



Combining forces on Natural Capital

Carl Obst and Marta Santamaria

24th London Group Meeting



NATURAL
CAPITAL
COALITION

 @NatCapCoalition #NatCapProtocol



INTRODUCTION



The Coalition

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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.



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."



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

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

'Regional Platforms' local collaboration connected through the global Coalition and building growth and application of natural capital thinking





Combining Forces: Organizations



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'Combining Forces' provides a focal point to bring together different strands of thinking on natural capital. It is an open, cross-cutting network of experts from all sectors, working together to ensure that the value of nature is included in decision making.

We intend to:

- continue to support each other's work;
- clarify how approaches overlap and combine; and,
- produce materials to support the inclusion of natural capital in public and private decision making.



We welcome other organizations joining this collaborative movement



Combining Forces – Activities



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Webinars and workshops

Australia, Netherlands, US, Global webinars, Regional workshops
Natural capital events in Paris – November 2018

Research

Thought leadership paper being drafted on opportunities, benefits, gaps and synergies

Case studies

Seeking short descriptions (2-3 page) of projects demonstrating the potential and relevance of Combining Forces

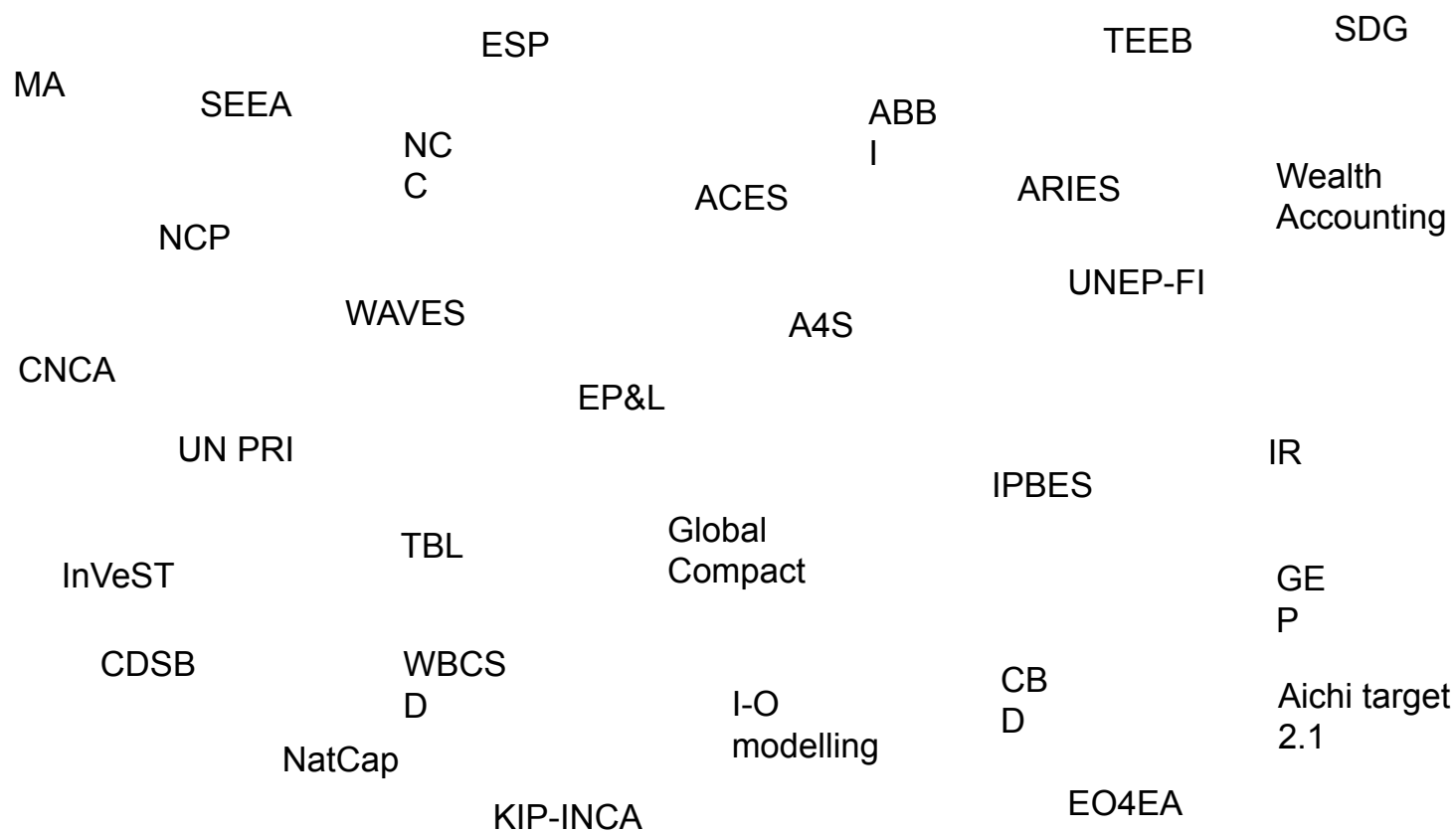
Communications

Connect with Combining Forces, find opportunities to collaborate, propose areas for engagement and sign on to the initiative by visiting
<https://naturalcapitalcoalition.org/projects/combining-forces-on-natural-capital/>.



