

Natural capital tool launched to help protect the environment

An ambitious [new online resource](#) has been launched today (22 January) by the Department for Environment, Food and Rural Affairs (Defra) to help ensure better environmental decision-making by valuing our 'natural capital'.

For the first time, a comprehensive and integrated set of evidence and guidance about UK natural capital is now accessible from one place. It is intended to help policy makers, businesses, landowners and public sector organisations make better planning decisions in order to protect and to boost natural capital.

'Natural capital' is the sum of our ecosystems, providing us with food, clean air and water, wildlife, energy, wood, recreation and protection from hazards. The natural capital approach will make it easier for public and private organisations to better assess and value the environment. This will help deliver benefits including long-term flood risk reduction, boosts to wildlife, improvements to water and air quality, and opportunities for biodiversity net gain.

The value of the environment and natural capital is routinely understated. For example, the [Office for National Statistics](#) estimate that England's woods and forests deliver a value of services estimated at £2.3 billion annually. Of this figure, only a small proportion – 10% – is in timber values. The rest of the value derives from other more 'hidden' benefits to society, such as human recreation and air pollution removal, which improve health, and carbon sequestration which can help combat climate change.

Environment Minister Rebecca Pow said:

Today's publication helps to put the natural environment at the heart of decision-making. It meets a commitment from our 25 Year Environment Plan to better incorporate the value of nature – known as natural capital – and the benefits the environment provides to us all.

This comes at a critical time where the protection of our environment is ever-more important in combatting climate change and reversing habitat loss.

The 'Enabling a Natural Capital Approach' (ENCA) project delivers on a commitment in [the government's 25 Year Environment Plan](#). The resource was developed in collaboration with experts from across Defra and its agencies and informed by the work of academic, professional and voluntary bodies such as the Valuing Nature Network, to ensure the best available evidence is included in a user-friendly way. Today's move will also help support the delivery of [Nature Recovery Networks – part of the government's landmark](#)

[Environment Bill](#).

Matthew Farrow, Executive Director of the Environmental Industries Commission (EIC) said:

Business has a vital role in delivering natural capital improvements across our communities and countryside. To do so it needs to adopt best practice and make decisions based on a consistent understanding of the available tools, resources and datasets.

In bringing together all the relevant resources in one place, ENCA will make a huge difference to the ability of businesses and their advisers to assess how their actions and investment decisions can be aligned with protecting and enhancing the natural environment on which we all rely. EIC is delighted to have provided member cases studies for ENCA and looks forward to promoting it.

Professor Ian J. Bateman, Director of Land, Environment, Economics and Policy Institute (LEEP) University of Exeter said:

Ensuring that natural capital is embedded at the core of policy and decision-making is now key to government policy as seen with the HM Treasury Green Book guidelines for appraising public spending, the Government's 25 Year Environment Plan and as recently as the Green Finance Strategy.

Yet information and guidance on how to implement the natural capital approach to decision making at the practical level is at best fragmented. There is a clear need for central government leadership on this. I and other academic colleagues believe Defra's ENCA will provide what is needed and we look forward to its arrival.

ENCA builds directly on HM Treasury's 'Green Book' guidance – a standard to which government policies and projects must be measured against, so that government departments fully take account of the natural environment in policy design and publically funded projects.

This meets the recommendation of the [Natural Capital Committee's Annual Report \(2019\)](#) to have robust values and resources when assessing environmental impacts.

Further information

- [Natural capital is the sum of our ecosystems](#), species, freshwater, land, soils, minerals, our air and our seas. These are all elements of nature that either directly or indirectly bring value to people and the country at large. They do this in many ways but chiefly by providing us with

food, clean air and water, wildlife, energy, wood, recreation and protection from hazards.

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