



NATURAL
CAPITAL
IRELAND

Re: Consultation on the Department of Housing, Local Government and Heritage Statement of Strategy for the period of 2025-2027

To whom it may concern,

Natural Capital Ireland (NCI) welcomes the invitation to respond to the Consultation on the Department of Housing, Local Government and Heritage Statement of Strategy for the period of 2025-2027.

Introduction

[NCI](#) is a not-for-profit organisation leading the national conversation on the natural capital approach. We are a group of organisations and individuals from academia and public, private and NGO sectors, committed to furthering the natural capital approach to policy and decision making, an approach which integrates information to help us value our natural resources. NCI's mission is to help build an Ireland in which biodiversity and ecosystem services are valued, protected and restored.

What is natural capital? Natural capital is an economic metaphor for nature; a concept that frames the world's resources - plants, animals, water, minerals etc - as assets or stocks that yield a flow of benefits to people. 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.

Background to this policy submission:

NCI has previously voiced the view within our submission to the [NPWS Statement of Strategy Consultations 2024-2025](#) that the importance of nature restoration and halting biodiversity loss is still misunderstood within our society as a whole, and, unfortunately, as of yet, understated within the Department of Housing, Local Government and Heritage's Statement of Strategy, despite the Government declaring a [biodiversity emergency in 2019](#). Although the responsibility for tackling a cross-cutting crisis of this magnitude should not solely lie within a single department as has been highlighted by the Stout-Ó Cinnéide (2021) strategic review of National Parks & Wildlife Services, which calls for a "cross-Governmental policy approach to nature, climate and water", the governance of biodiversity in Ireland currently resides within the Department of Housing, Local Government & Heritage (DHLGH) which should work to bring other Departments together to deliver solutions and break down sectoral silos, and ideally this should be reflected within every goal of the Statement of Strategy 2025-2027, where feasible.

Governments around the world are using natural capital accounting to better understand people's relationship with nature, their impacts and dependencies on it, and to monitor and improve policy responses to addressing biodiversity loss and climate change ([Capitals Coalition, 2021](#)). The EU Biodiversity Strategy for 2030 calls on Member States to develop natural capital accounting and to better integrate biodiversity considerations into public and business decision-making at all levels ([EC, 2020](#)).

The Central Statistics Office ([CSO](#)) is currently advancing natural capital accounting in Ireland through the Ecosystems Accounting Division, which has begun developing ecosystem accounts for Ireland. The [National Biodiversity Action Plan 2023-2030](#) Outcome 4D includes several actions relating to the development of the approach, including that "a network of experts in Natural Capital Accounting will be established for the island of Ireland", 'relevant bodies will develop appropriate guidance for key sectors on the use of Natural Capital Accounting' and that 'relevant organisations will conduct a national assessment of stocks, flows and trends in ecosystem services to identify priority ecosystems and threats to natural capital using appropriate tools, to be coordinated with relevant authorities in NI.'

The Department of the Environment, Climate & Communications (DECC) recently commenced gathering expressions of interest for an Advisory Committee on Natural Capital, of which NCI will be a member, and we would like to see the establishment of close ties between the Department of Housing, Local Government and Heritage, DECC and other relevant departments and sectors including Health, Transport, Education, Culture and Tourism within this advisory group.

We would therefore like to see the development of the role of natural capital accounting in Ireland acknowledged and further research and funding commitments in this area stated as an Objective within the new Strategy statement.

With the 4th National Biodiversity Action Plan 2023-2030, issued by DHLGH in 2024, Ireland has committed to a ‘whole-of-government, whole-of-society’ approach to biodiversity, which requires that each sector of government and society understands how their own development, strategic goals, and prosperity can impact and depend upon biodiversity and ecosystem services, and takes appropriate action to address the resulting risks and opportunities.

With National Parks & Wildlife Services currently developing a National Nature Restoration Plan, under the EU Nature Restoration Law, to be published within the Statement of Strategy period in question, the DHLGH must play a key part in bringing this holistic approach into effect, providing guidance to all state agencies and key stakeholders to enable them to act for nature within their own sphere, drawn up in conjunction with all relevant stakeholders.

Key message:

There is a need to embed the natural capital approach into operational and policy-making decisions across the DHLGH and across other departments.

