



THE DASGUPTA REVIEW

THE ECONOMICS OF BIODIVERSITY
ADEPT AUTUMN CONFERENCE
18 NOVEMBER 2021

Background to the Dasgupta Review

In 2019, HM Treasury commissioned an **independent, global review on the economics of biodiversity**, led by Professor Sir Partha Dasgupta. It was published in February 2021.

The Review presents the **first comprehensive economic framework** of its kind for biodiversity, and calls for urgent and transformative change.

Grounded in a **deep understanding of ecosystem processes** and how they are affected by economic activity. The framework sets out the ways in which we should **account for Nature in economics and decision-making**.

In June 2021, the **UK government's formal response to the Review** was published. It includes new policy actions, and overarching commitments to:

- Deliver a 'nature positive future'
- Ensure economic and financial decision-making supports that future



PART 1: The Review's Framework



Our economies, livelihoods and well-being all depend on our most precious asset: Nature



Nature = asset

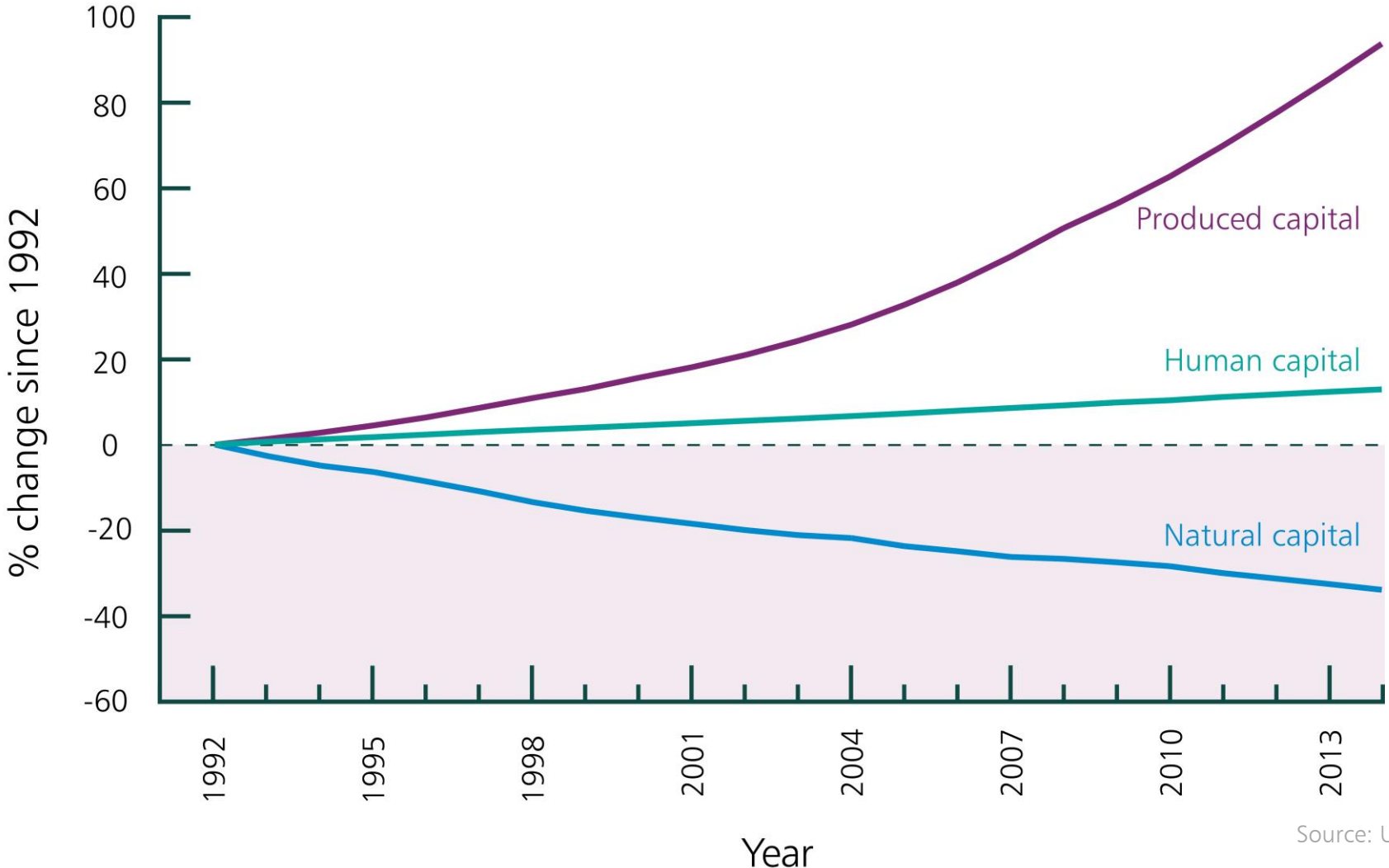


Biodiversity = portfolio
diversification



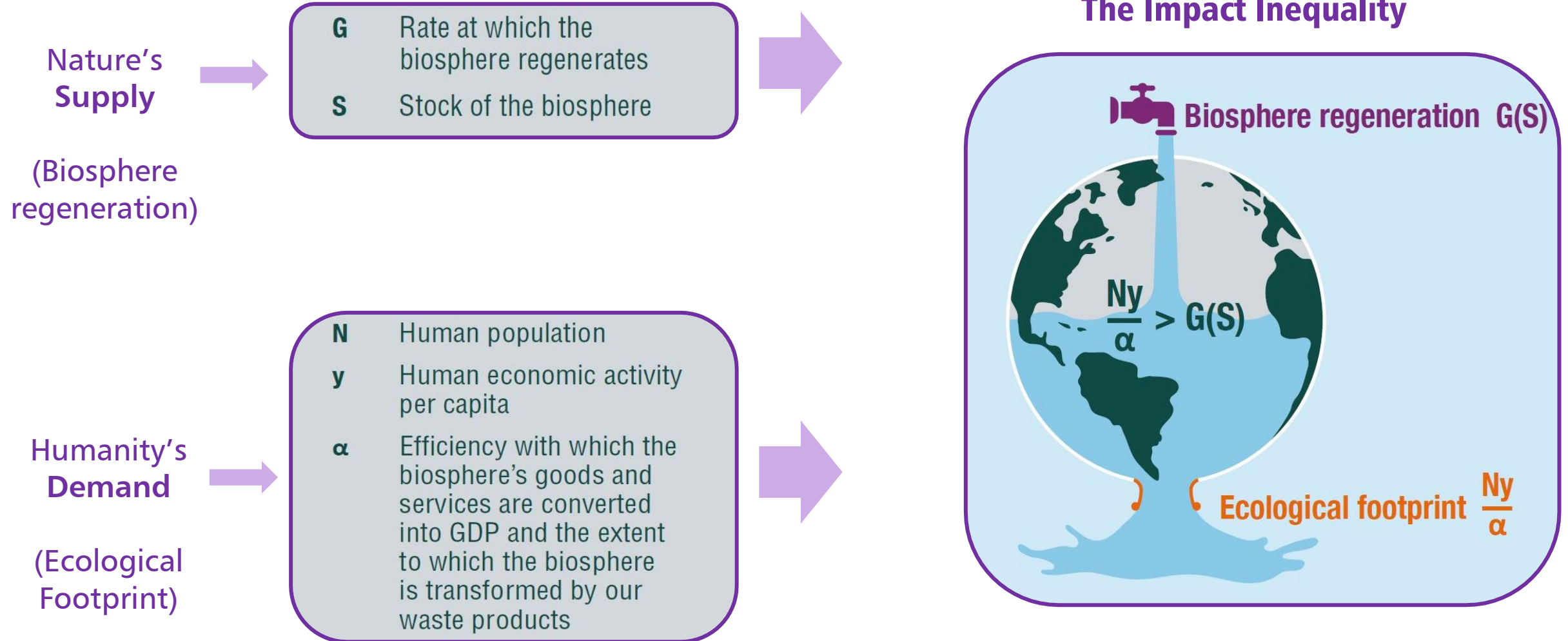
Everyone = asset
managers

However, we have failed to manage our global portfolio of assets



Source: UN Inclusive Wealth Report 2018

Our demands far exceed Nature's capacity to supply us with the goods and services we rely on

