Institutionalization of natural capital and ecosystem accounts: The experience of Costa Rica

WAVES 8th Annual Partnership Meeting
Paris, November 28-29, 2018
Development of environmental accounting in Costa Rica

1. Support of the World Bank
2. Steering Committee
   - INEC
   - MIDEPLAN
   - MINAE
   - MH
   - BANCO CENTRAL DE COSTA RICA
3. Development and publication of first environmental accounts
4. Creation of Environmental Statistics Unit (ESU)
Costa Rica: environmental accounts

**Published:**

- **Energy:** Use by economic activity and the associated CO₂ emissions
  - 2011 - 2016

- **Forest:** Supply and use (physical and monetary), asset accounts and land cover changes
  - 2011 - 2013

- **Water:** Supply and use (physical and monetary) and asset accounts
  - 2012 - 2016

**Under development:**

- **Ecosystem services** (Carbon sequestration, Tourism and Crops)
- **Material flows**
- **Environmental protection expenditure**
- **Environmentally related tax revenues**
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<th>Before</th>
<th>Nowadays</th>
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<tr>
<td>• Early stages of WAVES: support from Government officials not as</td>
<td>• Continuous support from ministries that conformed the</td>
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<td>strong.</td>
<td>workgroup.</td>
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<td>• Difficulties in “breaking the ice” with informants and entities.</td>
<td>• Better understanding of benefits of NCA by informants</td>
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<td>• Regular meetings of the ad-hoc Steering Committee.</td>
<td>and entities.</td>
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<td>• Formalization of the National Council of Environmental</td>
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<td>Accounts by Executive Decree.</td>
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San José, 1 mar (ElPaís.cr).- El Ministerio de Hacienda unificará a los Ministerios de Ambiente y Energía (MINAE), de Planificación Nacional y Política Económica (MIDEPLAN) y de Hacienda (MH), así como al Instituto Nacional de Estadísticas y Censos (INEC) y al Banco Central de Costa Rica (BCCR) en el Consejo Nacional de Cuentas Ambientales (CNCA) que apoyará al MINAE para recomendar, definir y aprobar los lineamientos y enfoques para la implementación de las cuentas ambientales.
### Entry points and barriers

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<th>Nowadays</th>
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<td>• Limited resources for the project (one person in payroll).</td>
<td>• Four people in payroll working for the ESU.</td>
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<td>• Main focus on data collection for compilation of the accounts.</td>
<td>• Main focus on continuous improvement of data quality, sources of information and scope of analysis.</td>
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<td>• Support from international entities to develop new accounts</td>
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<td>• MFA assisted by CBS-NL</td>
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<td>• Expansion of the functions of the ESU to climate issues.</td>
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Contribution of environmental accounts

Information can be disaggregated by economic activity.
- Compatible with I-O analysis.

First hybrid indicators (physical+ monetary value/ environmental+ economic information).

Monitoring system of environmental data in the country.
- Trends and outliers.

Systematic, organized information to respond to international requests (OECD, DENU-PNUMA and SDGs).
Opportunities and threats

**Opportunities**

- Inclusion of environmental accounts in the National Development Plan.
- Improvement of dissemination of information related to NCA.
- Application of environmental accounts for decision-making.
  - IEEM platform (IADB-BCCR)

**Threats**

- Lack of resources to work on new accounts.
  - GIS knowledge required for ecosystem accounting
- Challenge to institutionalize the use of environmental accounts in certain governmental agencies.
- Lack of enforcement to improve data quality used as input for environmental accounting.
Opportunities and threats

- Joint collaborations with academia (peer-review papers) and enterprises on the use of NCA for decision making.
- South-south cooperation.

- Link of NCA with world trending issues (climate change, Aichi Targets) remains unclear for policy makers.
- Strengthening of the National Statistics Office (INEC).
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