



REPUBLIC OF BOTSWANA

MINISTRY OF FINANCE AND DEVELOPMENT PLANNING

PRESS STATEMENT FOR IMMEDIATE RELEASE

PRESIDENT KHAMA HIGHLIGHTS VALUE OF NATURAL CAPITAL

1. President Lt. Gen. Seretse Ian Khama has stressed the importance of integrating the value of natural capital into development planning.
2. Delivering the State of the Nation Address recently, President Khama said Government remains committed to ensuring that the Gaborone Declaration for Sustainably in Africa bears fruit.
"To this end we are undertaking an exercise to value the contribution of different streams of natural capital to GDP. In addition to our water and minerals, we wish to assess the values of other resource based economic activities such as pastoral agriculture, tourism, and land management so as to ensure that our measure of the national wealth is inclusive. In this regard, the findings of the Wealth Accounting and Valuation of Ecosystem Services (WAVES) project will be used to reform our accounting systems," he said.
3. WAVES is a World Bank supported project which Botswana is participating in with Colombia, Costa Rica, Guatemala, Indonesia, Madagascar, Rwanda and the Philippines. This project is expected to reform Botswana's national accounting systems to ensure that Gross Domestic Product (GDP) goes beyond just measuring the annual output of the country. GDP as a measure has been found inadequate by some economists as it does not take into account challenges such as changing climate, depleted fisheries, degraded soils and overextended water supplies.
4. These economists have argued that just as private companies look at their assets and liabilities on their balance sheet, it is in a country's interests to take account of its assets and liabilities. Wealth accounting, which is the balance sheet for a country, is a measure of all the assets that support human well-being, which include produced capital from manufacturing, human capital including entrepreneurship, and natural capital. Assets like water, minerals, forests and other ecosystems that provide vital goods and services make up a country's natural capital.

5. The Deputy Secretary in the Ministry of Finance and Development Planning, and WAVES Botswana Steering Committee Chairman, Mr. Kelapile Ndobano pointed out that mentioning WAVES in the State of the Nation Address was a “reaffirmation that WAVES counts as an outfit that can inform national development planning moving forward.”
6. Mr. Ndobano stressed the relevance of WAVES “within the bigger sustainability context of Botswana,” and the usefulness of the outputs of the different accounts Botswana is constructing: water, minerals, energy, land and ecosystems (including tourism), and macroeconomic indicators for sustainable development.
7. This natural capital accounting tool can therefore help government determine the true value of its natural assets, optimize the use of its natural resources, diversify its economy, and reduce poverty.
8. The mention of natural capital accounting in such an important speech signals that it will be mainstreamed in critical policy making channels; has the highest level of support; and remains a priority to the country. ends

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