The DHLGH, and the Government as a whole, should commit to an approach that treats the issues of biodiversity loss and climate change as being interlinked in causes and solutions. The use of a natural capital framework, which highlights the multiple values of biodiversity and ecosystem services, is an important tool to facilitate this joined-up thinking approach.

The natural capital approach would aid in the achievement of all strategic goals listed, in particular, to support nature-related decision-making at a national, region and community level. The approach applies to cross-cutting issues within government departments and Irish society - water quality, planning, health, agriculture and food, tourism, business and enterprise, education and culture, as it enables us to properly value the benefits that healthy natural systems contribute in all of these areas and more.

There needs to be accountability for delivering on nature restoration actions within the various government departments, whether overseen by DHLHG/NPWS, another government department or an independent Nature Restoration Agency to oversee action. A review of past and current policy conflicts between departments and projects must be carried out, to learn from mistakes and ensure positive, impactful alignment in future. In addition, more investment is needed to ensure the enforcement of existing regulations, i.e. EU Habitats Directive, EU Water Framework Directive, EU Birds Directive and CAP conditionality.

NCI advocates that the natural capital approach should be a key tool for conserving and restoring our natural capital and ecosystem services, and for identifying appropriate nature-based solutions to landscape management issues that can address the needs and perspectives of multiple stakeholders. As a holistic and inter-disciplinary toolkit, the natural capital approach can assist with silo-busting and greater integration of perspectives from multiple sources, and at landscape level, it can also help to avoid, minimise and resolve conflict between stakeholders, schemes and strategies.

There are several sectors of society and indeed, government, which have traditionally not been involved in addressing biodiversity loss because they do not see it as an issue relevant to them. This includes the financial, investment, trade, manufacturing, health, and social welfare sectors. These audiences require specific **outreach and education approaches** in order to ensure their positive involvement in addressing the biodiversity emergency. In addition, a new approach is required to effectively address the role of the food sector – particularly agriculture, fisheries and food manufacturing – in contributing to biodiversity loss, and its significant potential to drive biodiversity conservation and restoration. This approach needs to be based on establishing stronger partnerships based on shared ground and common concerns – such as enhancing and sustaining nature’s contribution to people, and the interlinkages between nature and wider culture and industry – in order to overcome the main points of (real or perceived) conflict between the agri-food and environment sectors.

Many of these issues were raised by expert stakeholders recently when Natural Capital Ireland carried out a workshop with the Irish Environmental Network ([IEN](#)) and invited participants from organisations including NPWS, the CSO, academia, a number of Irish and EU nature restoration projects, as well as business and finance representatives, to develop High-level Recommendations on Funding Nature Restoration in Ireland, the full report on which can [be accessed HERE](#).

Some key points that emerged over the course of the workshop were the need to:

Invest in an overarching nature restoration plan

This is now a commitment by the Government and is a stipulation of the EU Nature Restoration Law. NCI was delighted to join the recent first meeting of the Leaders Forum on Ireland’s Nature Restoration Plan and add our voice to support NPWS in formulating that plan. We need a roadmap to nature restoration to ensure everyone is working in tandem towards the same goals. As part of this, we feel a rapid reform of any elements of existing infrastructure that have hampered delivery to date is needed, with a robust structure put in place to enable those who are on the ground, and ready to act now, to deliver evidence-based actions with the confidence that they will be supported and sustained long-term.

Build capacity and expertise in nature restoration

Rapid capacity building requires an investment in staff, expertise, education, training and upskilling, in particular, in practical nature restoration skills and natural capital accounting. An **integrated nature-related data infrastructure** to facilitate decision making is also needed, as is mapping and measuring ecosystem extent and condition over time to inform and track action and outcomes. This should be supported by the Central Statistics Office’s Ecosystem Accounting Division, which is delivering national-level natural capital accounts.

Rapid scaling up of best-practice restoration projects with ongoing, long-term supports

Long-term thinking and multi-annual funding is vital. The implementation of the Nature Restoration Law, Climate Action Plan and Land Use Review require long-term support to enable landowners to implement sustainable land use management. Scaling up nature restoration requires well-designed pilot projects which can then be expanded. [Our report on](#)

[Funding Nature Restoration](#) contains examples of best-practice projects that would benefit from continued support to enable scaling up.

