

# NATURAL VALUES: *Linking the Environment to the Economy*

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## CONSERVING CANADA'S NATURAL CAPITAL

*Natural Values: Linking the Environment to the Economy* was developed by Ducks Unlimited Canada (DUC) to improve the environmental and economic understanding of natural systems. In Canada, policy, legislation and regulation efforts must accelerate to protect our important resources. To view other instalments in this series, visit [www.ducks.ca/conserves/wetland\\_values/conserves.html](http://www.ducks.ca/conserves/wetland_values/conserves.html)



CANADA'S NATURAL CAPITAL FORMS THE FOUNDATION OF OUR COUNTRY'S WEALTH AND WELL-BEING. Natural capital provides us with clean air and water, recreational opportunities, marketable goods, wildlife habitat and numerous other ecological goods and services (EGS). Recent estimates provide insight into the economic value of our natural capital:

- In 2003, the value of wetlands to Canadians was estimated at \$20 billion annually.<sup>1</sup>
- The value of freshwater to the Canadian economy is estimated to be between \$7.5 and \$23 billion annually, amounts that are equal to the gross figures for agriculture and other major economic sectors.<sup>2</sup>
- The total value of the EGS provided by Canada's boreal forest in 2002 was estimated at \$93.2 billion, roughly 2.5 times the net market value of natural resource extraction in the region.<sup>3</sup>

Unfortunately, these values are often overlooked when natural areas are considered for development, resulting in the degradation and destruction of our natural capital. This loss affects both present and future generations and is economically inefficient, requiring the use of costly man-made substitutes to provide the lost goods and services. In some instances there are no substitutes available, resulting in the potential for significant losses in our ability to sustain our economy and well-being.

**"Markets are the primary institution through which individuals/firms engage in transactions that create value. Markets have not, however, evolved in all domains of the economy – markets for environmental goods and services for example, have not emerged." – Gary Stoneham, 2007<sup>4</sup>**



## DUC's Recommendations for Conserving Canada's Natural Capital

THE FEDERAL GOVERNMENT HAS MADE GREAT STRIDES IN conserving natural capital since DUC began this fact sheet series in November 2005. An excellent example is the expansion of the [Advancing Canadian Agriculture and Agri-Food \(ACAAF\)](#) program to include the support of research and pilot projects related to EGS. Other organizations such as the Canada West Foundation and International Institute for Sustainable Development are also committing resources to determine methods to conserve Canada's natural capital. However, there continues to be a need for the coordination of efforts under the guidance of the Federal Government. In particular, the Federal Government has the following roles to play:

- In order to make efficient land use decisions, a better understanding of our stocks of natural capital, changes to it over time, and its value is needed. The Federal Government should lead this initiative by funding and coordinating the comprehensive measurement of base-line data on the state of Canada's natural capital. The development of the [Canadian Wetland Inventory](#), in partnership with Environment Canada's Canadian Wildlife Service, provides an excellent starting point for some of this work.
- On public lands, governments should account for the value of nature to society by comparing the values of

natural capital attributes to market values of the land before releasing it for commercial or industrial use. The March 2007 Federal Government announcement of \$225 million in funding for the conservation of 500,000 acres of ecologically sensitive lands demonstrates an increasing awareness of the value of our natural capital.

- The Federal Government should develop a specific EGS strategy for Canada that includes policies, programs and mechanisms for conserving natural capital on both private and public lands. Agriculture and Agri-Food Canada's recent *National Symposium on EGS in Agriculture – Policies and Experiences from Australia*, demonstrated the Federal Government's willingness to learn from the experiences of other countries in methods of conserving natural capital.
- Agriculture and Agri-Food Canada's newly announced [Growing Forward](#) initiative is a logical place to expand work on the concept of EGS through a greater recognition of the environmental benefits that agricultural producers provide to the public good.

*“Protecting natural areas can help society avoid significant costs both today and into the future.”*

– Olewiler, 2004<sup>5</sup>

### What's Next?

Ducks Unlimited Canada will highlight its specific recommendations for a Canadian EGS strategy in its next fact sheet series, *A Strategy for Conserving Canada's Natural Capital*, due out in October, 2007.

### Important Links

- [www.ducks.ca/aboutduc/news/archives/2004/041115.html](http://www.ducks.ca/aboutduc/news/archives/2004/041115.html)
- [www.ducks.ca/conservewetland\\_values/conservewetland.html](http://www.ducks.ca/conservewetland_values/conservewetland.html)
- [www.agr.gc.ca/pol/egs-bse/index\\_e.php](http://www.agr.gc.ca/pol/egs-bse/index_e.php)
- [www.agr.gc.ca/pol/grow-croiss/index\\_e.php](http://www.agr.gc.ca/pol/grow-croiss/index_e.php)
- [www.agr.gc.ca/acaaf/index\\_e.html](http://www.agr.gc.ca/acaaf/index_e.html)
- [www.cwi-ictth.ca/](http://www.cwi-ictth.ca/)

### Endnotes

- 1 Campbell, L. and C. D. A. Rubec. 2003. *Wetland Stewardship: New Directions*. Final report of the conference on Canadian Wetlands Stewardship. Report No. 03-3. 16 pp.
- 2 Environment Canada. 2004. *Threats to Water Availability in Canada*. National Water Research Institute, Burlington, Ontario. NWRI Scientific Assessment Report Series No. 3 and ASCD Science Assessment Series No. 1. 128 p.
- 3 Anielski, M. and S. Wilson. 2005. *Counting Canada's Natural Capital: Assessing the Real Value of Canada's Boreal Ecosystems*. Published by the Canadian Boreal Initiative and The Pembina Institute. 78 pp.
- 4 Stoneham, G. 2007. National symposium on EGS in agriculture policies and experiences from Australia. Accessed September 2007 at: [www.agr.gc.ca/pol/egs-bse/index\\_e.php?page=stoneham](http://www.agr.gc.ca/pol/egs-bse/index_e.php?page=stoneham).
- 5 Olewiler, N. 2004. *The Value of Natural Capital in Settled Areas of Canada*. Published by Ducks Unlimited Canada and the Nature Conservancy of Canada. 36 pp.