

From: [NCI Research Team](#)
To: [DECC GPP](#)
Cc: [REDACTED]; [info NCI](#); [REDACTED]
Subject: Draft GPP Strategy and Action Plan 2023-2027
Date: Friday 17 November 2023 17:30:17
Attachments: [NCI GPP public consultation response 17112023.pdf](#)

CAUTION: This eMail originated from outside your organisation and the BTS Managed Desktop service. Do not click on any links or open any attachments unless you recognise the sender or are expecting the email and know that the content is safe. If you are in any doubt, please contact the OGCIO IT Service Desk.

A chara

Please find attached NCIs response to the Draft GPP Strategy and Action Plan 2023-2027.

Le meas

[REDACTED]
NCI Policy Working Group

--



researchteam@naturalcapitalireland.com
www.naturalcapitalireland.com

[Twitter](#) | [LinkedIn](#) | [INCASE project](#)



17th November 2023

The natural capital approach: a key perspective for informing and underpinning the Draft Green Public Procurement Strategy and Action Plan

A chara

Natural Capital Ireland (NCI) welcomes the opportunity to input into the Public Consultation on the Draft Green Public Procurement (GPP) Strategy and Action Plan 2023-2027 which was a commitment in the Climate Action Plan 2023.

Natural Capital Ireland (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, committed to the development and application of the natural capital approach to policy and decision-making. Our mission is to value, protect and restore Ireland's natural capital and ecosystem services, by supporting the adoption of the natural capital approach 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.

Natural capital is an economic metaphor for nature, which includes all biotic and abiotic entities and processes that constitute the planet earth including plants, rocks, animals, insects, water, gases etc. and their interactions with each other. The natural capital approach involves recognising, measuring and valuing these entities and processes and is supported by an internationally recognised methodology of natural capital accounting which allows us to put the natural capital approach into action at multiple scales from national scale to farm scale and everything in between.

As stated in the Draft GPP Strategy and Action Plan 2023-2027, our current linear production and consumption model, which is based on produce, use and disposal, is significantly carbon and resource intensive, with the circular economy being considered an alternative to the current model. NCI believes that the Draft GPP Strategy and Action Plan 2023-2027 should include the protection, restoration and conservation of our natural capital and sustainable use of our natural resources as a means of achieving a circular economy that accounts for our reliance on nature. Green Public Procurement (GPP) is defined by the EU Commission as '*procuring goods, services and works with a reduced environmental impact throughout their life cycle*'. Green Public Procurement (GPP) should be as much about protecting our natural capital as it is about sustainability and carbon emissions.

UN Sustainable Development Goal (SDG) 12 includes a target to promote public procurement practices that are sustainable, in accordance with national policies and priorities. As outlined the Draft GPP Strategy and Action Plan, sustainable public procurement aims to account for the three pillars of sustainable development at all stages of the procurement process – economic, social, and environmental. A growing body of [research](#) shows that nature-focused SDGs can act as multipliers for co-benefits across all SDGs. Similarly, incorporating a natural capital approach into the other SDGs is essential to ensuring that the nature-focused SDGs – and all related environmental and 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 in supporting human well-being is placed at the fore, can minimise conflicts and maximise success.

Our economy depends on society and nature creating the conditions for us to succeed. Until very recently we have taken many of nature's services for granted and assume they will continue to be free forever. This is not the case. The current environmental crisis clearly demonstrates that our global resources are limited and under severe pressure, and that our dependence on nature is much deeper than we had traditionally understood. Failing to understand that in persistently degrading the natural environment and the multitude of species that should flourish in it, we are sawing off the branch on which humanity sits. The natural capital approach provides a way to understand the value nature provides and our dependence on it.

Critical support systems such as nature's ability to regulate the climate are failing. This is largely because our current economic systems treat the social costs or benefits of nature's services as externalities, not adequately captured in the market. This is despite their vast economic and social value. Regulation and markets are slowly internalising these externalities as sustainability challenges grow more urgent.