Funding must be sustainable, scalable, ongoing and long-term with continuous monitoring and openly tracked progress

The timeline of just over two years for NPWS to deliver on a National Restoration Plan for Ireland requires immediate funding to build capacity - and plans must be co-created with local communities and stakeholder groups to ensure success. Ongoing monitoring, reporting and verification is essential. We need a focus on results-based, locally led schemes and prompt and fair financial rewards for those tasked with delivery, with monitoring built into schemes from the start.

A blend of public and private sector funding for nature restoration

Public funding alone will not be enough for successful nature restoration in Ireland. New fiscal measures should be introduced e.g. the Government could consider putting a half a percentage onto corporate tax (0.5%) or introduce a levy on profits that can be dedicated to nature restoration. In addition, cross-party recommendations from the [Oireachtas Joint Committee on Environment and Climate Action Report](#) on the Citizens' Assembly Report on Biodiversity Loss should be implemented - in particular, those relating to funding nature restoration, including investigating a Citizens' Green Bond to support investment in nature restoration, conservation and climate-related projects.

These sentiments around capacity building and integration of the natural capital framework into the wider policy system, as well as the importance of Payment for Ecosystem Services to facilitate nature conservation initiatives, are echoed in the recent National Economic & Social Council Report: [Natural Capital Accounting-A Guide For Action](#).

The top three key points of the NESC report are:

- **Capacity-Building:** Identification of actions to enhance Ireland's work on developing natural capital accounting, building capacity in areas including skills around ecosystem services and spatial mapping, and in using the accounts in national departments, agencies and -local authorities.
- **Spotlight on Payment for Ecosystems Services Schemes:** Examination of the development of PES schemes aimed at supporting the transition in agriculture and land use and supporting farmers in caring for nature, water, forestry, carbon sequestration and a range of other ecosystem services.
- **Support for Integration:** Advice on how to integrate natural capital accounting into the wider policy system.

The report was compiled by NESC following a workshop facilitated by NCI, and following a request from Government 'to provide advice on natural capital (nature) accounting frameworks' in the Climate Action Plan 2021 (Government of Ireland, 2021a). The work builds on research supported by the NPWS, the Environmental Protection Agency (EPA), and the Department of Agriculture, Food and the Marine (DAFM), which was undertaken by Trinity College Dublin (TCD), University College Dublin (UCD), and the University of Galway (UCG), among others. The report acknowledges that in recent years there has been a

"deepening in natural capital accounting knowledge, practice and collaboration aided by the work of Natural Capital Ireland".

Similar points have been raised in Natural Capital Ireland's [Pre-budget Submission](#) in 2023.

1. Invest in actions that support the development of national natural capital accounts for the island of Ireland
 - Set financial spending targets for the development and implementation of national natural capital accounting
 - Support the further development of a network of experts in natural capital accounting for the island of Ireland
 - Require and enable collaboration between relevant bodies to advance natural capital accounting and reporting methods and standards in Ireland, in line with the UN-adopted standard System of Environmental Economic Accounting ([SEEA](#)) and ensure that appropriate guidance is provided to key sectors on the use of natural capital accounting
 - Invest in Ireland's nature data to support this work, see NCI's [Data4Nature report](#) which outlines the need for better data infrastructure, more alignment between data sources, and ideally a central hub for nature-related data.
 - Support relevant organisations, including the CSO, in a national assessment of our natural capital stocks and flows to identify priority ecosystems and threats to natural capital using appropriate tools, to be coordinated with relevant authorities in Northern Ireland.

2. Develop central guidance through the Public Spending Code on valuing natural capital assets, biodiversity and ecosystem services
 - Build on outputs of the EPA-funded Irish Natural Capital for Sustainable Environments ([INCASE](#)) project, CSO Ecosystem Accounting Division (EAD) research, and work by Stephen Hynes of the Socio-Economic Marine Research Unit at University of Galway on valuing Ireland's Ocean Economy, to develop central guidance on valuing our natural capital.
 - Further support the development of Ireland's Business for Biodiversity Platform ([BFBI](#)) and incentivise the business transition to nature. Seed-funding from the Department of Housing, Local Government and Heritage has enabled the development of the national Business For Biodiversity platform in its early stages - further funding and support would enable the expansion of their business model, in order to:
 - Engage with all Irish businesses to encourage them to conduct materiality assessments and determine their impacts and dependencies on nature and biodiversity and take action to ensure a transition to a nature-positive way of working
 - Research and produce guidance for Irish businesses on relevant international initiatives such as the Taskforce for Nature-related Financial Disclosures ([TNFD](#)) and Science-based Targets for Nature ([SBTN](#)) to ensure they are compliant with new legislation such as the EU Corporate Sustainability Reporting Directive ([CSRD](#))

