

Region: Africa

Natural capital: Natural resource sectors include land, water, minerals, ecosystems and forests. With about 80 per cent of Rwanda being rural, close to 90 per cent of the population depends on natural resources for their livelihood. The country's natural resources contribute about 7 per cent of gross domestic product.

Critical decision: Rwanda has two national development strategies: Vision 2020 and the second Economic **Development and Poverty** Reduction Strategy. These two strategies recognize the role of natural resources in development as well as the growing pressure on existing resources. Rwanda is keen to become a center for green growth and investment, with sustainable use of the environment at the heart of all development plans. Natural capital accounts are an opportunity to use data and evidence on values and trends to inform these strategic plans.

How will WAVES help?
WAVES is helping to add value

Natural capital accounts to inform policy

Rwanda is largely considered a model of post-conflict reconstruction but the country is still characterized by high population growth, which has strained natural resource stocks.

An increasing population – expected to reach 16 million by 2020 – has contributed to rapid depletion and degradation of natural resources, with crop production not increasing quickly enough to reduce food insecurity and extreme poverty. The steep terrain and high rainfall further complicate the challenge of sustainable land and resource use.

To address these challenges, the country has developed two national development strategies: Vision 2020 and a second Economic Development and Poverty Reduction Strategy (EDPRS2). These set a goal for Rwanda to become a middle-income, knowledge-based economy that is regionally competitive. They aim to drive economic transformation, rural development, productivity and youth employment, and accountable governance.

In EDPRS2, environment and climate change are seen as cross cutting issues that require mainstreaming environmental sustainability into productive sectors and reducing vulnerability to climate change. There is a good opportunity for natural capital accounts (NCA) to inform Rwanda's policies and strategies for more sustainable development.

Priority areas

Based on the relevance for development goals, contributions to growth, economy-wide planning and data availability, land, water and mineral accounts have been accorded first priority.

The focus on the three accounts resonates with the priority sectors identified in Rwanda's Vision 2020 and the EDPRS2. Land and water accounts can add value by providing indicators and trend analysis to help in tracking performance toward sustainability, land allocation, service delivery, and productivity targets.

NCA can help to identify tradeoffs or potential constraints as Rwanda grows. NCA can also



to Rwanda's national development planning process by focusing on two key economically important natural resource sectors: land and water. The accounts will provide consistent, reliable data to support economic assessments and sound policy formation. By collecting detailed information, natural capital accounting supports optimal natural capital use and encourages looking beyond GDP as a measure of economic growth to find indicators that take natural assets, trends and trade-offs into account.

Accounts being developed: Land, Water and Mineral

WAVES lead government agency: The Rwanda Natural Resources Authority and the Rwanda Environmental Management Authority under the Ministry of Natural Resources, together with the Ministry of Finance and Economic Planning

Country steering committee:

Members include representatives from the Ministry of Natural Resources, Ministry of Finance and Economic Planning, Rwanda Environment Management Agency, the Ministry of Infrastructure, National Institute of Statistics of Rwanda, Rwanda Development Board, and the Wildlife Conservation Society.

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Resources:

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contribute to accountable governance by increasing the quality, credibility and consistency of the statistics and analyses that support national development plans and targets.

Institutional structures

A national steering committee formed in October 2013 to oversee NCA preparation and implementation under the authority of the Minister of Natural Resources. Key sectors including financial, statistics and investment agencies are represented.

The steering committee meets regularly and in 2014 approved the WAVES Scoping Report, selected the sectors for focus during implementation and agreed the first year work plan.

The steering committee set up a technical working group to advance the country's NCA efforts and in February 2015 the NCA country coordinator was appointed, her role being to champion the initiative across government, working closely with technical staff in relevant government agencies. A communications specialist joined the team in April 2015.

Progress

Rwanda's natural capital accounting work enjoys support from government, research institutes and nongovernment organizations. It is being carried out in several phases: Phase 1 consisted of preparing the scoping study that focused on sector priorities and a detailed work plan for the implementation phase.

Phase 2 started in 2015 and consists of activities to build natural capital accounts for the priority sectors of land, water and minerals. The phase is expected to last three years.

During this implementation phase, government officials from key agencies, other organisations from outside government, technical consultants and the country coordinator are working together to collect the data which forms the accounts and to conduct policy analysis.

The Netherlands Statistics
Agency has contributed its
technical expertise and
experience to the process of
developing the first draft land
account; the accounts team are
also beginning to make an
inventory of data for a set of
water accounts.

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