

Incorporating ‘Natural Capital’ approaches into government decision making

Background

In 2021, Defra launched an ambitious proof-of-concept over the period of one year to explore how government can integrate natural capital approaches into decision making for the marine environment. This flagship research and development (RND) programme - marine Natural Capital and Ecosystem Assessment (mNCEA) - looked at three things:



**Social
Value**



**Economic
Value**



**Environmental
Value**

When these three approaches are combined, then collectively decision makers can start to look at nature as a whole and the value these approaches directly, or indirectly, bring to people. It includes our ecosystems, species, freshwater, land, soils, minerals, our air, and our seas. Defra has a key role in protecting our natural environment and the services it provides us with. So that might be flood defence, the air that we breathe, or the sea that we swim in for example. Defra’s role is to ensure that nature is incorporated into decision making, not just within Defra, but elsewhere. And in order to do that, they need to speak the right language, and natural capital values nature in monetary terms. So that means that nature can start to be incorporated into conversations that are outside of just environmental focused conversations.

Challenge

Defra has a very important job in spatially prioritising how we utilise our oceans. There are currently future fisheries policies in place, work being done to accelerate offshore wind development, and importantly a focus on marine protected areas (which is a large policy area within Defra). This programme is not just proving the concept that natural capital approaches can be used in the marine environment, but also collecting data and information so that Defra can appropriately value our natural environment and incorporate it into decision making.

Initially there were two key challenges to overcome in order to deliver a natural capital approach:

1. A wide array of stakeholders from scientists to social researchers to economists were required, and these people all needed to work together collaboratively.
2. Ensuring that these projects were sustainable.

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.

A natural capital approach to policy decision making considers the value of the natural environment for people and the economy.

It is both a science programme and a cultural change programme because Defra have to get people to use that information.



Solution

The proof-of-concept explored 21 natural capital and ecosystem assessment projects. These were delivered by Defra's Arm Length Bodies (ALBs), (CEFAS, Environment Agency, JNCC, Marine Management Organisation, and Natural England), and supported by Methods.

Methods' key role was to provide project and programme management capabilities, bringing Defra and their ALBs together in order to share information and findings, and challenge and review all of this in order to begin to provide natural capital outcomes.

We identified what needed to be done over the three-year period in order to deliver a successful mNCEA programme, highlighted key evidence gaps, and outlined the benefit of using industry to collect all that information, from autonomous underwater vehicles to drones.

Building sustainable capability rather than dependency

Applying ethical consultancy meant we looked for ways to create additional value, alongside reducing dependency on us through structured knowledge transfer. This included individual coaching and guidance as well as templates and guidance, that would allow Defra and the ALBs to move forward at the appropriate point without Methods' involvement.



By having Methods alongside during this programme development, it's really given us the space to do all of the appropriate engagement that we need to do. And without that senior engagement, without that policy engagement time, this programme would be nowhere near as successful as it is now.

Emily Gardner - mNCEA Strategy Lead

Outcome

The proof-of-concept year has been incredibly successful. Defra has been able to use their natural capital approach to respond to new policy demands incorporating the use of our seas, or how we get our energy in the UK for example.

Internally at Defra there are now robust operating models, programme management, and project management in place. The different parts of Defra are collaborating successfully in ways that have never been done before – delivering a new way of working for the organisation.



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