



20th February 2023

To whom it may concern,

Natural Capital Ireland (NCI) welcomes the opportunity to input into the public consultation for the *Voluntary National Review 2023*.

NCI is a not-for-profit organisation leading the national conversation on natural capital (view our website [here](#)). We are a group of organisations and individuals from academia and the public, private and NGO sectors. We are committed to the development and application of the natural capital approach to policy and decision making. This approach reveals the full range of values the natural environment provides for our society.

Natural capital is an economic metaphor for nature; a concept that frames the world's resources like plants, animals, water, and minerals as assets or stocks that yield a flow of benefits to people. Natural capital encompasses our biodiversity, the habitats and ecosystems it inhabits and creates, and the wider landscapes and seascapes which it influences and regulates. As such, the natural capital approach is deeply concerned with the conservation and sustainable use of our biodiversity and natural resources. The Natural Capital Approach involves measuring and valuing natural capital assets and requires consideration of evidence across a very broad range of scientific disciplines. This approach helps to reveal the often hidden social and economic costs of environmental damage and the benefits related to the conservation and wise use of natural assets, and thereby provides critical information for a wide spectrum of national and local policies across all sectors in Ireland (See Appendix 1 for definitions relating to natural capital).

NCI believes that it is important for national policy to explicitly recognise that all SDGs are interlinked. Successes in one area of sustainability provide supports for others, with substantial economic, cultural, social and environmental benefits obtainable through careful and co-ordinated actions across the SDGs. Conversely, failure to ensure coordination - and effective cross-sector, whole-of-government partnerships – for the SDGs will result in missed opportunities, wasted resources and limited success. We are not saying that a natural capital approach inevitably reveals win-win solutions across the goals. But we do argue that this approach reveals precisely where trade-offs may be necessary, and better informs these tough decisions.

Whilst two of the SDGs deal explicitly with biodiversity (SDG 14, Life Below Water, and SDG 15, Life On Land), research has shown that biodiversity underpins several other of the global goals and contributes substantially to all 17 SDGs (see Image 1 below). A large and growing body of research shows that biodiversity-focused SDGs can act as multipliers for co-benefits across all goals. Similarly, incorporating natural capital approaches into the other SDGs is essential to ensuring that the biodiversity-focused SDGs – and all related biodiversity policy and action plans – are achieved. Whilst trade-offs often come into play and must be examined in an open and participatory fashion, grounding such considerations in a natural capital approach, where the essential role of natural capital

(biodiversity, ecosystems, and the benefits they provide) in supporting human well-being is placed at the fore, can minimise conflicts and maximise success. NCI again strongly advocates that this relationship between nature and all four pillars of sustainability (economic, cultural, social and environmental) be explicitly recognised and incorporated within Irish SDG policy.

