

Ecosystems accounting in the UK

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UK Government commitment

“We will put natural capital at the heart of Government accounting. We will work with the Office for National Statistics to fully include natural capital in the UK Environmental Accounts In 2012 we will publish a roadmap for further improvements up to 2020. Over time , we will move from measuring the value of the physical stocks to systematically valuing the services they provide. Further research will be undertaken to do this, building on the results of the National Ecosystem Assessment.”

Natural Environment White Paper, 2011

Why do we need an accounting approach?

Discipline of working within an **accounting framework**:

- Clarifies the concepts used
- Defines the relationships between the variables
- Enables links to be made with other data sources and other accounts
- Enables gaps to be identified and conflicts between different sources to be resolved

What types of questions can we answer with ecosystem accounts that we cannot answer with the central framework?

A lot will depend upon the spatial scale we choose to work at

- Informing better decision-making (underpinning the natural capital asset check)
- Tracking sustainability (basis for compilation of indicators)
- Detailed statistics (a better understanding of the link between ecosystems and economic activity)

What are the information needs?

- Will depend upon the priorities – start with the known rather than the unknown
- Initially likely to need modelling to produce ball-park figures
- NEA follow-up to include inventory of sources
- NEA follow-up and Natural Capital Asset check intended to address major gaps – we expect new evidence projects will require a slight ‘tweaking’ to ensure data gaps for accounting are covered

Remit of Natural Capital Committee

- Provide advice on when, where and how natural assets are being used unsustainably
- Advise the Government, using sound economic analysis, on how it should prioritise action to protect and improve natural capital
- Advise the Government on research priorities to improve future advice and decisions on protecting and enhancing natural capital, reflecting consultations with the Research Councils and the academic community

Natural Capital Asset Check and relationship to the ecosystems accounts

		Past trend	Current status	Future prospects	Policy driver	Biophysical drivers	Socio-economic drivers
Natural assets structure and function	Ecosystem type						
	Ecosystem process						
	Extent						
	Ownership						
	Stock indicator						
	Function indicator						
Ecosystem services	Type						
	Rival/non-rival						
	Market/non-market						
	Service output indicator						

Roles of ONS and Defra in implementing ecosystem accounts

ONS

- Main compiler
- Expertise in National and Environmental Accounts
- Experimental statistics, potentially official statistics

Defra

- Potentially the main user
- Expertise in ecosystems science
- Funding of new research and data collection
- (Some expertise in environmental accounting)

Institutional arrangements

- Project management in Office for National Statistics as part of 'Measuring National Well-Being' Programme
- Formal reporting to Defra Management Board and Defra Ministers on monthly basis
- Natural Capital Committee, reporting to the Chancellor of the Exchequer, expected to take a close interest in progress

How to start implementing ecosystem accounts?

- Consulting widely and engaging stakeholders including academic community through advisory group
- Ensuring links with policy are established (through the Natural Capital Committee in particular)
- Issuing roadmap to set out development path and manage expectations, following consultation (on 17 July)
- Start with a pilot study (woodlands) for a relatively easy area and learn lessons
- Don't let the best be the enemy of the good!