Role of economics in marine natural capital approaches

For The Parliamentary and Scientific Committee, 9 February 2026

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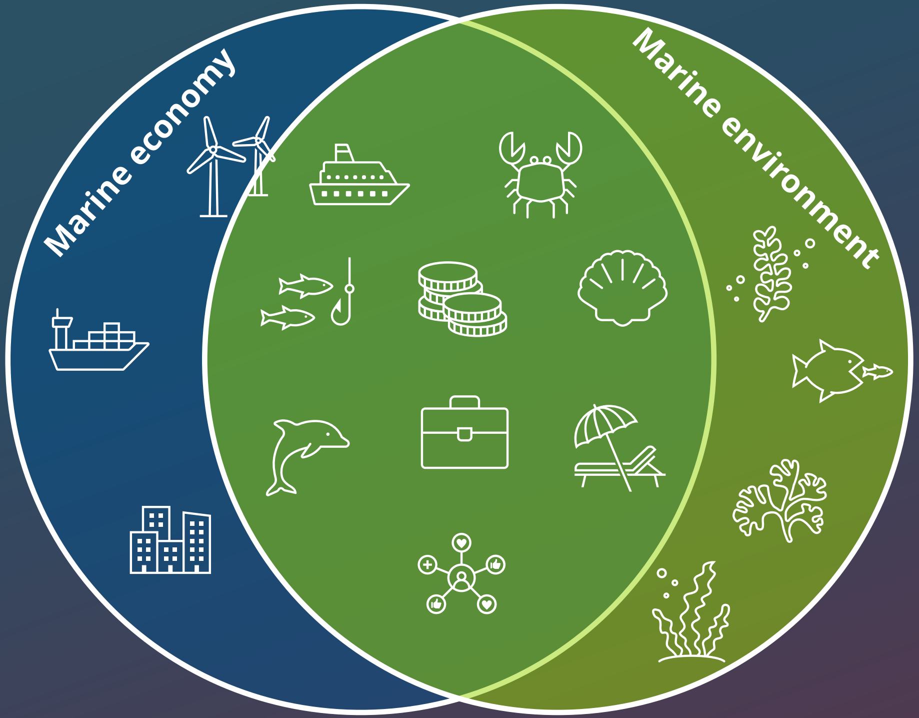
The Marine Economy & a healthy Marine Environment are linked

- Our economy and society **impacts and depends** on the environment:
  - Science helps create the links
  - Economics shows trade-offs
- A healthy and resilient marine environment supports livelihoods:
  - Income
  - Jobs
  - Health & wellbeing



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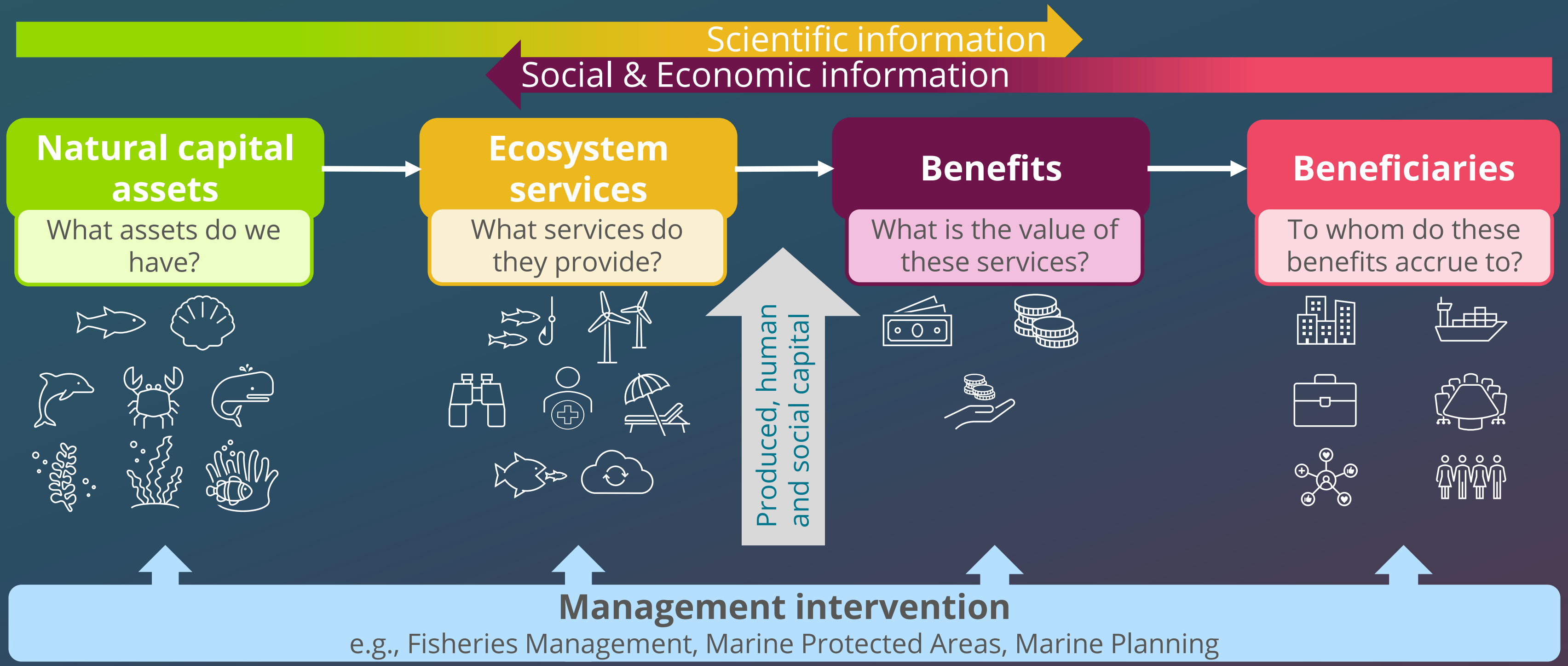
Natural Capital approach requires interdisciplinary information