We propose the natural capital approach as a framework in which the Draft GPP Strategy and Action Plan could be embedded, and which can reveal values and relationships within it that would otherwise remain invisible, and identify risks that may not have otherwise been identified.

Why natural capital?

As nature continues to degrade through land-use change, pollution, introduction of invasive species, over-exploitation, and climate change, extinction levels rise, and the level of biodiversity falls - this has dire consequences for human health and contributes to climate breakdown.

The natural capital approach seeks to avoid such dangerous blind spots by revealing the full range of environmental costs and benefits of any policy, including Green Public Procurement. Our natural capital is infinitely important, not only for the health of our planet, wildlife, and economies, but for human health and well-being. As stated in the recently published [Report](#) of the Citizens' Assembly on Biodiversity Loss '*To protect ourselves, we must protect nature*'.

We believe that the natural capital approach is especially helpful and insightful in considering actions to halt and reverse biodiversity loss, mitigate the climate crisis, and to achieve climate neutrality by 2050. The extensive inclusion of the natural capital approach and stipulations to create natural capital accounts at global and EU levels, shows a clear direction toward the mainstreaming this approach in policy, in response to the necessity for a systems-based approach to support sustainable development. The EU has taken the lead globally on advancing natural capital policies and is bringing the member states with it, requiring them to map and assess the state of ecosystems and the services they provide, including policy such as, the EU Green Deal; EU Biodiversity Strategy 2030; Nature Restoration Law; EU Taxonomy; Corporate Sustainability Reporting Directive (CSRD); EU Circular Economy Action Plan (2020) and updated EU Bioeconomy Strategy. In Ireland, the natural capital approach is integrated into major national policy documents, such as the Climate Action Plan 2021 and 2023, Project 2040 National Planning Framework and National Development Plan, and the National Biodiversity Action Plan, which is due to be published soon. But we are only beginning to map out how we can apply the natural capital approach across all policy sectors.

Nevertheless, the economic benefits delivered by natural capital still remain very undervalued and underrepresented in government policy. Properly accounting for natural capital can help make these values visible, revealing both Ireland's hidden wealth which enriches us, and the hitherto invisible factors that, by degrading natural capital, impoverish us. Natural capital concepts are already found in a range of flagship national policies, a number mentioned above – but much more can be done to embed natural capital thinking in decision making.

The recent World Economic Forum's Global Risks Report (2023) ranks biodiversity loss and ecosystem collapse in the top four risks over the next ten years. The report states that the next decade will be characterised by environmental and societal crisis. It also states that biodiversity loss and ecosystem collapse is considered as one of the fastest deteriorating global risks over the next decade. Each of these 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.

How the Natural Capital Accounting Method Works

Natural capital accounting tools such as the UN's statistical standard System of Environmental Economic Accounting Framework (SEEA¹) and System of Environmental Economic Accounting – Ecosystem Accounting (SEEA-EA²), allow us to map the extent and condition of ecosystems and their associated ecosystem services at scale, from farm level to national level. Ecosystem services cover areas important to climate action and human health, including carbon sequestration, water quality, flood and heat mitigation, biodiversity and pollination for crops, clean air, amenities for recreation, important for tourism, and physical and mental health. Natural capital accounts show changes in the extent and ecological condition of our natural assets and ecosystem services over time and can be used to inform decisions on national policy relating to land-use, health, climate change mitigation and adaptation, energy, transport, taxation, education, homelessness, development.

Natural capital accounting for ecosystem accounts can organise habitat and landscape data and measure ecosystem services in physical and monetary terms, tracking changes in the condition and extent of ecosystem assets and linking this information to economic and other human activity (UN Statistical Commission, 2022). While monetary values may not be appropriate for use in all decision-making contexts, measuring our natural capital in monetary terms can be useful to communicate benefits of investment in climate and biodiversity loss mitigation measures and enhance decision-making ability. When integrated with the system of national accounting, natural capital accounts make visible the true economic cost of continuing to degrade nature and can inform new roadmaps toward a safer, healthier and more economically viable future for all.

