Research-practice co-creation as a strategy to foster use of natural capital accounting at the national level: practical reflections from the Pacific

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Implementing the SDGs calls for a holistic understanding of the interactions between socio-economic activities and the environment. The systematic integration of environmental and related data into mainstream national accounts, through the development of Natural Capital Accounting (NCA), can significantly advance this task. Linking the production to the use of natural capital accounts, however, faces important hurdles, many of which are related to the need for new modes and models of collaboration. In this paper, we discuss the experience of developing a Research and Practice Network on NCA in the Pacific region on a nationally- and demand-driven model. The paper concludes with some practical lessons with regard to the engineering of collaboration, and can be useful to broader discussion about NCA advances in developing countries, and SDG implementation more broadly.

1. Introduction

Implementing the Sustainable Development Goals (SDGs) calls for a holistic understanding of the interactions between socio-economic activities and the environment. The idea that achieving the SDGs rests upon integrating social, economic and environmental dimensions of development is widely acknowledged, and it's represented in the complex interconnections between the SDGs.

Natural Capital Accounting (NCA) can provide a tremendous contribution to this task: it provides a clear accounting framework that integrates environmental information with conventional socio-economic statistics, in line with the existing Standard National Accounts (SNA) already used by government as a reference for policy discussions and decisions. Stimulating the adoption of NCA at the national level, in terms of both production and use of these accounts, remains a key challenge. NCA can help achieve the SDGs only if used and owned by national stakeholders. This challenge is particularly urgent in developing countries, where both production and use are in most cases at an incipient, experimental stage.

The Global Development Network (GDN) and IdeasBelong explored the creation of a Research and Practice Network (RPN) in the Pacific (PANCAnet) as a strategy to work on NCA *use* at the same time other actors, specifically WAVES and UNESCAP, worked on the *production* of experimental accounts with selected National Statistical Offices (NSOs). PANCAnet was born with the aim to facilitate the emergence of nationally-driven research projects that use NCA to produce policy relevant evidence on the link between the economy and the environment. In the process, we also learned a lot about what it takes to use RPN to foster linkages between

demand and supply of policy relevant knowledge at the national level, in connection with global debates and expertise but on a clear demand-driven model. This paper reflects on this experience, the tools developed and the lessons learnt that can usefully inform other initiatives globally. It also provides a discussion on the collaboration challenges that will be key to implementing the SDGs at the national level, and the role of global actors in accelerating them.

2. Linking the production and use of the accounts: a collaboration challenge for local and global actors

In the recent years, much effort has gone into supporting the production of accounts and to strengthen capacities in countries to do so, notably through the WAVES partnership. Capacity building activities and training have been delivered in the countries that expressed interest, and a growing number of accounts have been produced, either in an experimental or full-fledged form.

Accounts organize environmental data in a useful manner, but they are rarely directly useful to policy-makers in their raw format. Users, be they decision-makers or program managers, need 'processed' information (Oosterhuis, Van der Esch, and Hoogervorst 2016), in the form of indicators or analysis that link the accounts to context and policy priorities. The NCA community, notably through the first WAVES Policy Forum in 2016 has started to debate this issue, yet the practicalities of linking production and use and how the accounts can permeate the policy cycle (Vardon, Burnett, and Dovers 2016) remain a terrain of experimentation and discussion.

As pointed out by earlier studies (Vardon, Burnett, and Dovers 2016; and Oosterhuis, Van der Esch, and Hoogervorst 2016), the link between production and use necessitates the mobilization of an ecosystem of actors to act as 'intermediaries' and 'translators' [FO1] [PB2] and researchers in particular are a critical intermediary link between producers and end users. Their mobilization in this effort, however, poses a number of challenges. Development researchers mainly use traditional socio-economic statistics, particularly in their link to GDP, but at the current stage of development of NCA, the interest of academia in environmental and ecosystem accounting remains a niche. Accelerating their involvement in using NCA requires addressing a number of challenges for which tools and methods are lacking:

- *Interdisciplinarity:* turning natural capital accounts into useful and useable information requires an interdisciplinary effort. However, the accounts rely on concepts and definitions that are not necessarily shared by the different disciplines to be involved. This also comes at odds with hyper-specialization trends in research and the accounts may not be perceived yet as such as a useful set of data that can advance individual's research.
- *Working across professional practices.* National accountants, academics and policy-makers are perceived as (and, for the most part, are) distinct groups with distinct interests and with limited space and habit to collaborate. Turning statistics into policy-relevant analysis requires collaboration mechanisms, yet acknowledging their distinct roles, between these different stakeholders. There is no 'how to' guide to set up such collaborations but this mismatch creates a knowledge to practice gap, which needs to be filled to accelerate the implementation of sustainable development policies through better and timely evidence.