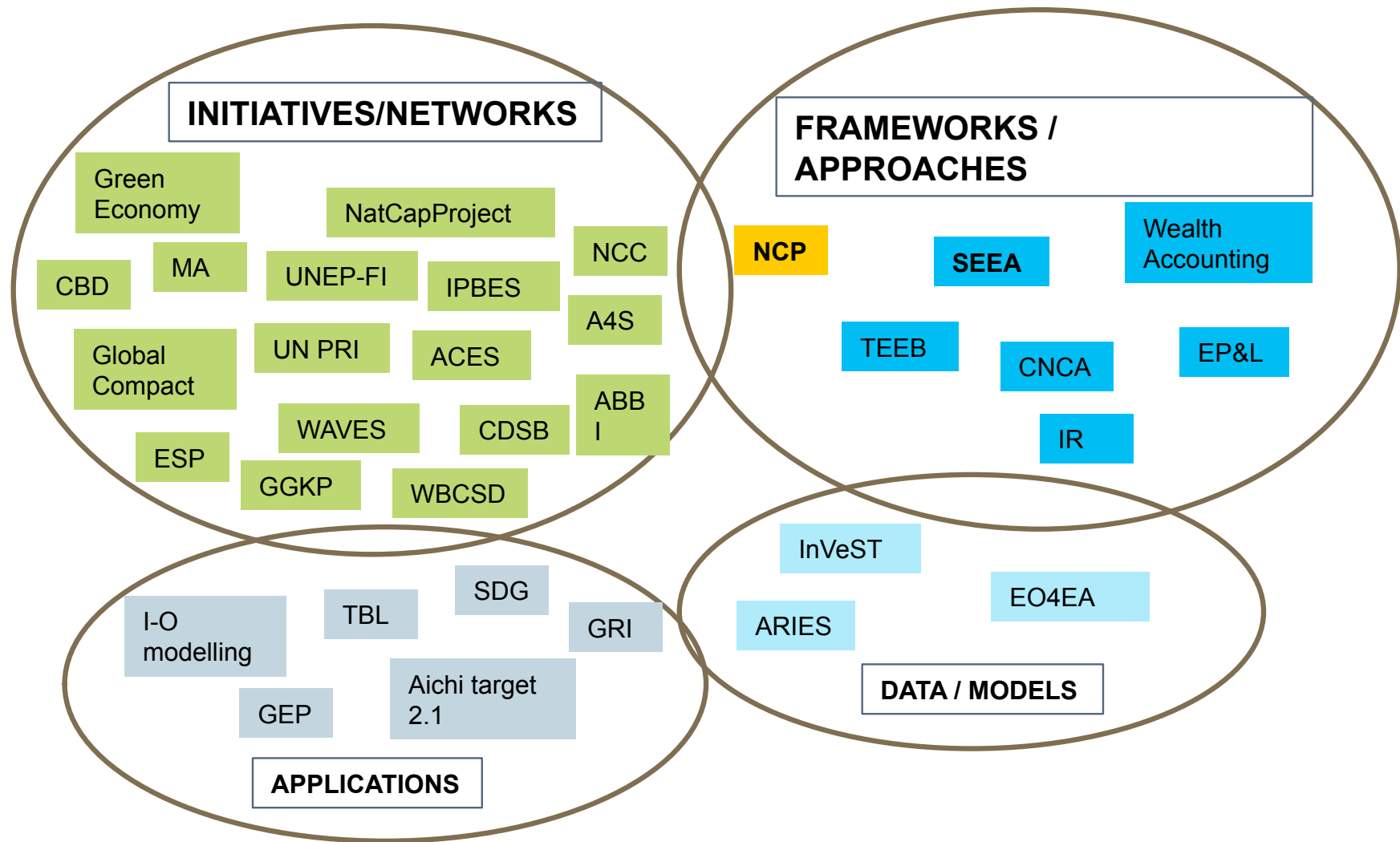
NATURAL CAPITAL APPROACHES / FRAMEWORKS

The natural capital “soup” *



* See annex for explanations

An initial de-cluttering of natural capital





Integrating thinking in approaches to natural capital

Informing decisions

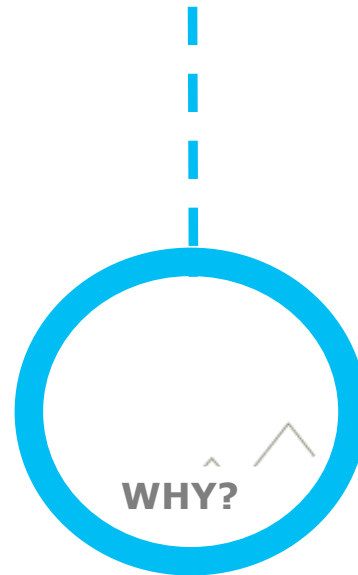




NATURAL
CAPITAL
COALITION

Integrating thinking in approaches to natural capital

Informing decisions



WHO?