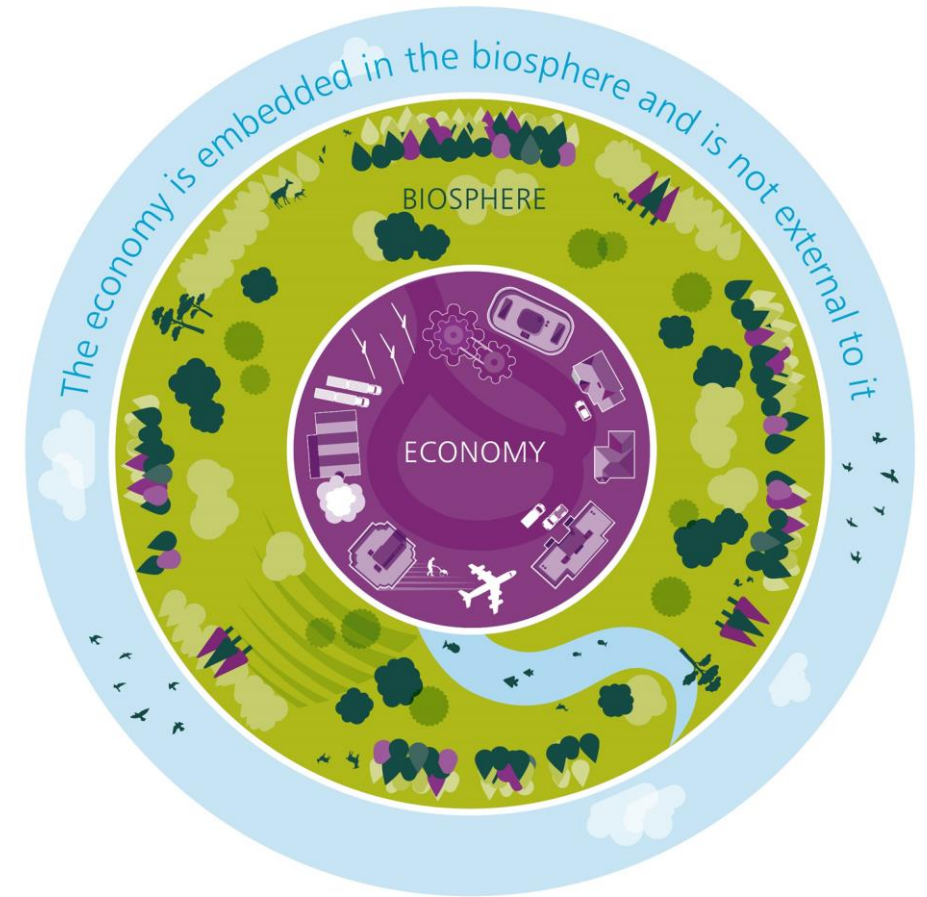


A simple truth: our economies are embedded within Nature, not external to it

Standard models of economic development view humanity as *external* to Nature.

Models that recognise Nature's finitude still assume that technological advances will allow us to break free from Nature.

Accepting that our economy is embedded within the biosphere forces us to recognise the limits Nature places on the economy.



Climate change and biodiversity loss are intimately related



- Both are key indicators of our planet's health.
- Climate change is a key driver of biodiversity loss, and could become *the* dominant factor in the coming decades.
- Protecting biodiversity can help us with climate change mitigation and adaptation, for example through carbon sequestration and improved resilience to flooding and storm surges.
- But biodiversity is less well-understood. While climate change can be measured by a few metrics (i.e. emissions), biodiversity is more complex.

At the heart of the problem lies deep-rooted, widespread institutional failure

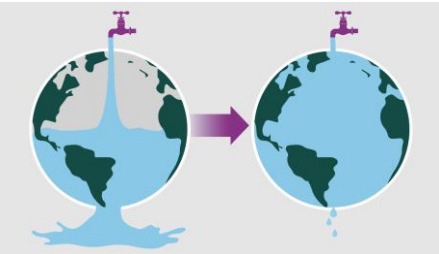


PART 2: The Review's Recommendations



To engage sustainably with Nature, we need to change how we think, act and measure success

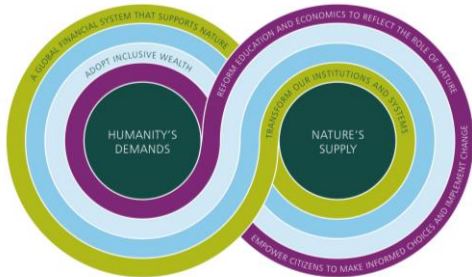
Balance the Impact Equation and increase Nature's supply



Change our measures of economic success



Transform our institutions and systems



Three broad and interconnected transitions



Adopt Inclusive Wealth as our measure of success

Conserve and restore natural assets

Empower citizens to make informed choices and implement change

Improve efficiency of extraction from Nature and produce less waste

Improve our productivity measures by ensuring they account for Nature

Improve access to community-based family planning and reproductive health

Improve decision-making through natural capital accounting

Fair and sustainable consumption, production and supply chains

- Balance the impact equation and increase Nature's supply
- Change our measures of economic success
- Transform our institutions and systems

Effective institutions involving all levels of society – from local to global

Better management of land and sea to benefit both Nature and people

A global financial system that supports Nature

Reform education and economics to reflect the role of Nature

Summary



We are seriously **mismanaging** our most precious asset: **Nature**, and our demands are far exceeding its capacity to supply.



Economic and finance decision-making needs to reflect that humanity and the global economy are **embedded within Nature**.



Humanity needs to **reduce its demands on Nature** and **increase Nature's supply**.



Economic measures of success need to be improved; **Inclusive Wealth** is the appropriate main measure of sustainable economic prosperity.



Effective institutions and systems are required to enable **sustainable engagement with Nature**, to help fix the problems of widespread institutional failure and pervasive externalities.



Q&A

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For more information:
<https://www.gov.uk/government/collections/the-economics-of-biodiversity-the-dasgupta-review>