



Michael Vardon

michael.vardon@anu.edu.au

Connecting natural capital accounting to policy

Regional Perspectives on Natural Capital Accounting

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Intercontinental Hotel

Nairobi, Kenya



Wealth Accounting and the Valuation of Ecosystem Services
www.wavespartnership.org



Session aims and overview

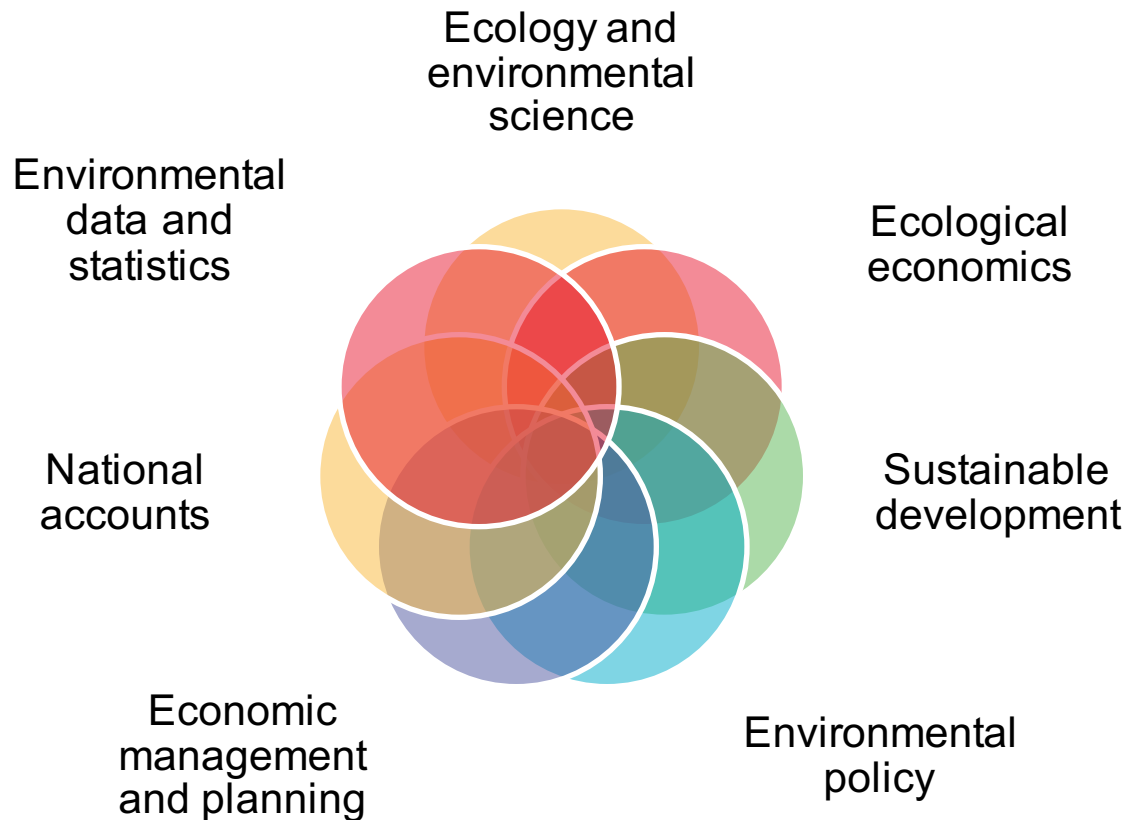
The aim is to get you thinking about how accounts are or can be used. We will cover:

- Different perspectives
- What do decisions-makers think about?
- Key accounting concepts and how they link to what decision-makers think about
- Audiences and information
- Policy processes
- Case studies



Foundations of environmental accounting

Built from the concepts and knowledge from many areas



Where does your understanding start?



What do decision-makers think about?



Botswana President Ian Khama said “We will put natural capital at the heart of government decision-making”.