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Natural Capital Assessment for UK North Sea Sandeel Fishery

Natural capital assets →	Ecosystem services →	Benefits →	Beneficiaries
Recovery of sandeel fishery	• Enhanced fish landings • Recovery of marine wildlife	• Landings value • Wildlife watching	• Private • Public

- Ecological model to quantify food-web effects over time from the reduction or halt of sandeel fishing in an area of UK waters (ICES rectangle IV):
  - Fish stocks (feeding on sandeels and others) remain stable
  - Marine wildlife recovery includes seabirds, seals and whales
- Impacts on fish landings (tonnes) and value (£) show short-term losses (2-5 years), with the sector recovering over the medium term (10-15 years) and long term (30+ years)
- Contributed to the government's decision to prevent any fishing of the UK’s Sandeel quota.

Sea the Value – Valuing Saltmarsh Restoration

Natural capital assets → **Ecosystem services** → **Benefits** → **Beneficiaries**

Natural capital assets

Restored saltmarsh

Ecosystem services

- Temporary carbon storage
- Nature recovery

Benefits

- 30-year carbon credit
- Multiple benefits

Beneficiaries

- Private
- Public

- Economic valuation enables the understanding of the size, timing and beneficiaries of values from marine restoration
- Informs appropriate investment and financing approaches
- Key issues:
  - Marine and coastal habitat restoration benefits have high uncertainty
  - Adjust valuations to reflect outcome uncertainty
  - Climate change and SLR may mean 50- or 100-year nature credits are untenable
  - Covering ecosystem restoration costs challenging with revenues from one type of credit

Summary of key messages

- A healthy and resilient marine environment goes hand-in-hand with a healthy economy, supporting businesses, livelihoods and achieving Government goals/commitments
- Using scientific, social and economic information together supports better management & investment decisions
- To continue to support livelihoods need to treat nature as an asset
  - Better management to maintain and sustain benefits
  - Investment to enhance and restore
- All decisions have trade-offs it's the role of economics to showcase these and their implication to decision-makers across policy and industry

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Links to project examples and other references

- Referenced Examples
  - Sea The Value, for UK Research and Innovation (2022-2025)
  - Natural capital analysis for UK North Sea Sandeels Fishery, for Natural England (2021-22)

- Other project examples
  - Framework to quantify the economic value of impacts on marine species, for Defra (2024)
  - Just Transition Framework for UK Fisheries, for Blue Marine Foundation (2024)
  - Ecosystem service impacts of bottom-towed fishing, for Blue Marine Foundation (2024)
  - Review of marine Natural Capital for UK environmental policy and management, for JNCC (2022)
  - Cost benefit analysis of the Marine Environmental Data & Information Network, for MEDIN (2019)

- Other references
  - The Green Book appraisal guidance, and supplementary guidance(s), by HM Treasury (2026)
  - Enabling a Natural Capital Approach (ENCA) guidance, databooks and case studies, compiled by Defra (updated regularly)
  - Marine and coastal margins natural capital accounts for the UK, by ONS (2025)

Thank you

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