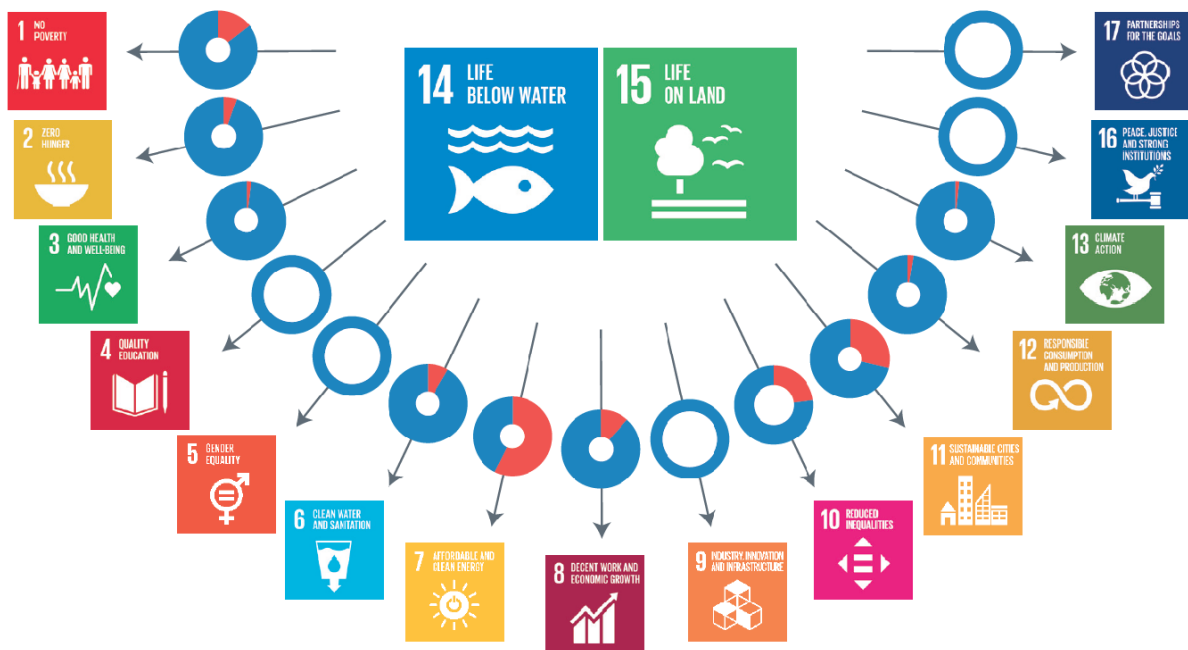


Image 1: The contribution of biodiversity-focused SDGs to other SDGs. From Obrecht *et al.*, 2021.

(Obrecht A, Pham-Truffert M, Spehn E et al (2021) Achieving the SDGs with Biodiversity. Swiss Academies Factsheet 16 (1))

Ireland will be one of 41 countries presenting voluntary national reviews (VNRs) of their implementation of the [2030 Agenda](#) for Sustainable Development at the high-level political forum (HLPF) in 2023. We set out our response below and hope that our input will highlight the importance of the natural capital approach in delivering on Ireland’s SDG commitments:

What is your organisation doing to support achievement of the SDGs?

NCI’s mission is to help build an Ireland in which natural capital and ecosystem services are valued, protected and restored. We do this by supporting the adoption of natural capital concepts in public policy and corporate strategy, promoting informed public and private sector decision-making and assisting in the establishment of a national natural capital accounting standard as required by the EU.

Our natural capital (= our biodiversity and ecosystem services) provides a wide range of resource values essential to the realisation of all 17 SDGs, however, this relationship is frequently unrecognised. We are ultimately entirely dependent on healthy biodiverse ecosystems (our natural capital) for functional societies and economies, and for our very survival (see Image 2 below).

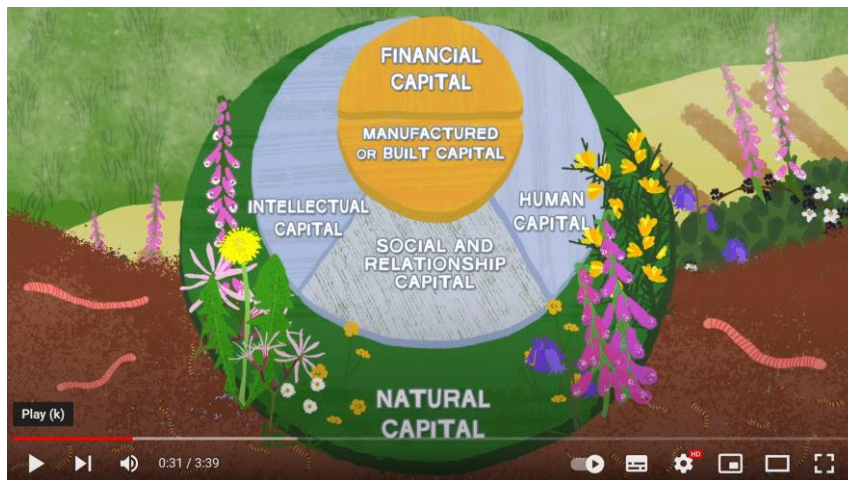


Image 2. Image from [video on Natural Capital on Farmland](#) (produced by Natural Capital Ireland)

Natural capital approaches, and natural capital accounting specifically, present a means to support policy and decision-making with a much wider range of analysis/data than that offered by conventional approaches, because it builds in the fullest possible range of environmental – and cultural – costs, benefits and risks in the assessment of any policy. It is also valuable because it can be used continuously to monitor the full cost-benefit performance of any policy into the future.

