

JAPAN COMMITS \$US3 MILLION TO SUPPORT DEVELOPING COUNTRIES TO FACTOR NATURAL CAPITAL INTO THEIR NATIONAL ACCOUNTS

Washington May xx, 2012: The World Bank has welcomed the Government of Japan's financial commitment of \$US3million to support the global partnership on Wealth Accounting and the Valuation of Ecosystem Services (WAVES).

"As one of the founding partners, we are very pleased to extend our support to WAVES, which aims to increase governments' capacity to integrate the value of biodiversity and ecosystem services into sub-national and national development planning and accounting systems. Japan has long been a supporter to enhancing biodiversity and preserving ecosystems, and is excited to strengthen this initiative". said **Naoko Ishii, Deputy Vice Minister of Finance for International Affairs and Executive Assistant to the Prime Minister for Global Environmental Finance, Japan.**

The WAVES partnership, first announced in 2010 in Nagoya, Japan by World Bank Group President Robert B. Zoellick, is working with 11 developed and developing countries to implement Natural Capital Accounting as a way to better manage their natural resources.

By fully accounting for natural capital like fisheries, water, forests and other ecosystems, countries can provide more accurate information to support their policy-makers in natural resource decision-making.

There is now wide acceptance of the need to put natural capital accounting into action with natural capital making up a significant share (36%) of total wealth for low-income countries.

"Japan's generous commitment to supporting the WAVES Partnership helps us step up to meet the increasing demand from countries to make natural capital accounting a reality," said **Rachel Kyte, Vice President of the World Bank's Sustainable Development Network.**

"For low-income countries, the livelihoods of many subsistence communities depend directly on healthy ecosystems. Incorporating natural capital into national accounts can support better decisions for more inclusive sustainable development."

WAVES is working to build capacity in countries to implement Natural Capital Accounting based on the UN's recently endorsed System for Environmental and Economic Accounts (SEEA). The SEEA provides an internationally agreed method, on par with the current System of National Accounts, to account for material natural resources like minerals, timber, and fisheries.

WAVES is also working to develop an agreed methodology for accounting for ecosystem services, including for example the 'regulating' services of forests for pollination and wetlands for reducing the impacts of floods.

The WAVES partnership includes the United Nations Environment Program, the UN Development Program, and the UN Statistical Commission; the countries of Botswana, Colombia, Costa Rica, Madagascar, and the Philippines, which are implementing programs; as well as financial or technical support from Australia, Canada, France, Japan, Norway, the United Kingdom, and several NGOS.