



Achievements and Lessons from the First 5 Core Implementing Countries

Michael Vardon and Glenn-Marie Lange

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Why an assessment?

WAVES adopted a new approach. It provided long-term support for a group of countries to institutionalize the production and use of accounts

The end of the first phase of WAVES provides an opportunity for reflection.

- **What has worked and why?**
- **What did not work and why?**
- **How can we learn and do better**



Process of assessment of the first 5 WAVES countries

October 2015 - May 2016:

- Self-assessment questionnaire by each country
- External technical review of the accounts produced or in-production
- Country missions from Secretariat
- Draft and follow-up discussions w countries
- Finalization of report in July 2016 (comments on draft for discussion welcome)



Assessment criteria

(based on WAVES criteria for success)

1. Production of accounts institutionalized

- publically available accounts
- relevant government agencies staffed and resourced

2. Accounts used in national policy dialogue to inform decision-making

- inclusion in national strategic documents, plans, etc.
- NCA indicators used to monitor the economy or in tools for more extensive policy analysis.

3. Country has defined a long term vision for NCA and an understanding of how this can be achieved, as shown by the country's **NCA roadmap**.



Data quality assessment framework

(based on international DQAF guidelines)

- **Relevance** – do the accounts address the policy issues identified?
- **Accuracy** - how closely do the accounts represent the real world?
- **Timeliness** - how soon after the reference period are the accounts available?
- **Interpretability** - how easy are the accounts to understand?
- **Accessibility** - how are the accounts accessed? (e.g. are they on the web?)
- **Coherence** – do the accounts follow international standards?



The Report

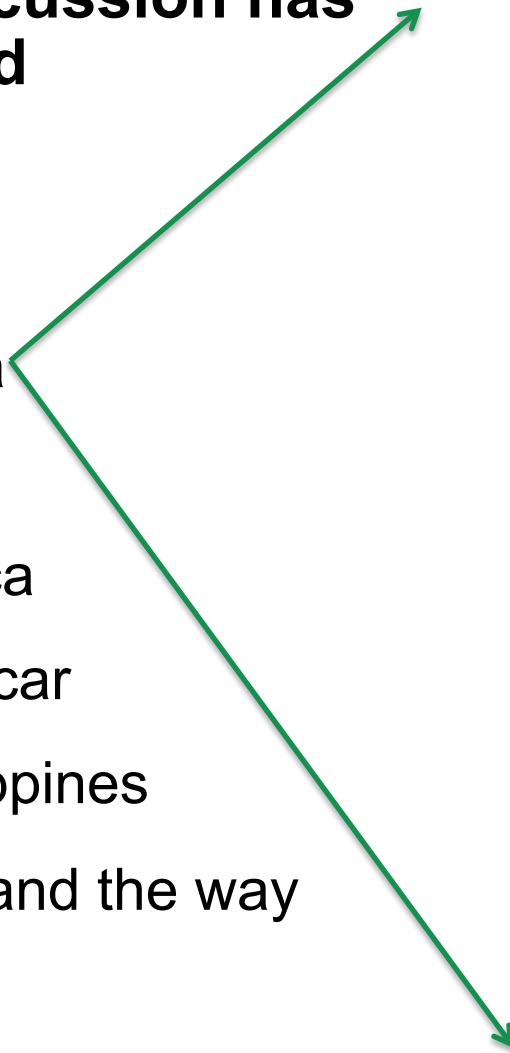
A draft for discussion has been produced

Contents

1. Summary
2. Botswana
3. Colombia
4. Costa Rica
5. Madagascar
6. The Philippines
7. Lessons and the way forward

Chapter structure for countries

1. Background
2. Account production and data
3. Communication and information sharing
4. Governance, institutional-set-up and project management
5. Capacity building
6. Institutionalization
7. Account applications
8. Conclusions
9. The way forward



Summary of Country Achievements

(with considerable variation among countries)

- Accounts are being produced in all countries
- Institutionalization of account production is occurring
- Capacity to produce accounts has increased substantially
- Accounting is being used to improve information systems
- Natural capital accounting is recognized in national development plans and other strategic documents
- Communication of the importance of natural capital accounting have been highly effective



Overall key lessons

1. Account production needs to be accelerated and build on existing data and processes
2. The connection of natural capital accounting to policy and decision-making must be improved
3. Stronger links are needed to the System of National Accounts

1. Key lessons from account production

- Natural capital accounting is a complex, multi-disciplinary area, requiring many agencies and professions to work together
- Different institutional models for production have worked
- Countries have underestimated the challenges and initial aims were, in hindsight, overly ambitious
- Data quality assessment and official clearance processes need to be planned in advance
- Production needs to move from one-off exercises to an on-going production cycle

2. Key lessons from institutionalization

National steering committees should be high level, meet regularly, and play strong role in:

- **Monitoring** the progress of account production and the establishment of ongoing processes of production
- **Establishing administrative arrangements** for data sharing among agencies and the processes for clearing publications
- **Ensuring that account users are prepared** to receive and use the accounts
- **Extending the long term vision** of NCA beyond the time frame of WAVES involvement
- **Identifying and managing political risks** and opportunities.



Way forward - what is needed?

- A greater focus on account production as a process taking advantage of existing information and data coordination mechanisms
- Stronger links to national accounting
- Better initial identification of policy entry points—identification of issues is not enough, the institutions and process needs to inform the schedule of technical work
- An early and ongoing process of engagement with the analytical and policy communities to ensure policy uptake—don't wait until after the accounts are produced!



