

The Capitals Coalition welcomes the publication of *IUCN Motion 062 - Towards a Policy on Natural Capital* as an important step in the global movement to include the value of nature in the way that governments, business, financial institutions, and society make decisions.

With the [Natural Capital Protocol](#) published in 2016, the United Nations System of Environmental-Economic Accounting –Ecosystem Accounting (SEEA-EA) published in 2021, and the Taskforce on Nature-related Financial Disclosure starting in 2021, there has been a growing movement towards including the economics of nature and people in decision-making. Support from IUCN and its members is crucial for further accelerating this progress and building momentum to mainstream biodiversity across economic sectors, the financial system, and policy.

IUCN's support will add to the evidence and calls for action in the [Dasgupta Review](#) (2 February 2021), the [G7 Climate and Environment Ministers Communiqué](#) (20-21 May 2021), the [1st draft of the Post-2020 Global Biodiversity Framework](#) (6 July 2021), and many others.

Following the structure of the principles we have set out recommendations and resources, that the global value accounting community have developed and been involved with, that support the motion and that we hope will be helpful in its adoption:

Definitions

The Capitals Coalition supports the proposed alternative definition of Natural Capital as it explains the flow of benefits that derive from the stock and is most closely aligned with the definition that is used by the Capitals Coalition global community of: 'The stock of renewable and non-renewable natural resources that combine to yield a flow of benefits to people'.

Principles

The Capitals Coalition supports all General, Inclusivity and Implementation Principles outlined in Motion 062. All of them are in line with the approach that is outlined in the [Natural Capital Protocol](#) (2016), the decision-making framework that enables organisations to identify, measure, and value their direct and indirect impacts and dependencies on natural capital. Furthermore, these principles are also in line with [Integrating biodiversity into natural capital assessments](#) (2021), which was developed for businesses and financial institutions to aid the inclusion of the value of biodiversity in their natural capital assessments.

In relation to some principles, we would like to share more specific reflections:

- In relation to *Principle 6*, the Capitals Coalition would like to point at opportunities it is creating for continuous learning and adaptive management by providing an evolving online [case study database](#), and [Protocol Training resources](#), including a natural capital toolkit, as well as an [online collaboration platform](#).
- The shared value that is included in *Principle 9* has been explored in the [Using Natural Capital Approaches to Manage Shared Dependencies Report](#) produced through the Capitals Coalition by the World Bank IFC, in partnership with the Swiss and Dutch Governments. This sets out 3 key shifts that arise from Natural Capital applications including 'shared dependencies' and the 'moving from direct site level to a broader value chain and landscape approach'.
- In relation to *Principle 12*, the Capitals Coalition supports the definition on the limitations of natural capital valuations, recognizing the cultural and spiritual values people derive from natural capital are particularly difficult to place in monetary or non-monetary terms, and that this must always be taken in considerations when interpreting valuations. See [Integrating biodiversity into natural capital assessments](#) (2021, pages 52-56) for our guidance on how to value impact and dependencies on biodiversity.

- In addition to the implementation principles (12-21) the Capitals Coalitions wants to underline the importance that natural capital assessments are robust and mature. In order to assist business and financial institutions with this, the Capitals Coalition has published a self-assessment tool, the [Capitals Checker](#) that enables practitioners to assess, communicate and improve the level of confidence in their capitals assessment.

Future Developments

The momentum for mainstreaming the value of nature into decision-making continues to grow. The available frameworks, methodologies and tools are robust and mature, but nevertheless of course need – in line with Principle 6 of the IUCN Motion – continuous learning, adaptive management and further development. To this end, the Capitals Coalition and its partners lead and/or support several projects and developments that contribute to the further development of robust and mature applications:

- Implementation of the EU LIFE funded project [Transparent](#), that will develop standardized natural capital accounting and valuation principles for business in line with the ambition of the European Green Deal.
- In addition to this, the [Align project](#) ('Aligning Accounting Approaches for Nature') will assist the European Commission's efforts to support businesses, financial institutions and other stakeholders in developing standardized natural capital accounting practices by establishing a standardized approach to biodiversity measurement and valuation.
- To advance the role of value accounting in decision-making, governance and disclosure, the [Value Accounting Network](#) was launched in July 2021. The members of the Value Accounting Network will collaborate, harmonize, and build consistency in how the value of nature and people is accounted for and applied within organizations.
- It is important to look beyond natural capital and consider the independency of all forms of capitals: natural, social, human, and produced capital. The interdependency of capitals means that to focus on only one capital (as we have previously done with financial capital), can lead to unintended consequences and undermine efforts. A good example is oceans plastic, which although an obvious natural capital problem, is caused by how the plastic gets into the oceans, which is a social and human issue. The Capitals Community has produced [Principles of Integrated Capitals Assessments](#) and we have identified that an integrated approach to capitals is essential.

About the Capitals Coalition

The Capitals Coalition is a global collaboration transforming the way decisions are made in business, finance, and government by including the value provided by nature, people, and society. We are at the centre of value accounting efforts around the world. We work through collaboration with nearly 400 organizations from across the entire system at the core, and thousands more engaged around the world. Our shared ambition is that by 2030 the majority of business, finance and government will include all capitals in their decision making, and that this will deliver a fairer, just and more sustainable world.