Strategic Goals

In relation to some of the specific Strategic Goals in the existing strategy, we would like to point out how the natural capital approach is relevant to achieving these, in that it links the various elements by providing a framework to demonstrate the value of work to restore and enhance ecosystem services and prevent loss of natural capital.

Ideally, we would like to see the addition of a goal within the DLHLGH Statement of Strategy that refers to linking the current goals, for example, ensuring that issues related to climate, water and biodiversity are addressed holistically within all of the other departmental goals, particularly in the goal on housing. For example, ensuring the use of sustainable materials, sustainable procurement, low-carbon construction methods, energy efficiency and provision of adequate green spaces should be a prerequisite for new developments. As a very minimum, no net loss, and, as a norm, biodiversity net gain, needs to be a clear commitment within the housing policy. A new goal that is specifically about making linkages between Goals A to G would show that the Department is committed to ensuring that all new housing development is taking water, biodiversity and climate change into account. Applying Natural Capital Accounting in this area will demonstrate the knock-on benefits these measures will have on public health, carbon, industry and more.

Strategic Goal B: To provide a framework for the sustainable management of water resources from source to sea and for the provision of effective and efficient water services.

NCI was a partner on the pioneering EPA Research-funded [INCASE](#) project, which is the first project to apply Natural Capital Accounting principles to catchment areas in Ireland.

Natural Capital Accounting reports across four main sets of ecosystem accounts – extent, condition, services and benefits – and, using the UN-backed System of Environmental Economic Accounting – Ecosystem Accounting approach, 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). As well as producing guidance documents for the creation of a risk register for peatland restoration using the natural capital approach, the project used available Water Framework Directive reporting data and time series data to compare general trends in the condition of rivers and lakes with the ecosystem extent accounts within Irish catchments.

Strategic Goal D: To ensure that planning and building in our regions, communities and maritime area contributes to the delivery of sustainable, regenerative and balanced development.

Natural Capital Accounting for the marine environment is a useful tool to reveal values and relationships within this environment that would otherwise remain invisible. However, the lack of quality data on the extent and condition of our marine environment is a significant

challenge. More alignment of marine and other nature-related data collection is needed as well as better availability of this data within all sections of government departments.

Continued research into natural capital accounting in a marine environment is needed. Bord Iascaigh Mhara (BIM) undertook a preliminary natural capital accounting initiative at Clew Bay, Co Mayo, which concluded in 2022, to explore how the natural capital approach can support the Irish seafood industry in the sustainable management of ocean resources, and to support seafood industry operators to create value. Further investigation on a broader scale would be beneficial. The seafood industry is disproportionately impacted by climate change and is reliant on natural capital, therefore, understanding the extent and condition of the marine environments is important for the marine sector, also cross-cutting into the tourism sector and health.

In relation to the National Planning Framework, NCI would like to see the framework structured through a natural capital lens also to facilitate:

1. Delivery and revision of the National Planning Framework (NPF) to achieve a more sustainable pattern and form of spatial development that is aligned with public investment to support more balanced regional development
2. Develop and implement a Marine Planning System and Framework. Support the long-term and sustainable development of the maritime area ensuring protection of marine biodiversity, supporting coastal communities and encouraging investment.

Strategic Goal E: 'In the context of climate change and the impact of weather on Ireland, serve the whole of society through the production and communication of reliable weather and climate information to protect life and property and to further enhance Met Éireann's role as the authoritative voice on meteorology and climatology in Ireland.'

While the current Strategy includes a number of important measures to address the damaging effects of extreme weather caused by climate change, these measures are overwhelmingly reactive and we would like to see some strategy pointing to more preventative measures, including the natural capital approach to inform nature restoration and halt biodiversity loss. Goal E should include wording in support of **natural flood management and nature-based solutions to flooding**. We would like to see the promotion of and investment in research and capacity for implementing these.