NCI contributes to achieving the SDGs in particular relating to biodiversity and ecosystem services (*SDG 14 Life Below Water* and *SDG 15 Life on Land*), but as mentioned already, biodiversity-focused SDGs can act as multipliers for co-benefits across all 17 goals. We outline below some of the work NCI is currently involved in that supports the achievement of the SDGs using natural capital concepts:

- NCI produces accessible [resources](#), seminars, webinars, lectures and meetings to raise awareness about natural capital approaches and natural capital accounting. NCI also participates in original research and contributes to draft policy.
- In order to protect, restore and enhance our natural capital, we must first understand the extent and condition of existing natural assets. In other words, we must establish a baseline upon which targets for improvement can be set. NCI is a partner on the pioneering EPA-funded [INCASE project](#), which is the first project to apply Natural Capital Accounting principles to river catchments in Ireland using the [UN SEEA-EA](#). This is an integrated and comprehensive statistical framework for organising data about habitats and landscapes, measuring ecosystem services, tracking change in ecosystem assets and linking this information to economic and other human activity. The UN Statistical Commission adopted the SEEA-EA in March 2021 and today Ecosystem Accounts have already been used to inform policy development in more than 34 countries.
- Natural capital accounting reports across four main sets of ecosystem accounts – extent, condition, services and benefits - and presents a standardised platform to collate information and regularly report on progress in relation to climate actions, biodiversity conservation and restoration, protection of waterbodies, and general good environmental practices (as identified in cross-sectoral areas such as agriculture, energy, environment, forestry, nature, marine, planning and water supply/use policies). The INCASE report, due to be published in 2023, will recommend support for better understanding of biodiversity to inform creation of accounts, and focused research on ecosystem service assessment. Overall, there is a need to develop an aligned approach to data generation and management to fill the gaps and discrepancies that currently hamper integrated decision-making. There is a range of articles, blogs and supporting videos available from the [INCASE](#) website.

- The [INCASE project](#) pilot can be built upon to develop a national strategy for the management and enhancement of Ireland's natural capital. This would closely align with current government initiatives such as the National Land Use Review, the development of a National Soil Strategy, revision of the National Biodiversity Action Plan, and expansion of Ireland's Marine Protected Areas network; and Department priorities such as sustainable, balanced development and sustainable management of water resources from source to sea under the EU Water Framework Directive.
- NCI was involved in drafting Ireland's 4th National Biodiversity Action Plan 2023-2027 (NBAP) which is due to be finalised in 2023 and NCI advocates that the natural capital approach and natural capital accounting should inform the Plan, in line with EU-wide adoption of the UN System of Environmental Economic Accounting ([SEEA](#)), and the EU Regulation on Environmental Economic Accounts. As part of natural capital accounting, Ecosystem Accounting ([SEEA-EA](#)), adopted by the EU Statistical Commission in March 2021, aims to reorient policies to deliver sustainable development and improved human well-being by measuring and valuing the extent, condition and services of Irish ecosystems as part of the System of National Accounts under the Central Statistics Office's [Irish ecosystem accounting](#). The draft NBAP also includes an action that by 2023, relevant departments (DOE, DHERIS and DHLGH) will work together to align the aims of the National Strategy on Education for Sustainable Development (ESD) to 2030 and the 4th NBAP and to develop and progress mutual actions (Action 3A11).
- NCI is currently involved in a project ([ForES](#)) that will use natural capital accounting approaches to co-develop tools for sustainable forestry management decision-making. This project will build on the learnings of the INCASE project outlined above.
- NCI is also working with the Business for Biodiversity Platform Ireland ([BFBI](#)) which is driving the transition of a nature positive Irish economy, where activities enhance natural systems in addition to minimising impact, by harnessing the energy and innovation capacity of Irish businesses.

What are your organisation's key observations related to Ireland's SDG implementation?

