



THE GLOBAL PARTNERSHIP ON WEALTH ACCOUNTING AND THE VALUATION OF ECOSYSTEM SERVICES

BRINGING NATURAL CAPITAL INTO ECONOMIC DECISION MAKING

WAVES is a World Bank–facilitated global partnership to mainstream natural capital accounting into a country’s national accounting system and development planning. WAVES has been working extensively in Botswana, Colombia, Costa Rica, Madagascar, and the Philippines.

Rio+20 saw unprecedented support for the true value of nature and its ecosystem services reflected in every country’s economic toolkit—62 countries, 90 private sector organizations, as well as 17 civil society and international organizations expressed their support for natural capital accounting.

The WAVES partnership is leading a Global Action Plan to support this vibrant community in meeting its commitment to natural capital accounting.

THE CHALLENGE

Countries have long kept a close watch on their national income accounts to evaluate economic performance and assess the effectiveness of their development policies and plans.

And yet, conventional indicators based on national income accounts such as GDP (gross domestic product) can be misleading because they say nothing about whether growth is sustainable. Countries can grow in the short term by running down their assets, including natural capital assets like forests, minerals, and water, but such growth cannot be maintained in the long term.

It is in a country's interest to keep an eye on both its national income and assets—and its natural capital.

By fully accounting for minerals and energy, fisheries, water, forests, and ecosystems, countries can provide more accurate information to their

policy makers. This can lead to better economic decisions about development priorities and investments. There is now a methodology to do this through the recently approved UN Statistical Commission's System of Environmental and Economic Accounting 2012 (SEEA).

This is especially important for developing countries where economic activity and livelihoods, particularly of the poor, critically depend on natural capital.

WAVES provides a global platform for meeting this challenge by: helping implement natural capital accounting where there are internationally-agreed upon standards; working with partners to develop standard approaches for other ecosystem service accounts; and promoting their use in decision making among a wide range of stakeholders.

WAVES PARTNERS



A GLOBAL PARTNERSHIP



WAVES at work

Botswana, Colombia, Costa Rica, Madagascar, and the Philippines have embarked on programs for natural capital accounting endorsed at the highest level of their governments, with extensive technical support from WAVES. These countries have established national steering committees, carried out extensive stakeholder consultations, identified policy priorities and designed work plans for implementation. WAVES is also starting to provide technical support for work on natural capital accounting in Himachal Pradesh (India) and Vietnam. The countries' work plans include compiling accounts for natural resources like timber, water, and minerals, following the SEEA Central Framework, as well as experimental accounts for ecosystems like watersheds and mangroves.

WAVES has established a Policy and Technical Experts Committee to help develop and test methodologies for ecosystem accounting—working closely with partners from UN agencies, national government agencies, academic institutions and NGOs.

CRITICAL CHOICES



Botswana has prospered from diamond mining, but now needs to find a more diversified growth path based on its natural capital. Water accounts will help determine the country's best use of already-stressed water resources to inform growth and diversification strategies.



To meet growing urban demands for water, and avoid devastating floods, **Colombia** must improve management of its watersheds. Water and ecosystem accounts will help assess future investment needs and strengthen water management.



Committed to green growth, **Costa Rica** wants to increase its hydropower capacity. Land and water accounts can help assess the value of competing land uses and the economically optimal way to achieve this goal.



Biodiversity-rich **Madagascar** wants to know how to finance more than 60,000km² of protected area. Land accounts will help determine the value and potential contribution from tourism, climate regulating services, and water supply provision.



How can the **Philippines** maximize the contribution of its vast coastal and marine resources to inclusive growth and climate change resilience? Ecosystem accounts can help determine how management of coastal ecosystems can be improved and who will benefit.

THE ROAD AHEAD

By working with central banks, and ministries of finance, planning, and the environment, WAVES hopes to enable more informed decision making that can ensure sustainable growth.

After Rio+20, WAVES is scaling up to meet the needs of the 62 and growing number of countries interested in natural capital accounting. Over the next few years, WAVES will develop plans and put them into practice, together with partners toward these key objectives:

- Providing technical support, training, and capacity-building on a global scale
- Compiling a body of evidence about the policy uses of NCA
- Communicating what works

The road ahead is challenging but also exciting. The goal — better decisions for development — is an opportunity for the whole world.



WAVES partners include developing countries — Botswana, Colombia, Costa Rica, Madagascar, and the Philippines — all working to establish natural capital accounts. It also includes developed countries like Australia, Canada, Denmark, France, Germany, The Netherlands, Norway, Spain, and the United Kingdom that have valuable lessons to share. UN agencies — UNEP, UNDP, and the UN Statistical Commission — are helping to implement natural capital accounting and review scientific methods and evidence.

WAVES is funded by a multi-donor trust fund and is overseen by a steering committee.

MAKING WAVES

If you are interested in sharing your experience in natural capital accounting, or in learning more about how to implement it, we would love to hear from you. Please contact waves@worldbank.org

Find out more about WAVES at www.wavespartnership.org

