

Avenue Perdtemps, 21
Nyon 1260
Switzerland

15th October 2018

His Royal Highness The Prince of Wales,
Clarence House
London SW1A 1BA
United Kingdom

Sir,

I write to wish Your Royal Highness all the very best for Your Royal Highness's seventieth birthday.

As Your Royal Highness begins his next decade, I join Your Royal Highness's many friends and admirers in recording my appreciation of Your Royal Highness's very early and thoughtful leadership in coaxing a rather reluctant world of big business and politics to recognize how woefully inadequately it values both the ecological foundations and the cultural frameworks of our economies.

Your Royal Highness's frequent insistence that society should measure what matters, and manage the challenges of our times using metrics that are appropriate for the 21st century rather than a much earlier era, was one of the inspirations for my early work on "green accounting" as an alternative to the prevailing UN System of National Accounts.

Soon after Your Royal Highness established the Accounting for Sustainability initiative (or "A4S" as it is now fondly known) in 2004, I was very pleased to be able to collaborate with them, having by then left my day job in finance and begun my work as Study Leader of the United Nations initiative "The Economics of Ecosystems and Biodiversity". On a few occasions in 2008 and 2009, Your Royal Highness kindly mentioned and appreciated my project and its ongoing work on valuing ecosystem services so that policy makers and business leaders may measure and incorporate the significance of *natural capital* in, respectively, their policies and their business strategies.

"A4S" was of course referred to in our report on "The Economics of Ecosystems and Biodiversity for Business and Enterprise", and I truly appreciated Your Royal Highness's kindness in writing a foreword for this important report. Your Royal Highness will be pleased to know that this work has led to the formation of a wide coalition of institutions and responsible companies that is now the "Natural Capital Coalition". In 2016, they published the "Natural Capital Protocol", a document which provides a systematic approach and framework for any business to measure and value its impacts on natural capital. It is thus a vital stepping stone towards accounting for corporate sustainability, and my most recent work on presenting "integrated profit and loss accounts" for corporations, by measuring

and valuing their impacts on natural, human and social capital, builds on the foundation laid by this Protocol.

After we met at the Royal Society in 2010, Your Royal Highness wrote me a letter, which I still treasure, as Your Royal Highness had noticed and appreciated that in my speech I had spelt out in clear economic terms the significance of small farms as the most important providers of livelihoods and food, especially in the developing world. The importance to small farms of nature, which provides a large part of the so-called "GDP of the poor", can now be measured and emphasized through a holistic evaluation framework designed and published by "The Economics of Ecosystems and Biodiversity for Agriculture and Food". We expect that, with the support for implementation being provided through our grants from the European Union and others, this evaluation framework will gradually replace the narrow lens of "productivity per hectare", today's dominant but inadequate yardstick, for measuring the true performance of food systems. This will, *inter alia*, enable policy makers and business leaders to recognize and value many economically unaccounted benefits, including better human health, soil health and carbon storage, that natural and organic farming systems deliver to a far greater extent than modern systems based largely on chemical inputs.

I look forward to Your Royal Highness's continuing inspiration and encouragement for my work on transforming our measurement and evaluation systems, in the hope that our society and economy may steer a responsible and safe course towards a future in which we live in harmony with nature.

Yours truly,



Pavan Sukhdev