- The importance of the conservation and wise use of biodiversity and the benefits provided by healthy ecosystems to sustainability has long been understood and recognised by the scientific community and in the context of international sustainable development policy. However, to date this reality has not been sufficiently reflected in national policy. NCI responded to the public consultation on the *Draft Second National Implementation Plan for SDGs 2022-2024* in June 2022 and was disappointed that the relationship between nature and all four pillars of sustainability (economic, cultural, social and environmental) was not explicitly recognised in the recently published final document *Ireland's Second National Implementation Plan for the Sustainable Development Goals 2022-2024*.
- NCI does not believe that Ireland's Second National Implementation Plan for the SDGs 2022-2024 reflects the seriousness of the biodiversity crisis, nor does it explicitly recognise the necessity of healthy biodiversity ecosystems, and the services they provide, for mitigation against the negative impacts of climate change. The recent World Economic Forum's Global Risks Report ([WEF, 2023](#)) considers biodiversity loss and ecosystem collapse as one of the fastest accelerating global risks over the next decade and is ranked in the top 4 risks over the

next 10 years. All six environmental risks are ranked in the top 10 risks over the next 10 years (*Failure to mitigate climate change; Failure of climate change adaptation; Natural disasters and extreme weather events, Biodiversity loss and ecosystem collapse; Natural resource crises; Large-scale environmental damage incidents*). Each of these risks are inter-related risks that compound each other. These risks are a direct threat to our natural capital, and also stem largely from our failure to conserve and restore it.

- Ireland's VNR ([2018](#)) was based on data provided to the National Sustainable Development Unit by the CSO using the EU SDG indicator set. Performance for numerous SDGs was mixed with specific challenges relating to areas such as housing, sustainable consumption and production, biodiversity and habitat destruction, mitigating and adapting to climate change, being highlighted. Ireland's Total Official Assistance for Biodiversity in 2020 (relating to SDG 15a.1) was [\\$47.4m](#) (Source: UN Statistics Division). Ireland is still lagging in many of its conservation commitments under directives such as the EU Habitats Directive, the Water Framework Directive, and Birds Directive. NCI believes that there continues to be insufficient funding from the Irish Government to address the biodiversity crisis, which is a key tool in delivering Ireland's SDG commitments. This failure to fund biodiversity is rooted in a deeper failure, to recognise the need for a whole-of-government integrated approach to this crisis. Natural capital accounting is, we believe, the ideal tool to achieve this integrated approach.
- With regard to SDG 14 (Life Under Water), the creation – and effective management – of Marine Protected Areas (MPAs) is vital for the protection, restoration and augmentation of marine and aquatic natural capital. One of the pioneers of the natural capital approach, Herman Daly, pointed out a paradox: that by over-subsidising built capital in this area – onshore processing facilities, bigger fishing vessels – we are depleting the natural capital – fish stocks – that we depend on for much of our food. The solution is to create zones where this natural capital can flourish, and soon spread into areas where fishing is permitted. This management of natural capital creates a truly sustainable solution to the problem of overfishing. NCI welcomes the publication of the [General Scheme of Ireland's new Marine Protected Area](#) (MPA) legislation in December 2022 and the recent Joint Oireachtas Committee on Housing, Local Government and Heritage scrutinising this MPA legislation - this being the first step in bringing this legislation into law. This legislation will enable the Government to fulfil its commitments of achieving the designation of 30% of Ireland's seas as MPAs by 2030.

What is Ireland doing well and how could it improve?

- The recently published Second SDG implementation Plan 2022-2024 provides a good framework and the cross-departmental and cross-functional emphasis is welcomed.
- In relation to the SDG Implementation Plan, in terms of Local Authorities, a key action is auditing and mapping of plans and policies against the 17 SDGs, as undertaken by Dublin City Council. This would help identify not just '*how the SDGs have been incorporated and highlight examples of best practice*' (Measure 29a), but also the gaps that need to be addressed in the short-to-longer term.
- The commitment to 'leaving no one behind' is also very good to see. Many of the SDGs will be impacted by climate change over coming decades as this will be a key driver of change. There are many analysis reports available from the World Health Organisation and the [United Nations](#). Looking to the future, SDGs will be even more interrelated with knock-on

impacts, e.g. climate change will change the availability and cost of food, amount and distribution of water; rising temperatures will mean the transmission of new diseases, etc. Protecting and enhancing natural capital is a key priority with multiple social and environmental benefits in strategies to mitigate and adapt to climate change impacts.