Public Sector

Private Sector



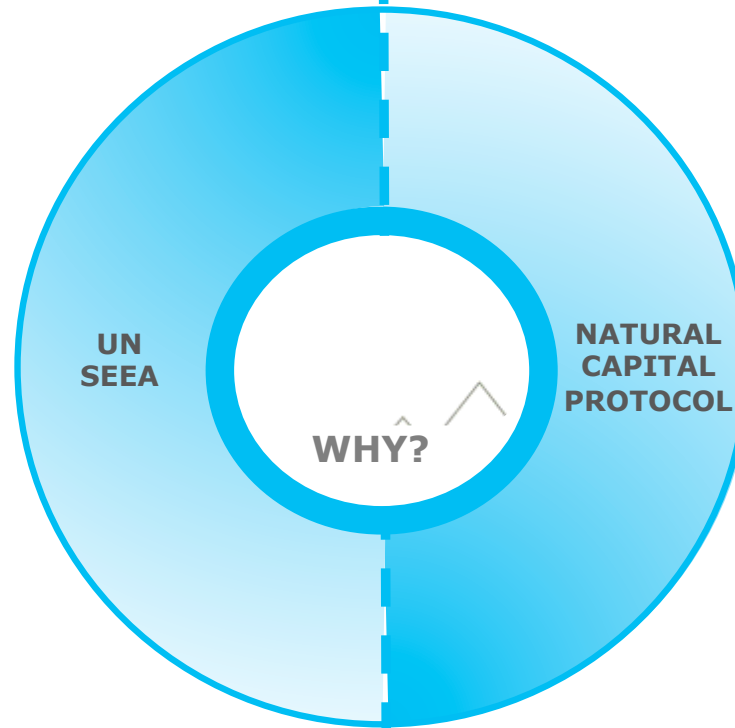
NATURAL
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Integrating thinking in approaches to natural capital

Informing decisions

WHAT?

High level Frameworks



WHO?

Public Sector

Private Sector



NATURAL
CAPITAL
COALITION

Integrating thinking in approaches to natural capital

Informing decisions

WHAT?

High level Frameworks

Inclusive
Wealth

UN
SEEA

WHY?

NATURAL
CAPITAL
PROTOCOL

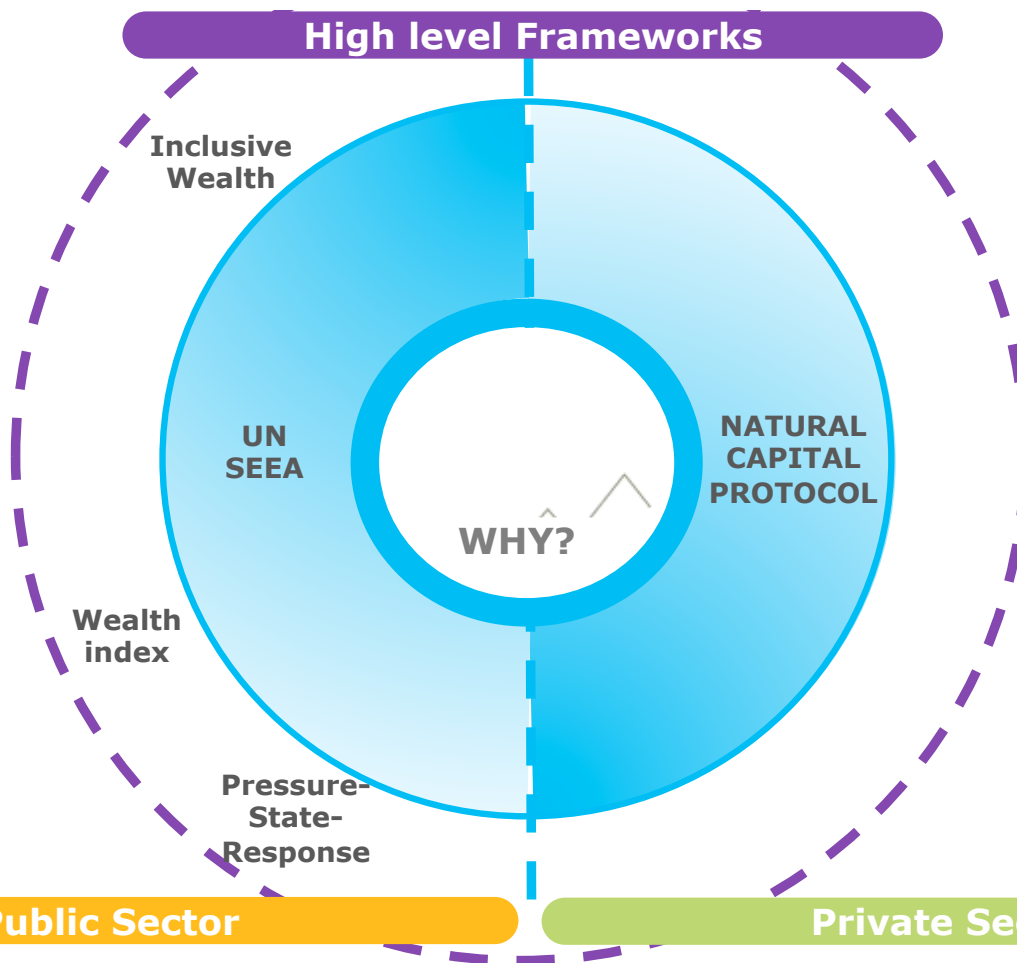
Wealth
index

Pressure-
State-
Response

WHO?

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Private Sector





NATURAL
CAPITAL
COALITION

Integrating thinking in approaches to natural capital

Informing decisions

WHAT?

HOW?