- **What is the problem?**
- **What can I do about it?**
- **Who wins?**
- **Who loses?**
- **How much will it cost?**



The Hon. Barry Gardiner, Member of Parliament, United Kingdom, Formerly an assistant Minister of Environment

Main concepts for environmental accounting and links to policy

- Stocks measured at a point in time (e.g. 1 January)
- Flows measured as a rate (e.g. litres/minute, dollars/year)

What is the problem?



Stocks and flows



Physical and monetary measures

- Physical measures like kilograms, hectares, litres, parts per million
- **Monetary measure like \$, €, ¥, £, etc.**

Benefits beneficiaries

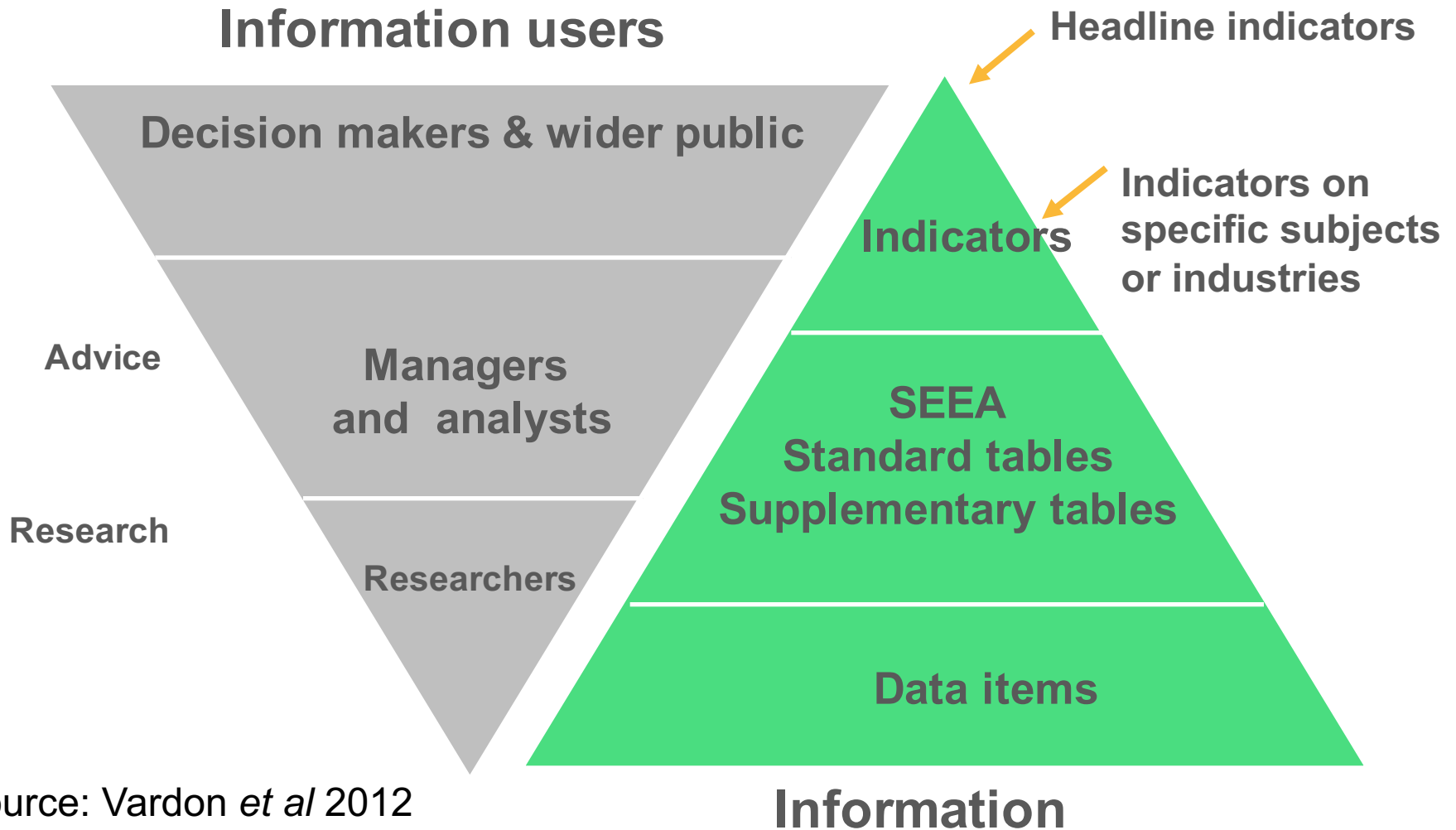


What does it cost?