Way forward in the First 5

- A section briefly outlining a way forward is provided for each country in the report
- The way forward for each country generally reflect the lessons but is tailored to each country – focus is on
 - policy and institutionalization as well as
 - integrating with other activities of the World Bank as well as international organizations (e.g. IMF)
- This is preliminary and will be finalized in consultation with countries once they have finalized their Roadmaps



Way forward - renew policy focus

NCA-derived policy indicators that can be readily carried out without specialized expertise

- Indicators for mineral, water and forest accounts as well as macroeconomic indicators adjusted to more fully take into account changes in natural capital

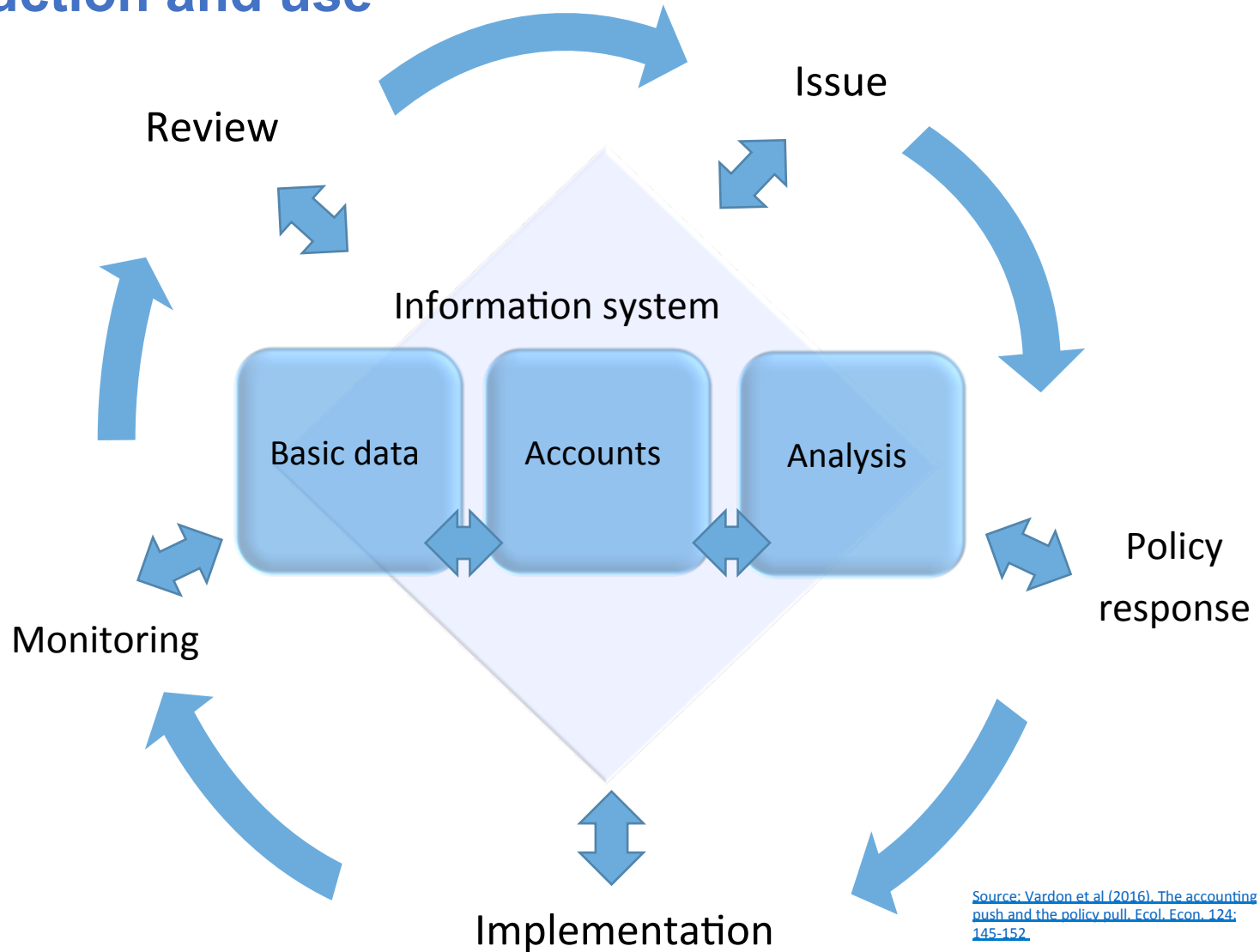
Using NCA as part of broader analytical work or in land management and land-use planning

- Use of mineral resource rents (revenue sharing, fiscal rules), water pricing and timber royalties, land management

Advanced policy analysis and modeling

- Examining of specific issues by integrating NCA into complex economic tools like input-output (I-O, computable general equilibrium (CGE) modeling, scenario modeling, etc.

Moving from a sequential to view of account production to a more integrated approach of production and use



Source: Vardon et al (2016). *The accounting push and the policy pull*. *Ecol. Econ.* 124: 145-152.

What now?

Finalize the report based on:

- Discussions with countries and other stakeholders
- The country NCA roadmaps (Due 30 June 2016)
- Update technical assessment of accounts based on any work complete by 30 June 2016

Re-examine toolkits and country assistance and update to reflect the lessons



Thank you

- To everyone that assisted with the review
- In particular to people and organizations in the countries that willingly shared their experiences and provided a great range of information
- We look forward to additional feedback and to continuing to work all countries

Questions and comments