How it is applied

Natural resources or
asset accounts

Flow or satellite
accounts

Environmental
activities accounts

How it is applied

Environmental
balance sheet

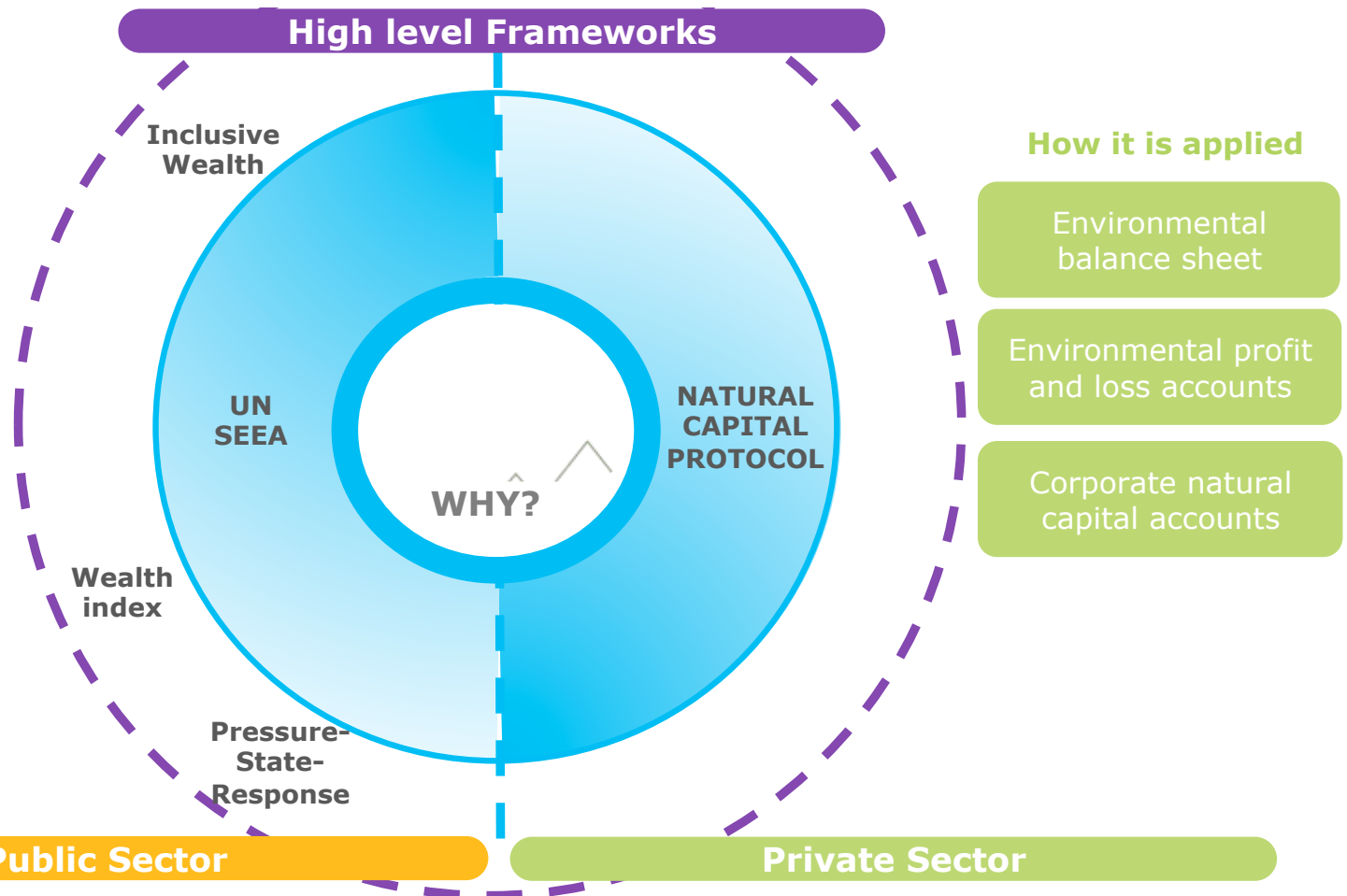
Environmental profit
and loss accounts

Corporate natural
capital accounts

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Integrating thinking in approaches to natural capital

Informing decisions

WHAT?

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Natural resources or asset accounts

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Assessments

- Cost benefit analysis
- Policy impact assessments
- Modelling
- Input-Output analysis

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High level Frameworks

Inclusive Wealth

UN
SEEA

Wealth index

Pressure-
State-
Response

WHY?

NATURAL
CAPITAL
PROTOCOL

How it is applied

Environmental balance sheet

Environmental profit and loss accounts

Corporate natural capital accounts

Assessments

- Risk and opportunity
- Impact to stakeholders
- Total value / impact
- Option appraisal
- Communication

