private decision making.”

‘Combining Forces’ a focal point to bring together national, local and business approaches to natural capital

‘Government Dialogue’ a government led dialogue on their role in creating an enabling environment for natural capital approaches

‘Regional Platforms’ local collaboration connected through the global Coalition and building growth and application of natural capital thinking
Linking the Protocol and SEEA
Linking the Protocol and SEEA

Guidance on decision-making process

Valuation of non-monetary transactions

Data, knowledge and experience sharing

Asset Extent

Asset Condition

Services

Benefit
COMBINING FORCES: NATURAL CAPITAL APPROACHES / FRAMEWORKS
Combining Forces – Main activities

Webinars and workshops

Research

Case studies

Case studies – call for evidence closed 14/10/2019, tbc 2020
The natural capital “soup” *

* See annex for explanations
An initial de-cluttering of natural capital
Integrating thinking in approaches to natural capital
Informing decisions
The Recommended Priority Areas

- Combining Forces
- Narrative
- Data
- Harmonization
- Case studies
- Build the community
Benefits from Combining Forces

Positive outcomes
- Sustainable use and enhancement of natural capital
- Cost savings
- Reduced risks

Better processes
- Better decision-making
- More effective policy and enabling environment
- Shift to a ‘systems’ approach
- More efficient use and allocation of resources

Specific improvements
- Shared communications and vision
- Shared data and valuations
- Enhanced standardization and mainstreaming
- Aligned terminology
- Inclusive decision-making
- Enhanced synergies between entities
- Enhanced capacity building and understanding

Build the community
THE VISIBILITY OF NATURAL CAPITAL IN FINANCIAL ACCOUNTING
Project purpose

• Investigate approaches to integrate natural capital data into financial accounts
• Demonstrate outputs with case studies showing adjusted balance sheets
• 4 methods under investigation
• Draft report end of October 2019!
• Inform policy frameworks (e.g. EC) and research agenda
Overview of 4 methods

Standard setting system:

Sustainability reporting
- CDSB
- SASB

Financial accounting
- FRS
- IASB
- FRC
- ACCA
- ICAEW

Integrating other capitals into financial reporting
- Jeremy Nicholls
- Adams Koshy

Integrating NCA practices into financial accounting of intangible assets
- Ian Dickie
- Adams Koshy

CARE Model
- Clément Feger
- Alexandre Rambaud

The extended value-added income statement
- Paolo Quattrone
- Wu Kefei
Example Method: Adjusted Intangible Assets

- Capture costs and returns of existing natural and social capital management activities
- Apply existing provisions in IFRS rules on intangible assets to natural capital
  - Property rights (e.g. fish quotas)
  - Training costs
  - Development costs
  - Brand value
- Natural capital approach helps identify data to represent intangible assets in financial accounts
THANK YOU!

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