

Can we really put a value on nature? Is it the right thing to do? April 2nd 2023

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This week, the UK Government has published a framework for scaling up private investment in nature recovery and you can read it here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147397/nature-markets.pdf

The document states that ‘we need to scale up the flow of private finance to nature’ and it goes on to say that ‘many of the services that nature provides [...], such as carbon sequestration, biodiversity, clean water and natural flood management, are still systemically undervalued in our economy’.

But they’re not undervalued by the creatures that drink at the stream, the insects that lay their eggs on the leaf, or the old toad that shelters in the foxgloves. Is it just humanity that undervalues them?

I know that I am old-fashioned and that I can be a bit naïve, but if you take this philosophy to its end point, I think that it is a disaster waiting to happen. If we only ever deliver habitats for wildlife or river pollution prevention if there is a financial value assigned to that work, people will start to manipulate the processes in order to make money. There are already reports of people denuding natural habitats so that they can then be paid to restore them back to a ‘new’ and valuable habitat. We are also seeing examples of landowners holding-off on decisions to deliver improved habitats until they can see which of the funding options will deliver the greatest reward.

This ‘monetisation’ of habitats seems to be particularly true of the creation of new wetlands now that nutrient neutrality rules mean that people can ‘sell’ their nutrient credits from their wetland. eNGOs and the Environment Agency already had targets to deliver hectares of new wetland in their existing plans, before there was even a whiff of nutrient neutrality. But now that a well-designed and constructed wetland can attract many thousands of pounds for its nutrient credits they have become ‘the next big-thing’ for eNGOs. As they attract an ‘asset value’ is there a risk that we will forget their real purpose and deliver them at the expense of other, less ‘valuable’ habitats?

The Rivers Trust is seeking to develop a market for investment in ‘water replenishment’ aimed at increasing the water volume in a catchment through environmental interventions such as wetland creation or removing invasive species. They hope to generate funding for this through the sale of ‘Replenish’ credits which businesses can use to offset their water use. But does a wetland truly increase the water volume in a catchment? Or does it simply detain the water that is already there? Does that really ‘offset’ the effect of abstracting water for residential developments? There is a significant risk that we are fooling ourselves I think.

Isn’t it enough, sometimes, to deliver improvements for wildlife just because it is the right thing to do?

The framework has been created to enable firms to finance the provision of these ecosystem services, and stacking of benefits is allowed to some extent, so one ‘habitat’ can attract funding for multiple different benefits. But benefits to whom? It feels very anthropocentric when you read the framework; the benefits seem to be focussed more on humanity rather than the species that live in a place. There are examples of ‘low-value’ habitat such as bramble and scrub being ‘grubbed out’ to be replaced with higher value habitat, but for the species that lived in the scrub in the first place, that is not a good outcome, and they may never

come back. There seems to be a complete lack of understanding of the wider ecosystem and how these complex systems work.

All these eNGOs and investors are excited at the opportunities that this approach presents. They are falling over themselves to acquire land which can be 'restored' to create credits. As always, we are overlooking the role that landowners, farmers and growers can play in nature recovery. I am certain that they know their land and their wildlife better than anyone, and that if we simply restored proper payment for the food that they sell, so that they can turn a healthy profit for their business, many of them will invest back into their land and their habitats without being instructed to do so. We could possibly have done this by improving and fully funding the existing stewardship schemes. But by turning that on its head, and paying farmers and growers directly for creating and managing habitat, we are arrogantly ignoring their extensive knowledge and skills in land management and farming. We must allow those who know about land management to work in partnership with the experts in habitat restoration to get the best outcomes for everyone and everything. If there really is money to be made let us make that opportunity available to the existing landowners, rather than stealing it out from under them.

If we must make this 'all about the money' let's at least share out the money-making opportunities equitably and honestly, before this becomes another toxic quagmire filled with smoke and mirrors.

If we think about nature degradation and water pollution, and follow the Polluter Pays Principle, the pursuit of private finance makes no sense anyway. We drive the cars that emit pollutants; we buy the food from the Supermarkets at unsustainably low prices; we flush wet-wipes down the toilet; we have paved our driveways and we have turned our gardens into sterile temples to artificial grass. This environmental harm is all 'on us' and, however unpalatable it may be, we must pay to repair it. The fact that there isn't enough public money to effect the repairs isn't a fault of nature, and the natural environment shouldn't pay the price; we should all pay. Asking the private sector to foot the bill and trying to create 'fake' financial benefits smacks of the Emperors New Clothes and it's time that we all stopped playing along.

I think that we will rue the day that we put a price on nature, but I hope that I am wrong. The Framework says that 'integrity is the bedrock of nature markets'. Good luck with that.



These trees were planted on a farm in Cumbria in 2020 but the local experts realised that they had been planted in a wildflower meadow with a population of Greater Butterfly Orchids, so the trees had to be removed to allow the meadow to be restored.