Private Sector



NATURAL
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COALITION

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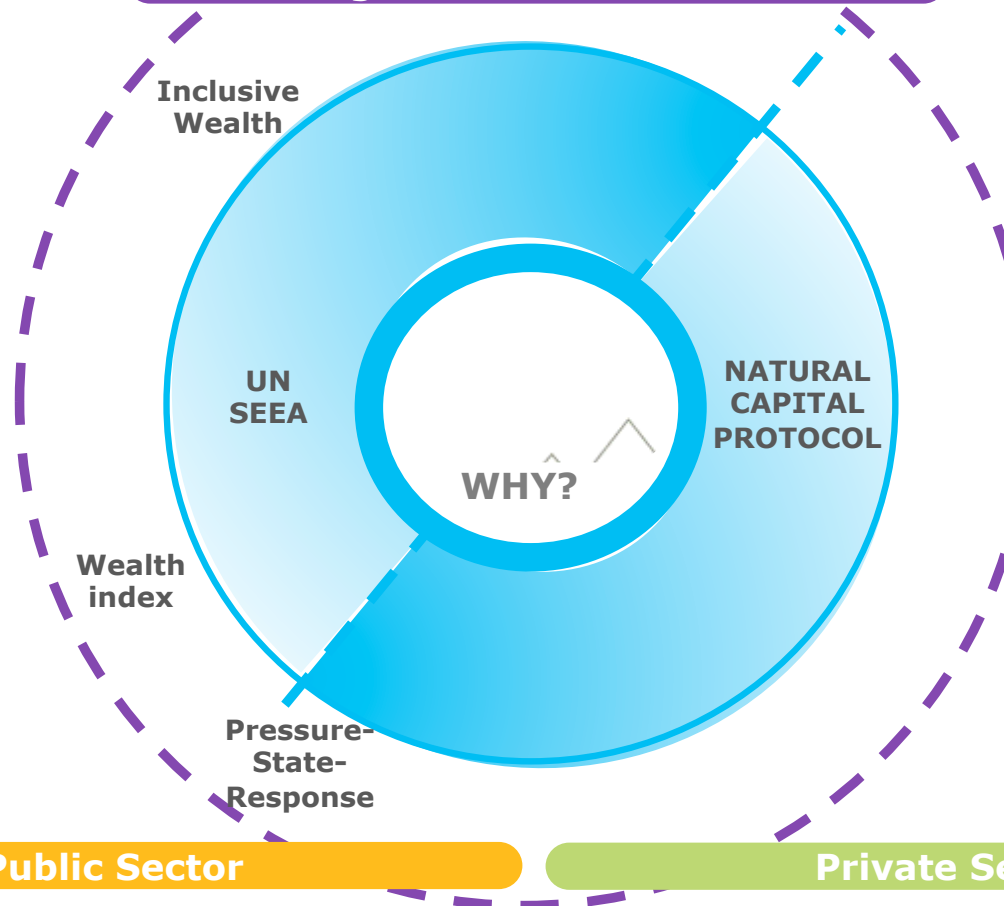
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WHO?

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High level Frameworks



How it is applied

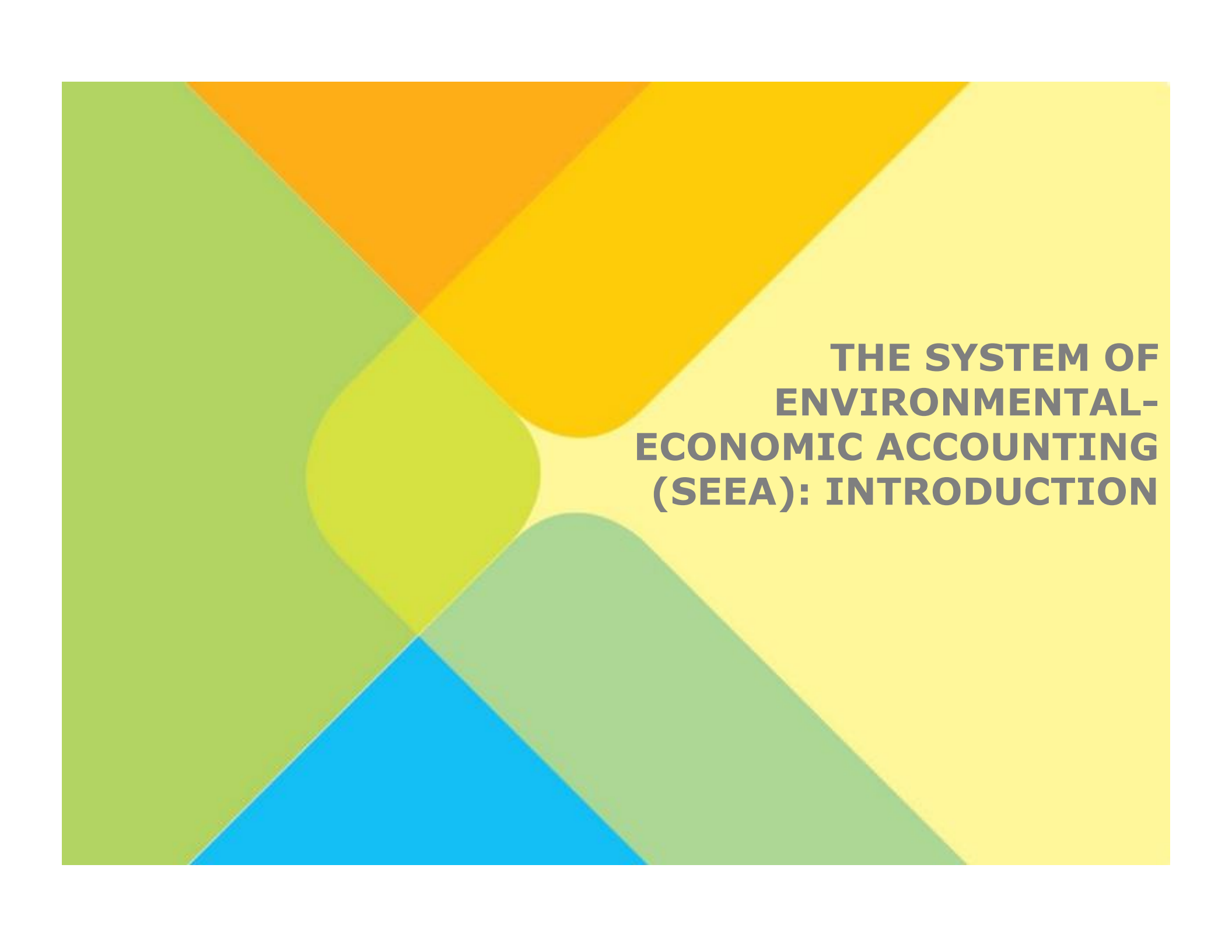
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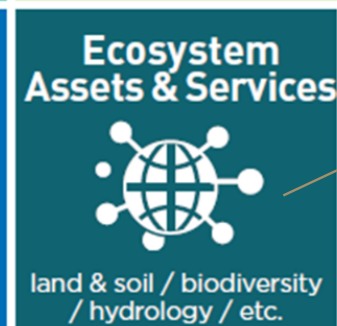
- Risk and opportunity
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THE SYSTEM OF ENVIRONMENTAL- ECONOMIC ACCOUNTING (SEEA): INTRODUCTION

The types of environmental-economic accounts

SEEA Framework





THE NATURAL CAPITAL PROTOCOL: INTRODUCTION

Why does natural capital matter to business?

