

Business Expansion of Ecosystem Markets



Opportunities for UK business that value and/or protect nature's services

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Aim

To inform the work of the Ecosystem Markets Task Force (EMTF) by (1) reviewing the evidence available in the UK National Ecosystem Assessment (NEA); (2) establishing the potential for business opportunities based on nature's services; (3) identify actions to enable relevant markets; (4) identify priorities for further EMTF work.



Research

- The EMTF brings together business leaders to review the opportunities for UK business from expanding green goods, services, products, investment vehicles and markets which value and protect our natural environment.
- This research (Phase 1) developed a conceptual framework, application of this for analysis of the NEA, innovative thinking to identify, elaborate and assess business opportunities, enabling actions and areas for further work, and stakeholder consultation based on a Discussion Paper, workshop and peer review process.



Findings

The research identified 8 key 'types' of business opportunity:

- **Product markets** (derived from and/or sustaining ecosystem services).
- **Offsetting impacts on biodiversity.**
- **Payment for ecosystem services.**
- **Environmental technologies** (prevent or treat pollution).
- **Markets for cultural services** (tourism etc. based on nature's services).
- **Financial and legal** (investment/secure property rights).
- **Ecosystem knowledge economy** (services that deliver knowledge).
- **Corporate ecosystem initiatives** (measures taken by companies to reduce negative impacts and enhance positive impacts on nature).

Conclusions

The research developed 40 proposals for business opportunities, each assessing the potential size of the market and the potential benefit to ecosystems. Suggestions are made for actions needed to make the opportunity work in practice, and for further research. The 12 'most promising' opportunities are:

Rank 1=: BIODIVERSITY OFFSETS IN THE UK. Creation of new companies/new business models for existing companies to move to a mandatory regime. To include conservation banking.

Rank 1=: PEATLAND CARBON CODE (PCC). To provide a framework for companies to purchase carbon credits to support restoration and re-wetting of degraded peatlands.

Rank 3: WOODLAND ENHANCEMENT THROUGH A LARGER MARKET FOR WOOD FUEL. Offering significant potential to enhance woodland ecosystems.

Rank 4: DEVELOPING THE UK ECOSYSTEMS KNOWLEDGE ECONOMY. Opportunities to develop knowledge-based businesses building on UK excellence in this arena.

Rank 5: LAYERED PAYMENT FOR ECOSYSTEM SERVICES. Selling different ecosystem services, which arise from the same area of land, to different buyers.

Rank 6: CARBON SEQUESTRATION. Allow developers to offset carbon emissions of new homes by paying for carbon sequestration through woodland creation or peatland restoration.

Rank 7: EXPANDING THE REACH AND VALUE OF SUSTAINABILITY CERTIFICATION. Expand the cover of sustainability assurance to sectors or segments not well covered.

Rank 8: OPTIMIZING ECOLOGICAL AND ECONOMIC BENEFITS OF SUSTAINABLE TOURISM. Related to tourism, recreation amenity and health linked to nature.

Rank 9=: GLOBAL CENTRE OF EXCELLENCE FOR ECOSYSTEM SERVICES CERTIFICATION. Sell professional services fostering best practices in certification of products that benefit ecosystem services.

Rank 9=: WATER RE-USE TECHNOLOGIES. To alleviate water scarcity, reduce pollution, water extraction and energy consumption.

Rank 11: GREEN INFRASTRUCTURE TO REDUCING RISK FOR INSURERS. Increase potential to slow or disperse run-off, including woodlands, floodplains, coastal wetlands and upland peat bogs.

Rank 12: DEVELOPING ENVIRONMENTAL BONDS. Vehicles for investments in nature providing a stable investment return, possibly underpinned by government.



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