Nature-based solutions have co-benefits for halting wildfires, preventing landslides and providing flood mitigation but are not yet being well invested in. The natural capital approach can also demonstrate the value of these measures to inform and support investment in these schemes, rather than just counting the costs afterwards to business and society of the damages caused by extreme weather and climate change.

Strategic Goal F: 'To conserve, protect, manage and present our built, natural and archaeological heritage, and our biodiversity, for its intrinsic value and cultural identity, including to the environment as well as a support to local communities, regional economic development and sustainable employment.'

There is a need to link this goal back to the other goals, particularly water, marine and housing - this isn't and shouldn't be a standalone goal - it can only truly be achieved by addressing issues of water, biodiversity etc by a holistic approach - which natural capital accounting can provide by putting the benefits of protecting and enhancing these ecosystem services on the 'balance sheet' and providing a common language to address these cross-cutting issues.

We are delighted to see an Outcome here on "Effective co-operation of Waterways Ireland and the Department for Infrastructure (NI) and effective liaison between key stakeholders". NCI would like to see plans to extend this cooperation through every other relevant public body on the island of Ireland and would like to point out that Northern Ireland DAERA's Environment Strategy recognises the importance of natural capital and the need for a framework for Northern Ireland. Natural Capital is also a key element of Northern Ireland's Green Growth Strategy, a multi-decade plan which aims to balance climate, environment, and economy. The approach is also a vital component of Northern Ireland's Draft Biodiversity Strategy.

Under the DHLGH Statement of Strategy's Goal F, Objective 2:

1. To conserve, protect and manage our heritage resources, maximising the benefits for biodiversity and as a support to local communities, regional economic development and sustainable employment while implementing relevant aspects of UN Sustainable Development Goal 15 "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss"

There are two actions here where boosting natural capital expertise and research should be inserted as a specified element:

- 2.1 Build on existing skills to ensure high standards of planning, management and protection competencies are achieved
- 2.5 Improved support for research

Build on existing skills to ensure high standards of planning, management and protection competencies are achieved, **including the rapid development of expertise in the area of natural capital accounting and ecosystem accounting.**

Improved support for research, **particularly in the areas of ecology, biodiversity, nature restoration and the natural capital approach.**

Action 3 under the above objective states:

'To ensure greater awareness, appreciation and understanding of Ireland's rich heritage for its intrinsic value and as a cultural, educational and recreational amenity and also as a valuable resource for business and Ireland's green image.'

In order for this to be achieved, the intrinsic as well as monetary value of nature can be accounted for and communicated through the natural capital approach by integrating accounts that highlight how natural ecosystems and their multiple services - clean air and water, green spaces, areas of natural beauty to walk, swim and be inspired, enjoyment of nature and wildlife - provide both quantitative and qualitative benefits for health, tourism, education and culture, while also calculating and communicating the potential losses which are being incurred when these natural systems are destroyed or degraded.

A better, integrated means to demonstrate the value of nature and biodiversity will help achieve these indicators listed alongside the **Outcome: 'Increased community awareness of the immense inherent value of Ireland's heritage and biodiversity as an important contributor to national health, wellbeing, economic growth and stakeholder buy-in to its protection.'**

It should be noted that natural capital projects entail a high level of engagement with stakeholders, a key finding of the pilot project [INCASE](#) (Irish Natural Capital Accounting for Sustainable Environments). Indicators such as public buy-in, the restoration of habitats and development of amenities will be more easily achieved once the value of nature can be demonstrated clearly to all stakeholders using natural capital accounts.

Conclusion:

Natural Capital Accounting can be used at any scale - national, catchment, forest or farm-level - to inform integrated economic and political decision-making, sectoral policies, responsible business strategies and support evidence-based investment, rural development, health and sustainability outcomes, and we would ask that the important ongoing developments in this field be reflected within the Department of Housing, Local Government and Heritage Statement of Strategy.

We are happy to provide further information on any of the above points by request.

Regards,
NCI Research Team

Please contact:
Fiona Smith, NCI Communications Executive
info@naturalcapitalireland.com

Deirdre Lane, NCI Executive Coordinator
coordinator@naturalcapitalireland.com

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