Many natural capital risks and opportunities are becoming increasingly visible, and **business needs a way to understand and manage these.**

Operational

(e.g. increasing cost of scarce resources, supply interruption due to changes in weather, efficiency gains from alternative sourcing)

Reputational and marketing

(e.g., negative media coverage of impacts, new 'greener' markets and products)

Societal

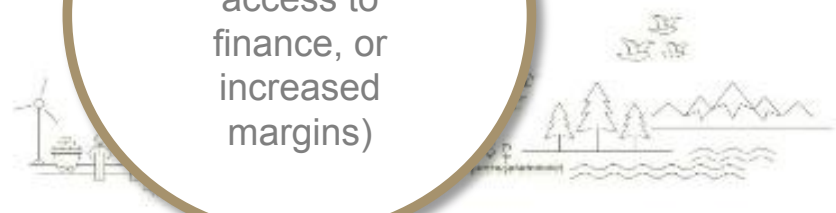
(e.g., health impacts on local communities, positive social contribution from ecosystem services, social license to operate)

Legal and regulatory

(e.g. advantage over future legislation, increased chance of winning permits and licenses)

Financing

(e.g. improved access to finance, or increased margins)



Creating the Protocol: Defining the need

The Coalition scoped the need with over 80 businesses from across the globe and across 15 sectors. They said:

We need a clear framework for understanding natural capital, that is **accessible, flexible** and **aligned**...

...a framework that conveys **credibility** and **relevance**...

...a framework that drives meaningful results that are **comparable, decision-useful**, and have the potential to **unlock real value**...

The main drivers for businesses to look at natural capital included:

- Improved **risk management**
- Better **decision making**
- Increased **competitive advantage**
- Balanced and comparable **reporting**

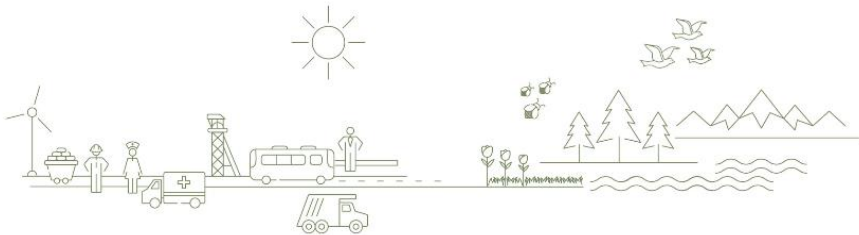
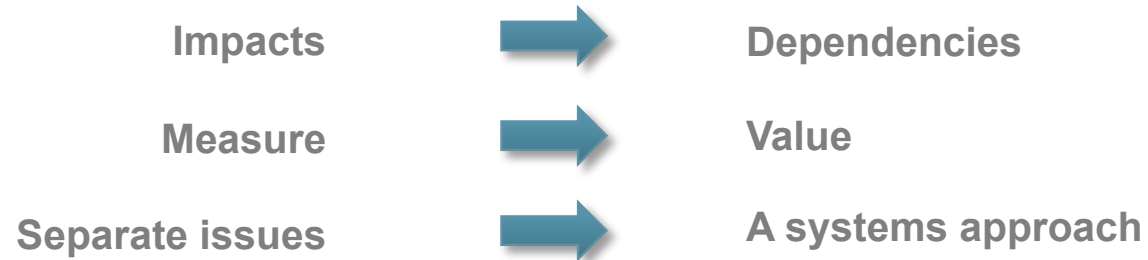
The Natural Capital Protocol