- Benefits in SNA (in GDP) or non-SNA (not in GDP)
- **Beneficiaries are people or groups (e.g. farmers, government, miners)**

Who are the winners and losers?

Audiences and information



Source: Vardon *et al* 2012



Sequential view of account production and use

Issue-> e.g. water scarcity and competing uses



Basic data (e.g. rainfall, agricultural survey)



Water data

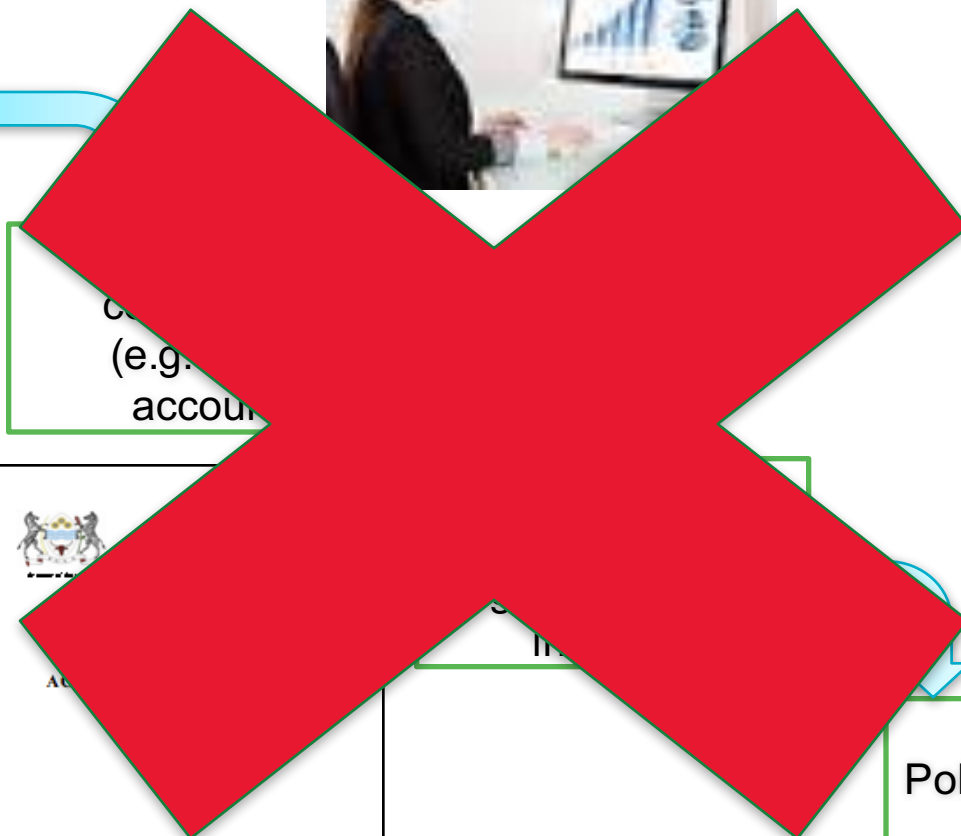
- Design Rainfalls
- Environmental Monitoring Sites
- Geofabric
- Groundwater information
- Hydrologic Reference Stations
- Water Data Online