- *Connect global, regional and local discussions.* Interactions between socio-economic activities and the environment cut across research scales and policy making levels, from local, to regional, national and global. This calls both for better coordination of initiatives at the international and national levels and the development of strong ownership of the NCA framework through a demand-driven approach connected with the existing expertise and experience available globally.

The experience of Guatemala and The Netherlands shows that this type of collaboration dynamic can sometimes happen endogenously. Yet, international actors have a role to play in accelerating this agenda, by supporting cross-country learning and cross-country collaboration on approaches and tools to link production and use of accounts. The next section reflects on the role of international actors based on the experience of GDN and IdeasBelong in setting up PANCAnet.

3. Setting up PANCAnet: a Research and Practice Network to link production and use of NCA at the national level

GDN and IdeasBelong identified an opportunity to start linking the production and use early on in the Pacific, with particular attention to the South Pacific Islands where experimental accounts were being built in 2016-7 in five countries (Federal States of Micronesia, Fiji, Palau, Samoa and Vanuatu) with the support of UNESCAP. WAVES was also supporting the development of some accounts in The Philippines and it thus made sense to expand the membership to The Philippines as well.

PANCAnet approached linking production and use of the accounts in the Pacific as a complex collaboration challenge. Through PANCAnet, our intention was to involve an ecosystem of actors, including producers and users of the accounts, international organizations and experts, to move from a situation where stakeholders expressed interest in NCA, to one where groups of researchers and practitioners from the concerned countries would engage together in a co-creation process on concrete research projects, responding to a demand and of high enough quality to contribute to national policy debates on key development issues.

The decision to use a Research-Practice Network as a strategy to foster these collaborations was justified by three main ideas:

- The need to mobilize and connect diverse groups of stakeholders, without privileging the capacities, interest or goals of one groups over another.
- The need to develop spaces and tools fit for enabling meaningful interactions between these groups, based on common thematic interests;
- The need to accompany, and structure, the progression of these interaction, whenever possible, to enable specific collaboration groups to turn their ideas into fundable research projects with a clear demand.

PANCAnet was set up in three steps: we conducted a mapping of the actors in the region, we convened a stakeholder workshop to design the network with its potential users, and we set up an online collaboration interface to facilitate interactions, remotely, after the workshop.

The mapping intended to gather information of the potential actors who would be involved in this RPN and their agendas, needs and capacities. We identified five categories of essential stakeholders to link the production and use of NCA: researchers from research institutions in the

region, national policy-makers, national statistical offices, international and regional experts from Australia and New Zealand, and international organizations working on NCA production.

International organizations were keen on demonstrating that the accounts can provide useful information to policy-makers. The conversation we had with researchers from the University of South Pacific led us to assume that they were also interested in working on this topic and that they lack the opportunity to do policy-relevant research using NCA. Experts and researchers from Australia and New-Zealand supported the idea and agreed to engage in this process and to provide their expertise.

The stakeholder workshop was a critical step in our effort since it allowed us to turn the idea of a network into a working platform designed with its potential users. The workshop was an opportunity to define a short- to medium-term work program. The workshop was organized by GDN in association with WAVES and UNESCAP, at the Oceania Ecosystem Services Forum (OESF) in March 2017, in Brisbane, Australia. It gathered around 30 people international experts on NCA, national accountants in charge of NCA in the Pacific, researchers and practitioners either identified by GDN and its partners, or as delegates of OESF.

The workshop successfully allowed to identify 5 themes of broad interest to the group: sustainable tourism, marine and coastal ecosystems, SDG 14 (Oceans), energy regulation and health-environment links. These constituted the thematic backbone of the online platform. Along with each theme, we also identified 'champions': individuals that could be instrumental in promoting a specific theme on PANCAnet.

