



Working towards *Natural England* for people, places and nature

Sir Nick Stern
Stern Review
2nd Floor, Room 35/36
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

10th April 2006

Dear Sir Nick Stern

With this letter, I enclose Natural England's response to the discussion paper 'What is the Economics of Climate change'. We welcome the opportunity to comment on the discussion paper and are grateful for the deadline extension.

Our response focuses primarily on two aspects:

(1) the need to include the potentially significant welfare changes that will result from climate change induced impacts on the natural environment and we suggest that, where possible, the analysis could be usefully broadened to include such issues; and

(2) the need for innovative policies aimed at changing people's behaviour. We have included some discussion of 'factors that influence people's behaviour' from the emerging 'psychological economics literature' that might be usefully applied in a policy context.

The response has been compiled by English Nature (one of the Natural England partner agencies) and has been discussed with the new executive board of Natural England. Natural England would welcome the opportunity to discuss further the issues we raise in our response to explore how we might continue to contribute to the review.

Yours Sincerely

Mark Felton
General Manager
English Nature