- The SDG National Stakeholder Forum: '*Leaving No One Behind*' held in January 2023 provided an opportunity to meet in person to discuss and develop a shared understanding of what *Leaving No One Behind* means in an Irish context. Outputs from this forum will inform the preparation of Ireland's second VNR which will be presented to the UN in July 2023.
- While stakeholder engagement is seen as essential and there are plans for better representation of stakeholders in the national SDG Stakeholder Forum, there is inadequate detail on how this is to be achieved. Furthermore, there is little detail on how to improve awareness and engagement with practices that promote sustainability among civil society and communities.
- The [SDG Geohive](#) (Ireland's hub for SDGs) is a highly valuable resource. However, it must be kept up-to-date if it is to be a valuable resource for policy and practice. For example, the map of the status of Ireland's rivers is based on 2015 data, rather than updated with the more recent EPA data. This was highlighted in NCI's response to the draft SDG Implementation Plan public consultation in June 2022.
- On page 38 it states that '*While Ireland remains above the EU average for SDG 6 Clean Water and Sanitation and SDG 15 Life on Land, it is currently moving away from progressing those SDGs*'. Although we may be above the European average, we still have significant biodiversity issues relating to water and land. SDG implementation must aim to progress all SDGs cognisant of their interconnections and the prime importance of the biodiversity and climate crises, as these affect most, if not all of the SDGs.
- Integration within all Programme for Government functional areas is the priority with clear sustainability outcomes. It does need to be resourced but following the SDGs can also save money and it is important to acknowledge that behavioural change is the key to the success of delivering on the objectives of the SDGs. This behavioural change must cross all sectors of society and Government.

Ideas on how Ireland can Build Back Better while Leaving No One Behind

Natural Capital Accounting can and should be used to inform social justice policy including leaving no one behind. NCA in cities and towns can help us to understand and mitigate against issues such as gentrification and homelessness. Trends that we identify in ecosystem accounts can help us to understand and plan for the educational demands that we can expect as our communities transition from current environmentally destructive and extractive industries to future industries that will support adaptation and mitigation measures as well as an improved bioeconomy that favours sustainable practices.

The past number of years have been challenging in terms of the global pandemic, political unrest, and humanitarian crises. Climate change and biodiversity loss, which are expressions of the critical erosion of our natural capital, pose further challenges to our societies and exacerbate the political and economic challenges we are also facing. Protecting, restoring and ultimately augmenting our natural capital is key to achieving these objectives.

We hope you find that the points above offer opportunities to expand, deepen and co-ordinate policies across the whole range of economic, environmental, social and cultural values, and we would welcome the opportunity to work closely with the Department to deliver on Ireland's Voluntary National Review and future SDG Implementation Plans over the coming years. Please contact us for clarifications, and further information at researchteam@naturalcapitalireland.com.

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APPENDIX 1 – Natural capital concepts and definitions

We outline below what the natural capital concept is about and why we consider that viewing our biodiversity and ecosystem services through the lens of natural capital enables us to understand much better its importance to our lives, health and economies. We include a definition of *biodiversity*, *ecosystem* and *ecosystem services*, as these are central to understanding our natural capital.

What is natural capital and the natural capital approach?

What is natural capital?	What is the natural capital approach?	What is natural capital accounting?
It is an economic metaphor for nature. A way of framing the world’s ecosystems including biodiversity, water and minerals as stocks of assets that yield flows of benefits to biodiversity and people. Biodiversity is one element of our natural capital, the other being ecosystem services.	This approach involves measuring our natural capital to reveal how it is delivering important benefits to society and the economy. The concept of natural capital provides a way to understand the value nature provides and our dependence on it, and enables the public and policy makers to avoid unintended losses.	This is a system for organising information about natural capital stocks and ecosystem service flows. Natural Capital Accounts (NCA) detail the <i>extent</i> and <i>condition</i> of natural capital stocks (including biodiversity) and the flow of <i>services</i> and <i>benefits</i> , and enable tracking of each over time. NCAs can be linked to national accounts, making visible the previously hidden value of nature and its impact on the costs and benefits of policies in every area.

Biodiversity	Ecosystem	Ecosystem services
Biodiversity refers to the variety of all life forms on earth, including humans. In most cases, the more biodiverse ecosystems have higher rates of ecological functioning, and more resilience to environmental change.	An ecosystem is a biological community of interacting organisms and their physical environment, e.g. woodlands, peatlands, dune systems, oceans, rivers, hedgerows, soils, etc. Healthy ecosystems are vital to our survival, well-being and prosperity.	Ecosystem services are the result of processes that ecosystems perform, resulting in benefits such as air purification, which make human life both possible and more enjoyable.