

Rewilding the Ecological Budget

30th June 2021

Naturenomics™ Dialogues vol. 2: 16th June – 7th July 2021

Any country can potentially invest in ecological assets and earn a social rate of return on them for the first time. At the beginning of the Industrial Revolution, Adam Smith, a Scottish economist and moral philosopher in his magnum opus coined the term “Wealth of Nations”, referring to the production of wealth through free markets, the division of labour and money. However, his treatise had its limitations and failed to look at the root of our wealth: the natural wealth of nations is nothing but the ecological assets that a country has. Historically, these assets have been part of an extractive, linear economy that consumes them to create economic value. These natural assets must be valued, capturing the invisible values they add to the economy by regulating the conditions that make life on earth possible. A new circular, regenerative model must be built around these assets, monetized, virtual and tradable looking at a very basic footprint that carbon trading has taught us.

If we really have to map out the next revolution, it is definitely the ecological or Naturenomics™ Revolution. We can't get away from it because we are eating up our resources faster than we can manage so we have to start mitigating and start evaluating this entire process of managing natural resources better which starts from such a budget at the national level.

What is an Ecological Budget?

Ecological Budget is a management system in which natural resources and environmental quality are measured and accounted for in a budget. Ecological Budget was developed for local governments, to help them plan, monitor, and report natural resource consumption within the municipal territory. It is a cross-cutting instrument, based on three pillars: environmental master budget; statement of environmental assets and sustainability analysis; and measures management, budget balancing, and evaluation. By bridging the gap between economic and ecological thinking, the ecological Budget makes a true contribution to achieving sustainable development by managing finite and often scarce environmental resources. The traditional budgeting accounting system is complemented by an environmental budget, in which natural resources are measured instead of money.

An Eastern Himalayan post-COVID recovery through the Ecological Budget

While the outpouring of global aid to India shows the world realizes the importance of India this also shows Post Covid India might be too fragile to be a “leading power”. This is where an Ecological Budget would work in favour of the country and open up regional opportunities for the Eastern Himalayan region focused on the interconnectedness of animals, humans, and the environment. As Lord Nicholas Stern mentioned in one of his trips to Nameri National Park, Assam, “This place is a carbon storehouse. It makes economic sense for India to protect such biodiversity vaults, as it searches for ways to meet the legitimate aspiration of development of the poor, without destabilizing the ecological foundations upon which all economic security is dependent.”



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The Eastern Himalayas are natural-capital rich, but capital poor. Valuing nature and ecological budgeting is the quickest and most robust tool the region has to closing its critical capital gap for social inclusion. Leveraging the interdependence between the GDP & debt, with natural assets as the key mediating factor, will provide the platform for unleashing both rural employment and social inclusion for rural futures in the region. Thereby creating a new agenda for the conventional economy with a new beginning where ecology is economy.

The Challenges

While ecological budgets present pathways for achieving a full transition to a sustainable economy, previous attempts to monetize nature have been marred by accusations of greenwashing, double-counting and displacement of indigenous and rural communities in the name of protecting natural assets.

Around the world, a wide variety of offset projects do everything from protecting mangrove forests to destroy heat-trapping gases from landfills and coal mines. But offset payments channelled to already safe ecosystems don't fundamentally change the amount of carbon dioxide in the atmosphere. Carbon offsets have become an increasingly common way for businesses to claim large reductions in their emissions. Even though this money sometimes flows to organizations that do good works, experts say carbon projects that take credit for an activity that was already occurring are meaningless and undermine the credibility of the entire market.

Debt for nature instruments, meanwhile, have failed to show any demonstrable outcomes for nature while having been embroiled in issues over displacement of indigenous and rural communities in Latin America and Bangladesh. Similar issues have emerged in REDD programmes, where payment for ecosystem services benefits are directed to governments, and REDD programmes designed and executed through governments, while excluding indigenous and rural communities from land that is their main source of livelihoods, if not ancestral lands.

The Debate

While a lot of progress has been made in the valuation of ecosystem services, their impact on decision-making and action is yet to be fully understood. The term natural capital is increasingly popular, but the repercussions of putting a value to nature is still being widely debated: is the growing move towards natural capital markets greenwashing by another name, or is it an opportunity to fundamentally transform how we structure our economies? Is natural capital the privatization of nature by another name, or an opportunity for indigenous and rural communities to take a seat at the bargaining table as stewards of global natural assets?



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OBJECTIVES

1. To discuss the importance of an Ecological Budget in driving a Naturenomics™ economy needed to achieve a balance between rural and urban communities and invest in rural communities.
2. To analyze and identify areas of potential opportunities for natural capital employment and socioeconomic well being through universal basic assets such as education and healthcare that reach all people in the Eastern Himalayas
3. Describe specific examples of measures undertaken in different countries to explore such opportunities and how can we implement them in the Eastern Himalayan region
4. Make proposals as to how such opportunities may be further developed for the benefit of both the communities and also to protect existing wildlife, front-line forest protection force with better equipped, forest belts, free-flowing of rivers without garbage and sludge, and better biodiversity protection.

