

How Advances in Federal Benefit Cost Analysis and Natural Capital Accounting Will Impact Restoration

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The Biden Harris Administration has put forward some important advancements on federal policy and statistics that can better account for nature in federal decisions and statistics. Federal regulations, funding programs, and large projects (e.g., Army Corps projects) are required to do a cost-benefit analysis as a way to ensure the government is making wise decisions. Recently the administration updated these guidances (Circular A4 and A94) and for the first time released a related guidance on ecosystem services that provides direction for how agencies can incorporate ecosystem services into their decision-making processes. On August 1 2023, the draft guidance was released for public comments. Better accounting for nature could increase federal support for nature-based solutions including restoration. The administration also released a National Strategy to Develop Statistics for Environmental Economic Decisions to build a US system for natural capital accounting. It creates a system to account for natural assets in the U.S.—from the minerals that power our tech economy and are driving the electric-vehicle revolution, to the ocean and rivers that support our fishing industry, to the forests that clean our air—and quantify the immense value this natural capital provides. The system, once in place, will help us understand and consistently track changes in the condition and economic value of land, water, air, and other natural assets and their impact on our economy. It will provide data to guide the federal government and the economy toward sustainable development. This presentation will provide an overview and some insights into these two new important advancements and how they could impact our understanding of and the opportunities for restoration.

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