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**



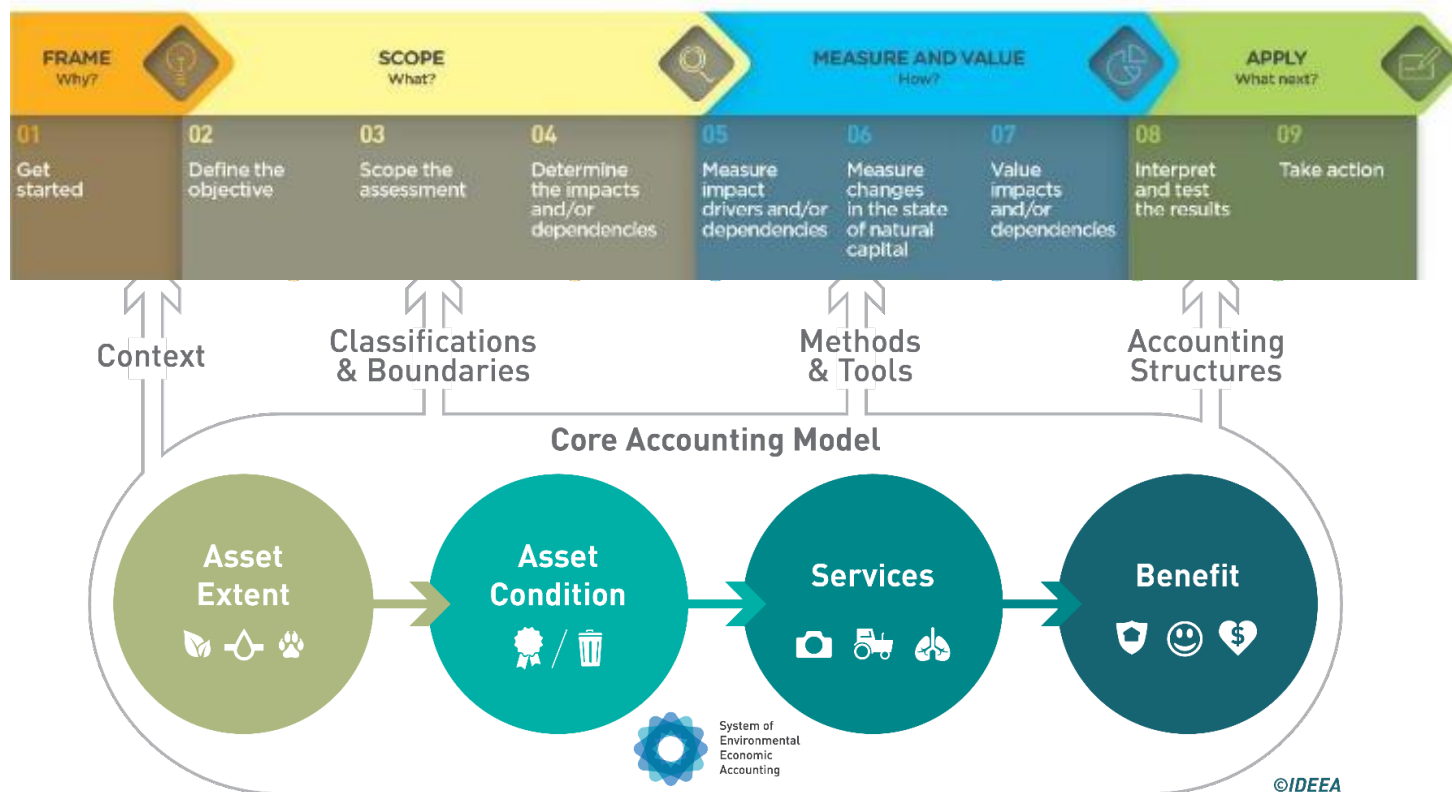
What do Capitals provide?