KEY QUESTIONS

1. The Eastern Himalayan region is already facing the first wave of climate impacts. Will an ecological budget really help in solving the problem of climate change in the region?
2. The GDP fails to account for environmental loss, calling for a revised model that incorporates them through green accounting. Is green accounting and budgeting enough to move away from the GDP growth-as-consumption model?
3. Degrowth theorists and ecological economists have been making the case for slowing economic growth, to stay within our global ecological budget. Does the natural capital, green growth model contradict the hard, scientific facts of our global ecological budget? Is a transition from the growth phase to a steady-state inevitable?
4. Should we allow nature to enter the neoliberal capitalist system? Will society be able to provide a just and fair value to nature? How can we be sure that nature will not be underrepresented in the global economy?
5. The question of ecological budgets has been heavily focused on businesses and governments. Is it time to turn the focus to the third and biggest stakeholder in natural assets: people? Can greater accountability be fostered by participatory ecological budgeting?



Rewilding the Future

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ABOUT THE SERIES

Green is in. As the world gears up to set key climate goals at COP26 in Glasgow this year, countries and corporations are racing to institute new policies to limit carbon emissions and invest in sustainable business models and practices. Countries like China and the US have outlined ambitious programmes to ramp up government spending to aid a complete renewable energy transition while creating jobs for their economies and strengthening their GDP.

For climate vulnerable regions like the Eastern Himalayas, even a 1.5 C rise will transform its climate, impacting everything from its water sources, to the crops that can be grown, its biodiversity and by extension, the lives of the 246 million people living there. Climate resilience is poor: people lack access to resources that could help them weather these changes. For a primarily agrarian community, swift action is not a choice, it is a necessity, beginning with its rich natural assets.

The Eastern Himalayan region suffers from the historical problem of being natural capital rich, but money poor. As the world sets goals for the future of climate and biodiversity, the Eastern Himalayan region must seize this opportunity to take the lead on a new future for people and biodiversity.

Last year, at the 8th Eastern Himalayan Naturenomics™ Forum, the Balipara Foundation held multiple conversations on the theme of **Ecology is Economy**. Building on these conversations and the key outcomes from this forum, this series of the Naturenomics™ Dialogues will explore and debate the theme of **Rewilding the Future**: moving beyond rewilding as a means of restoring the complexity of our natural ecosystems, to restoring the interdependence between our natural, social and economic systems by building a new, natural capital economy participatorily led and stewarded by indigenous and rural communities. This is the first step on the path to equitable climate resilience for people and biodiversity in the Eastern Himalayas.

Through this series, we explore the role that our rich forests can play in our wellbeing and resilience, in mitigating climate threats and its social repercussions, how to create an equitable ecological budget and how a rewilding economy could help communities achieve greater agency over setting their own development and wellbeing priorities beyond the limitations of the GDP. These key themes will serve as an introduction to the critical themes and conversations of the 9th Eastern Himalayan Naturenomics™ Forum, as we continue to explore the idea of **Ecology is Economy** and shape the future of the Eastern Himalayas, its people, biodiversity and economy.



BALIPARA FOUNDATION

Assam • India

ABOUT THE NATURENOMICS™ DIALOGUES

The Naturenomics™ Dialogues is a digital offshoot of the the Eastern Himalayan Naturenomics™ Forum. It aims to bring together stakeholders from diverse backgrounds to debate pressing issues and opportunities for action in ecology, economy & community-centred conservation with a focus on the Eastern Himalayan region – India's North East, Bangladesh, Bhutan, Nepal, Myanmar and China.

The Naturenomics™ Dialogues is part of a broader initiative to pivot our flagship forum, the Eastern Himalayan Naturenomics™ Forum, to meet the challenges of the “new normal” through digitization.

The Naturenomics™ Dialogues will return next month, to explore new themes and questions, some raised over these sessions, for creating Rural Futures in the Eastern Himalayas.

ABOUT THE EASTERN HIMALAYAN NATURENOMICS™ FORUM

The Eastern Himalayan Naturenomics™ Forum is a global, interdisciplinary platform that brings together businesses, communities, the development sector, conservationists and academics to foster knowledge sharing, and generate grassroots actionable solutions to create Rural Futures across the Eastern Himalayas. Since 2020, the Forum has focused on the theme of **Ecology is Economy** for the region's future.

First instituted in 2013, the Forum has evolved and branched out into regional forums, the first of which was held in Sikkim in 2019, followed by a forum in Bhutan in 2020. The Forum held 12 digital editions of the regional forums in 2020 across all the states and countries of the Eastern Himalayas, and in 2021, held physical forums in Bangladesh and Manipur.



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200+ Projects

Through the Social
Recognition Awards



2000+
Participants



20+
Countries



100+
Discussion
Topics

9TH
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