

The first £billion is the hardest: Scotland's challenge for natural capital

Projects in Scotland are securing investment for nature-based solutions, and the Thriving Natural Capital Challenge Centre in SRUC and Environment Team in SAC Consulting are working on these formative initiatives. This article explains the terms natural capital and ecosystem services, and highlights where you can learn more about what is happening around natural capital in Scotland.

- **Natural capital has finally been given economic value – the combination of soils, species, communities, habitats and landscapes are now recognised as ecosystems services, with critical societal benefits.**
- **The degradation of natural capital poses economic, environmental and social threats.**
- **This is why COP26 will focus on the need for investment into natural capital and why SRUC is showcasing Scotland's formative natural capital projects there.**

The last few hundred years of human activity have created climate changes that threaten human existence. Damage to the natural environment and loss of biodiversity pose a comparable risk and ecological threat.

Natural resources are the single most important input to the global economy. Whether it is raw materials like wood from trees, water, flood protection, biodiversity or pollination, nature provides most of the capital businesses use for

the production of goods and services. Financial values are attached to many assets that businesses use to make products – they have to pay for them. Why don't we do the same with finite natural resources which our economic activity and wellbeing depend on? According to the World Economic Forum, more than half of the world's total gross domestic product, involves activities that are moderately or highly dependent on nature.

Nature provides critical societal benefits to individuals and communities around the world. The combination of soils, species, communities, habitats and landscapes which provide these ecosystems services are natural assets, or natural capital. These include CO₂ sequestration or removal, protection from soil erosion and flood risk, habitats for wildlife, pollination and spaces for recreation and wellbeing. If we view nature as natural capital, recognising the true value of nature's assets, then natural capital becomes an economic asset, that businesses pay for and that we invest in to ensure that natural stock is not driven below critical thresholds, and the assets can regenerate.

The degradation of natural capital, including the loss of biodiversity and depletion of renewable stocks, poses a real risk for businesses, their earnings and investors. Like with climate change, if nothing is done in terms of investing in natural capital, then the costs will be high. The World Wildlife Fund calculates we'd incur a direct cost of \$10tr globally between 2011 and 2050.



Get in touch....

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By securing public and private investment in nature-based solutions, can we help Scotland rebuild its natural capital? Can we use nature projects to combat the climate emergency and biodiversity crisis so that future generations have a better world to live and work in?

SRUC's [Thriving Natural Capital Challenge Centre](#) is supporting the [Scottish Conservation Finance Pioneers network](#) in developing new natural capital investment projects that can deliver returns for investors, whether they are private businesses, public agencies or communities. As the Convention on Biological Diversity (COP15) continues this week, [a new report by the Green Finance Institute](#) has revealed that a minimum of £44 – £97 billion of investment is needed to deliver the UK's nature-related ambitions over the next 10 years. The investment is needed to secure key nature-related outcomes in the UK – such as biodiversity protection and restoration. The gap in Scotland is estimated to be between £15 and £27 billion.

Dr Hannah Rudman, a co-leader of both the Thriving Natural Capital centre and the Finance Pioneers network, has produced a podcast which finds out about 3 exciting projects in Scotland that are securing investment for nature-based solutions. Hannah learns how individuals, communities and the public and private sector are coming together to attract the first (and hardest?) billion pounds Scotland needs for lots of nature-based projects to start-up.

[Listen to the podcast here](#), or search for "Thriving Natural Capital" in your favourite podcast app. The interviewees in the podcast are Andy Griffiths of [Nestlé UK](#), Lucy Filby of [SEPA](#), Deryck Irving of the [Green Action Trust](#), Jo Pike and Bruce Wilson of [Scottish Wildlife Trust](#). The podcast was funded by [NatureScot](#) and produced by Hannah with the support of [SFC](#), via SRUC UIF funding.

We are at the start of a crucial decade of action for nature, and decisions made this year will impact future generations. That's why we need to make sure these changes are included in important global agreements such as COP26, to lay the foundations for an equitable, nature-positive future with net-zero emissions. A low carbon, nature rich future can revitalise our economy and take advantage of the exceptional natural capital we have in Scotland and the rest of the UK.

By securing public and private investment in nature-based solutions via projects like Riverwoods, Landscape Enterprise Networks and focusing on Vacant & Derelict Land discussed in the podcast, we find out how Scotland can rebuild its natural capital so that future generations have a better world to live and work in.

You can also find out about more Scottish natural capital projects and how they can be invested in by signing up to the [Finance for Nature programme hosted by the Scottish Forum on Natural Capital and the Global Ethical Finance Initiative at COP26](#) – it will be livestreamed online on 4th & 5th November, so that you can join in no matter where you are.

Top Tips

[Check out SAC Consulting and SRUC's new learning content around natural capital:](#)

- [Hannah's podcast](#)
- [Hannah's natural capital project reports in upcoming FAS TV episodes](#)

[If you're particularly interested in the topic:](#)

- [Join the Scottish Conservation Finance Pioneers online network](#)
- [Sign up to the online livestream of the Finance for Nature programme hosted by the Scottish Forum on Natural Capital and the Global Ethical Finance Initiative at COP26 on 4th & 5th November.](#)



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