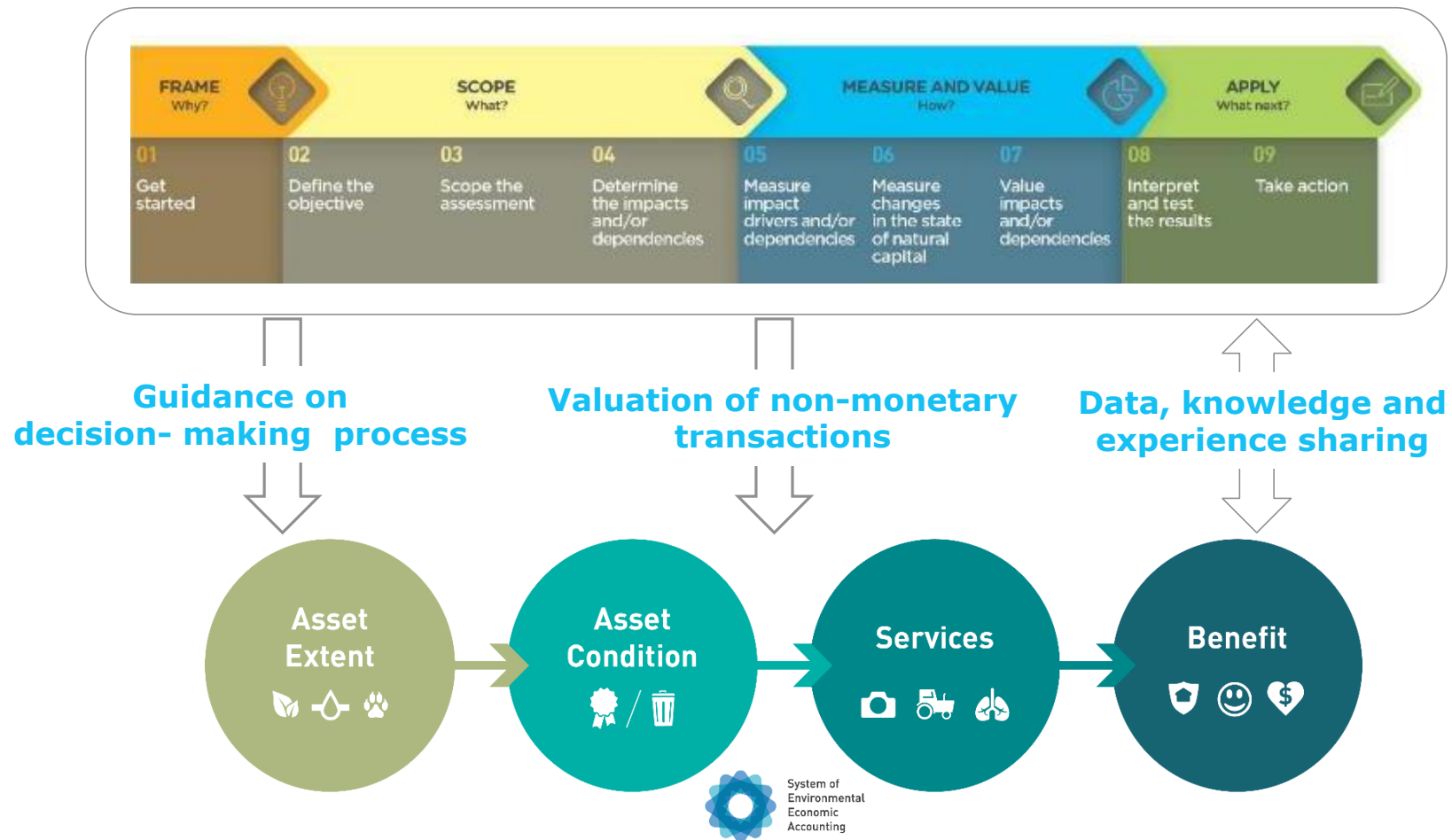


OPPORTUNITIES AND CHALLENGES OF COMBINING FORCES

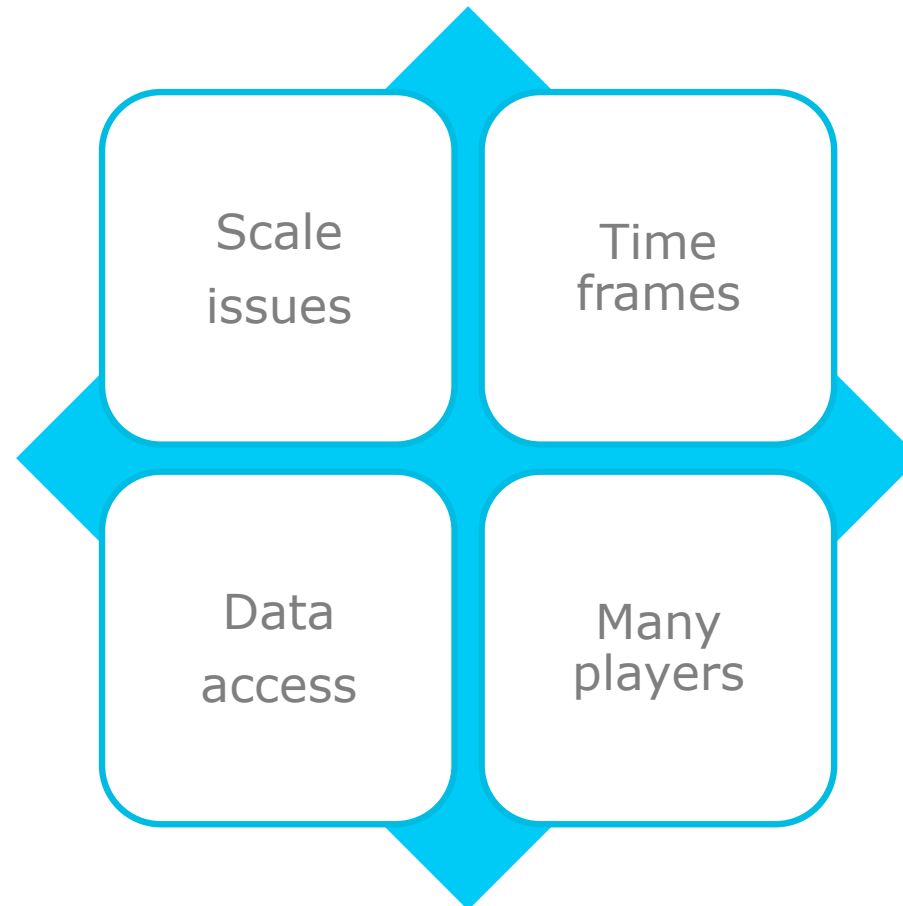
Linking the NCP and SEEA



Linking the NCP and SEEA



Key challenges





**COMBINING
FORCES: MOVING
FORWARD**

Harmonization of **frameworks and concepts**

Methodological progress (ecosystem services accounting and value of impacts to society)

Source of data and information

Questions

Why? Do you think combining forces will be beneficial?

What? What should be the focus?

How? How should move forward?



THANK YOU!

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Annex: Explaining the natural capital “soup”

- MA: Millennium Ecosystem Assessment
- ESP: Ecosystem Services Partnership
- NCC: Natural Capital Coalition
- NCP: Natural Capital Protocol
- SEEA: System of Environmental-Economic Accounting
- WAVES: Wealth Accounting and Valuation of Ecosystem Services
- CNCA: Corporate Natural Capital Accounting
- UN PRI: United Nations Principles for Responsible Investing
- TBL: Triple Bottom Line
- CDSB: Climate Disclosure Standards Board
- ACES: A Community of Ecosystem Services
- A4S: Accounting for Sustainability
- EP&L: Environmental Profit and Loss
- WBCSD: World Business Council on Sustainable Development
- KIP-INCA: Knowledge Innovation Project- Integrated Natural Capital Accounts
- ABBI: Australian Business for Biodiversity Initiative
- TEEB: The Economics of Ecosystems and Biodiversity
- ARIES: Artificial Intelligence for Ecosystem Services
- I-O modelling: Input-Output modelling
- SDG: UN Sustainable Development Goals
- IR: Integrated Reporting
- IPBES: Inter-governmental Process on Biodiversity and Ecosystem Services
- CBD: Convention on Biological Diversity
- GEP: Gross Ecosystem Product
- EO4EA: Earth Observation for Ecosystem Accounting
- InVeST: Integrated Valuation of Ecosystem Services and Trade-offs
- UNEP-FI: United Nations Environment Program – Finance Initiative
- NatCap: Natural Capital Project (Stanford)