

Are we neglecting our natural capital?

Nia Seaton

The environment in Wales contributes £6 billion annually to the Welsh economy but much of the natural environment and the services it provides are under threat.

Services provided by our natural environment are worth hundreds of billions of dollars to the global economy and are of critical importance to the Welsh economy. The Valuing our Environment Study for Wales calculated that the environment in Wales provides:

- £6 billion to the Welsh economy;
- 1 in 6 Welsh jobs;
- £821 million in tourism spending; and
- 15 per cent of goods and services produced in Wales.

Yet much of the world's natural environment is degraded and many species are threatened with extinction. There has also been a continuing decline in many Welsh native species.

Indeed many of the services provided to us by the environment, so called ecosystems services, are at critical tipping points beyond which their capacity to provide useful services may be dramatically reduced.

Wales is no exception and has failed to meet its 2010 target to halt the loss of biodiversity.

Protecting our natural environment in Wales

The main tool for protecting our natural environment in Wales is through a series of national and international protected sites. These sites are designated because they contain habitats or species that are deemed to be of significant importance to nature conservation.

National and international protected sites in Wales

There are over 1,000 sites in Wales designated for their national importance and nearly 100 for their European or international importance.

Sites designated for their national importance are known as Sites of Special Scientific Interest and are located all over Wales for example Great Orme's Head in Llandudno and Worms Head on the Gower Peninsula. Sites designated for their international importance include Special Areas of Conservation and Special Protection Areas. Some of the most famous are the Dee and Severn Estuaries and Eryri.

While these sites play a crucial role in protecting individual species and habitats in specific areas they do little to protect and enhance the quality of the wider environment in Wales and the natural services the environment provides us.

The Lawton Review of similar sites in England concluded that while these protected sites should remain the cornerstone of our conservation efforts a 'step change' in our behaviour is needed. The review states that we need to move away from an approach in which we try to hang on to what remains, to one of large-scale habitat restoration and re-creation. This will be particularly important in light of the effects of climate change as species will need room to adapt and migrate from one site to another as the climate changes.

Options for the future

The international study on The Economics of Ecosystems and Biodiversity concludes that the invisibility of nature's services in economic results and calculations has led to widespread neglect of our natural capital. This means that the destruction of nature has reached levels where serious social and economic costs are being felt.

In order for the economic value of nature and the services it provides us with, such as food and water quality, to be made visible in Welsh Government budgeting processes, many experts call for the adoption of what is known as an ecosystems approach.

An ecosystems approach

Ecosystems goods and services can be described as the natural goods and services that the ecosystem provides that are essential to the functioning of the planet and human well-being such as soil formation, food, climate regulation and renewable energy.

The aim of the ecosystems approach is to ensure the value of these essential services is taken into account when economic decisions are made so that the true cost of decisions are assessed.

In addition to focusing on the protection of individual species in our protected sites, the ecosystems approach requires that we look to value and protect the services in our wider environment and provide better linkages between green spaces in our villages, towns and cities.

This will require a significant change in the ways in which we have tackled biodiversity loss to date. However, it also offers new opportunities such as providing communities with:

- the possibility of generating renewable energy; and
- reducing insurance premiums in flood risk areas by adopting different land management practices.

The Marine and Coastal Access Act 2009: The possibility for change

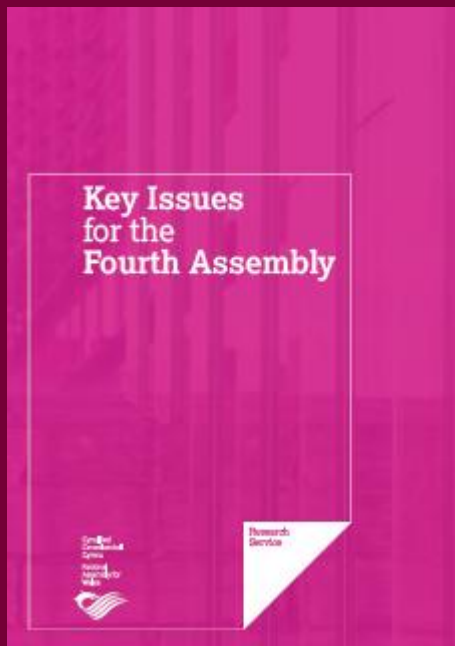
Movement towards adopting an ecosystems approach for the management of our environment is already taking place in our marine environment.

The *Marine and Coastal Access Act 2009* provided the UK and Welsh Governments with the legislative tools necessary to introduce a comprehensive and strategic system of planning and protection for the marine environment.

The Act allows the Welsh Government to introduce a new marine planning system which will examine, on a spatial basis, all the services provided to us by the marine environment. It will allow Governments to make decisions about what actions should take place in which areas in order to ensure our seas as a whole are in a good condition.

In addition, the Act allows for the creation of Marine Conservation Zones which will protect the most important aspects of our marine environment to help ensure that our seas, and the species they support, are protected. 2011 will be a crucial year for the implementation of the Act and for assessing the potential lessons it could offer to the terrestrial environment.

Article taken from Research Service publication



Key Issues for the Fourth Assembly

This document has been specially prepared for Assembly Members by the Research Service. It sets out some of the key issues likely to matter to Members during the Fourth Assembly.

[Key Issues for the Fourth Assembly](#)

For more publications from the Research Service, see **our pages on the Assembly website:**
www.assemblywales.org/bus-assembly-publications-research.htm

Research Service
National Assembly for Wales
Cardiff Bay
CF99 1NA

Email: Research.Service@wales.gov.uk

Twitter: [@NAWResearch](https://twitter.com/NAWResearch)