Following the workshop, the online interface of PANCAnet was launched, attracting over 40 members in the first weeks. Given the stage of development of NCA in the region, this result was considered extremely encouraging. Turning the dynamic of the workshops into concrete discussion on the platform, however, proved more difficult than anticipated. Discussion on the dedicated on-line spaces struggled to pick up pace, forcing us to revert to one-to-one discussions with 'champions' and partners on the use of the platform. At the time of writing, the platform is dormant, and GDN and IdeasBelong are reviewing their engagement strategy with the PANCAnet community.

Discussions with different stakeholders were instrumental to confirm interest is genuine and its level significant, but some of the assumptions the initiative built on needed refining. We had a good understanding of the dynamic between the different stakeholders and the desire for collaboration was confirmed. Two main issues, however, proved critical. These should inform further fine tuning of the specific role international actors play in the success of such initiatives, within and beyond PANCAnet.

First, there was a genuine and continued interest to be on the network at the national level, and eagerness to define thematic priorities across the region. Though there is a general interest for environmental issues, for many, however, the link between NCA and individual and institutional agendas remains too vague. The awareness about NCA is still uneven, and the lack of references and examples of NCA use in policy undermines the capacity of members to take a pro-active role and coalesce around concrete projects, even at a seminal state.

Second, researchers specifically remained silent on the platform, despite the key role they were expected to play. More work needs to go into understanding, from an insider's perspective, the incentive structure researchers face when engaging in a new project. The incentives PANCAnet put forward were not necessarily appropriate at a stage where academic institutions themselves have not started working on NCA.

These two conclusions do not imply that a conversation on NCA use is premature in the region, or that a nationally driven effort is unviable, rather the contrary. At a general level, they imply however that any such effort be weaved together with existing initiatives on strengthening NCA awareness and production, and not independently from them. More specific practical reflections on the experience of PANCAnet are listed in the next sections.

4. Practical reflections on how to set up a Research and Practice Network

Few lessons can be gathered from the experience of setting up and running PANCAnet for around one year. These are useful to start building a toolbox for using RPNs to foster linkages between production and use of NCA in countries.

1. Conducting a comprehensive mapping of the context, in particular regarding stakeholder's readiness to engage on NCA production and use. This strategic mapping should gather enough information on all the components of the RPN: the researchers, the practitioners, and what influence the functioning of the network. Sometimes awareness efforts directed towards specific actors will need to precede an engagement strategy to set up the RPN;
2. Providing incentives to all stakeholders from the start. The transition from interest to concrete collaboration is certainly the most difficult step and appropriate incentives, while necessary all along, are critical at this stage to drive collaboration.
3. Broadening interest in the RPN is a key challenge and the usual approach do not work well. Workshop and online platform are useful tools to reinforce existing networks of people, but are not enough to expand the RPN beyond the actors who already have an interest. With the help of existing members, facilitators are critical and will need to engage with potential members one by one and adopt a well-designed communication strategy;
4. Creating formal relationship with key research institutions before launching the RPN. For example, the creation of research centers in developing countries could provide a useful anchor to networks and ease the design and implementation of interdisciplinarity and joint projects. This requires appropriate incentives and funding to enable universities in developing countries to set up such research centers on NCA.
5. Coordinating with international stakeholders that drive the global agenda on NCA. Using RPN as a strategy can accelerate the development of NCA in countries where international actors already have some programs to create synergies between these initiatives.

5. Lessons for the NCA community

Because of its scope, NCA has a tremendous potential to help achieve the SDGs. However, this contribution will materialize only if NCA is used by national stakeholders, in-country. This will

require some changes in the process of designing, implementing and evaluating projects and policies and in existing international development practices on capacity building for NCA.

For international actors, specifically, there is a need to focus on an ecosystem of actors, and acknowledging the sets of incentives that work for actors in the production of NCA might be different from those potentially interested in their use. Any initiative on NCA to help countries compile the accounts should also include a collaboration component between researchers, practitioners and policy-makers that can foster new research and evidence agendas on the link between the economy and the environment. Recognizing the need to address the collaboration challenges linked to the use of NCA with practical but highly engineered tools and processes, such as those enshrined in RPNs, will increase the ownership of the process and accelerate the integration of actionable knowledge on natural resources in policies and practices, in the spirit of the SDGs.

6. References

Oosterhuis, Van der Esch, and Hoogervorst. 2016. "From Statistics to Policy. The Development and Application of Environmental Statistics and Environmental Accounts in the Netherlands." PBL Netherlands Environmental Assessment Agency, The Hague.

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