The 4th National Biodiversity Action Plan (NBAP) 2023-2027 is due to be published in 2024. NCI advocated that the natural capital approach and natural capital accounting should inform the NBAP, in line with EU-wide adoption of the UN System of Environmental Economic Accounting (SEEA), and the proposed [amendment](#) to EU regulation (No. 691/2011), that will entail mandatory reporting on ecosystem extent, some condition indicators, and selected ecosystem services using the SEEA-Ecosystem Accounting (SEEA-EA), which has been approved by the EU Commission and is currently with the European Parliament and Council for final approval.

¹ System of Environmental Economic Accounting (SEEA) is an international statistical standard to account for nature and its relationship with the economy. Website: <https://seea.un.org/>

² System of Environmental Economic Accounting (SEEA-EA) is a integrated statistical framework for organising biophysical data (habitats and landscapes), measuring ecosystem services in physical and monetary terms, tracking changes in the condition and extent of ecosystem assets and linking this information to economic and other human activity. Website: <https://seea.un.org/ecosystem-accounting>

How can the natural capital approach support the Department's Public Consultation on the Draft Green Public Procurement Strategy and Action Plan

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 was a partner on the pioneering EPA-funded [INCASE project](#), which launched its [final report](#) in November 2023. This was the first project to apply Natural Capital Accounting principles to river catchments in Ireland using the [UN SEEA-EA](#). 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 recommends 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. One of the outputs of the INCASE project was the development of a risk register for peatlands and informed restoration targets at catchment scale.

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.

How can the natural capital approach support businesses that public bodies procure from

Natural capital provides goods and critical ecosystem services essential for a functioning economy and society. The circular economy is considered a means of consuming and producing in a sustainable way. For Ireland to achieve the Government's commitment to supporting green purchasing and improved availability and affordability of sustainable goods and services, we need to understand where and how goods, such as raw materials, and services are procured. The Corporate Sustainability Reporting Directive will require businesses, to assess their impacts and dependencies on nature, including that of their value chain. How goods and services are procured by public bodies will need to consider the impacts procurement has on our natural capital.

Part of the Draft GPP Strategy and Action Plan should include supporting businesses to help government deliver on the Draft GPP Strategy and Action Plan. This includes supporting the development of Ireland's Business for Biodiversity Platform ([BFBI](#)), which aims to:

- Help businesses to conduct materiality assessments and determine their impacts and dependencies on nature and biodiversity.
- 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](#)).

- Align with current ongoing initiatives such as the [All-Ireland Pollinator Plan](#) and [Climate Toolkit 4 Business](#) to provide coordinated inputs into biodiversity actions to contribute to the achievement of the fourth National Biodiversity Action Plan.

Public spending and natural capital:

The Public Spending Code is used by Government to assess the climate and environmental consequences of capital investment decisions. The National Development Plan 2021-2030 states that the Department of Public Expenditure and Reform has long-term plans to develop guidance on valuing biodiversity and ecosystem services by drawing on the 4th National Biodiversity Action Plan.

We recommend that such guidance is delivered as a matter of urgency, building on results from the INCASE project, as well as CSO Ecosystem Accounting Division ([EAD](#)) research, and [Ireland's Ocean Economy](#).

Conclusion

We believe that the natural capital approach provides a key perspective for informing and underpinning the Draft GPP Strategy and Action Plan, as it provides the tools necessary to integrate environmental risks and opportunities, so often ignored at our peril, into government and business policy and decision-making. We therefore propose that the Draft GPP Strategy and Action Plan should seek, in every policy sector, to identify and evaluate environmental costs and benefits as a guide to sound, science-based policy creation and regulation.

We hope you find 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 Government to deliver on the Climate Action Plan over the coming years. Please contact us for clarifications, and further information at researchteam@naturalcapitalireland.com.

Le meas

Policy Working Group
Natural Capital Ireland