



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

BRINGING NATURAL CAPITAL INTO ECONOMIC DECISION MAKING

WAVES is a World Bank–led global partnership that aims to promote sustainable development by ensuring that natural resources are mainstreamed in the development planning and national economic accounts. WAVES has been working extensively in Botswana, Colombia, Costa Rica, Madagascar, and the Philippines. Three new countries have joined the partnership as core implementing countries—Guatemala, Indonesia, and Rwanda.

Rio+20 saw unprecedented support for the true value of nature and its ecosystem services reflected in every country's economic toolkit—69 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 building a vibrant community interested 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.

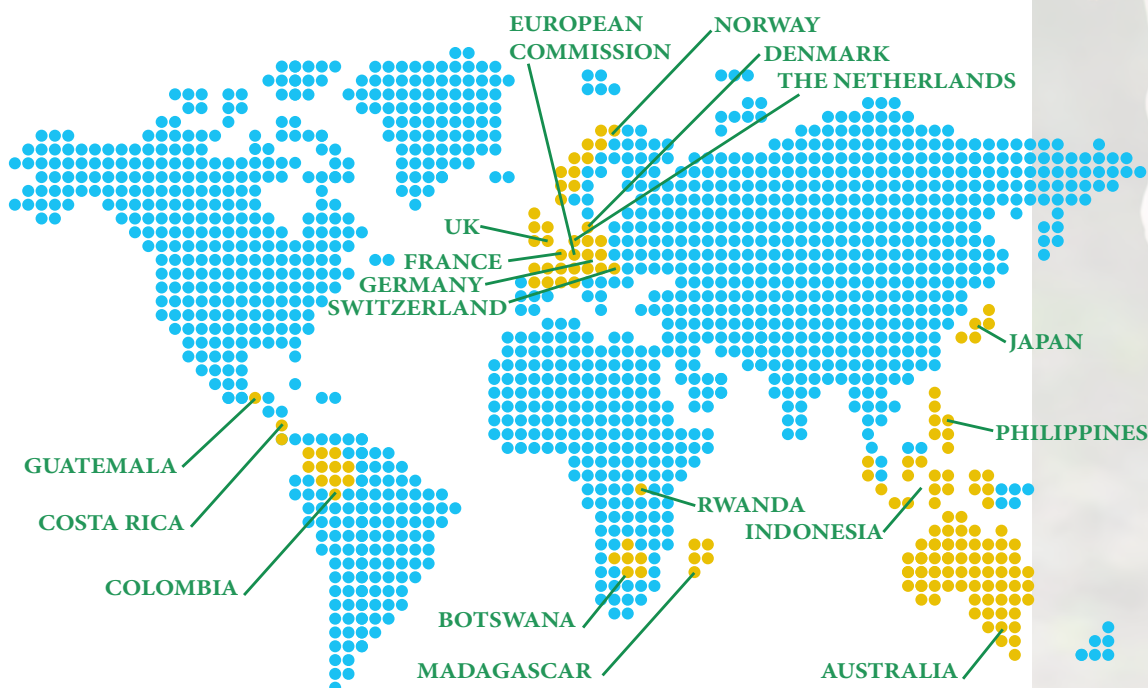
By fully accounting for minerals and energy, fisheries, water, forests, and ecosystems, countries can provide

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 based on the SEEA; 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 CORE IMPLEMENTING COUNTRIES AND DONORS



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 over a four-year period. Guatemala, Indonesia, and Rwanda have embarked on the preparatory phase where they are identifying policy questions that can be better informed with accounts. The work plans identify specific policy entry points and the accounts that can inform them, like water, forests, and minerals, as well as experimental accounts for ecosystems like watersheds.

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



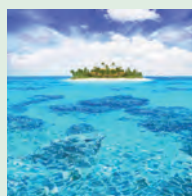
Botswana has prospered from diamond mining, but now needs to find a more diversified growth path based on its natural capital. Water accounts will help determine the country's best use of already-stressed water resources to inform growth and diversification strategies.



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 ensure the sustainability of its tourism industry. Watershed 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. Forest accounts in protected areas will help determine the value and potential contribution from tourism, climate regulating services, and water supply provision.



Philippines has identified several options for development, including nature-based tourism and the expansion of responsible mining and agriculture. How can it optimize its natural-resource use to achieve these goals, especially when faced with a rising incidence and severity of natural disasters and a growing population? Water, mineral, and mangrove accounts will help inform these decisions.

THE ROAD AHEAD

By working with ministries of development, planning, and finance, WAVES seeks to promote more informed decision making to ensure sustainable growth.

WAVES is working together with partners to:

- Provide technical support, training, and capacity building on a global scale
- Compile a body of evidence about the policy uses of NCA
- Communicate what works

To meet growing country demand, WAVES is scaling up the number of core implementing countries and plans to launch regional communities of practice to build regional-based capacity.

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



WAVES core implementing countries include developing countries—Botswana, Colombia, Costa Rica, Guatemala, Indonesia, Madagascar, the Philippines and Rwanda—all working to establish natural capital accounts. The partnership includes the European Commission as well as countries like Australia, Denmark, France, Germany, Japan, The Netherlands, Norway, Switzerland, the United Kingdom, and other countries that have valuable lessons to share. WAVES also partners with UN agencies—UNEP, UNDP, and the UN Statistical Commission—that are helping to implement natural capital accounting.

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

Available in Spanish at www.wavespartnership.org/esp