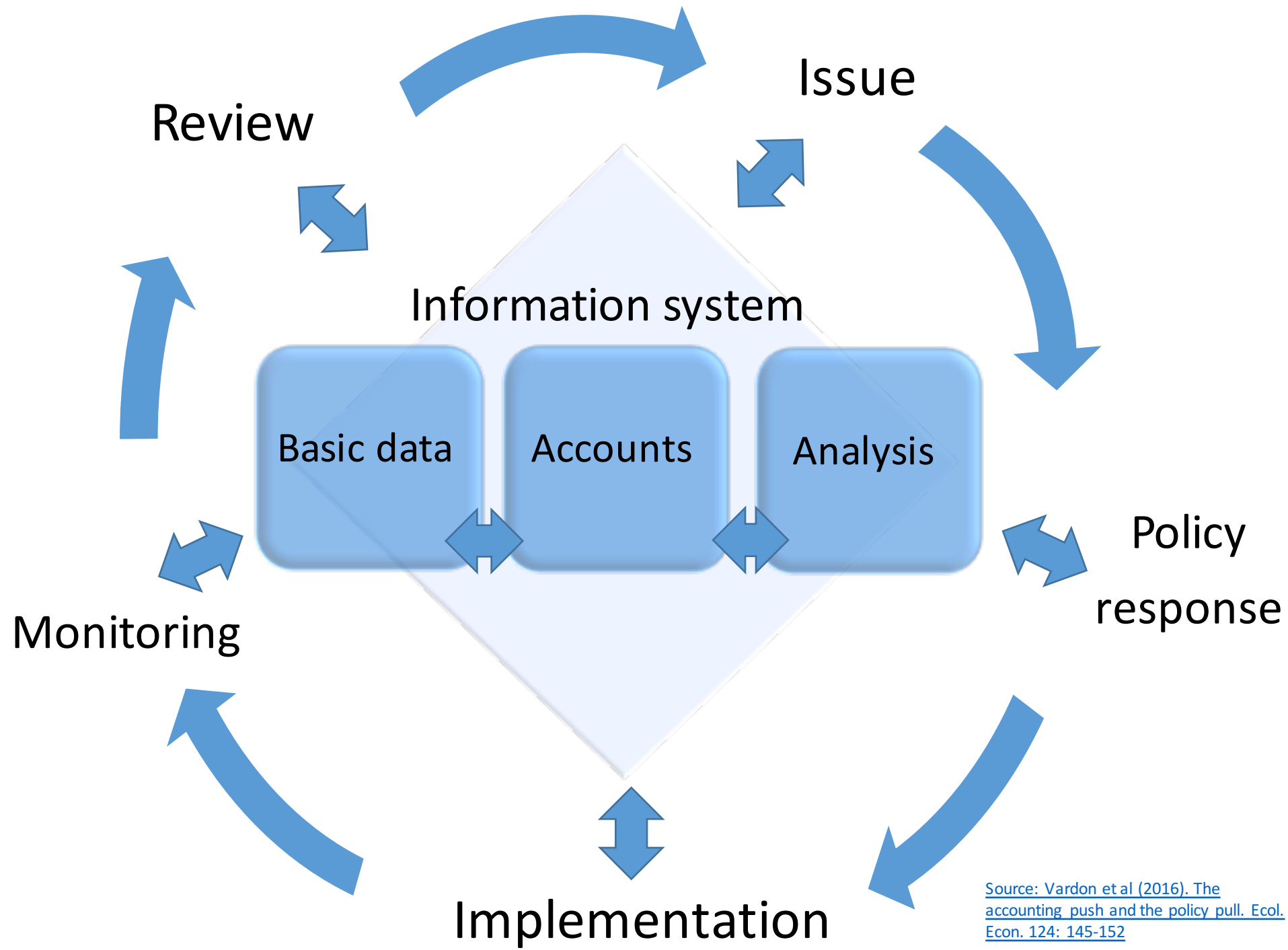


Account production (e.g. account)



Policy and decision making





Decisions and policy options

- What are the decisions and decision-making process that can use information?
- What are the policy options available?
 - Carrots
 - Sticks
 - Sermons



Case studies

- Botswana water
- Botswana minerals
- Madagascar Fisheries
- Madagascar Ecosystem services

Policy Briefing

Sustainable, equitable and productive use of water through water accounting

The Government of Botswana has developed water accounts for 2010/11 and 2011/12 that show what is happening with water stocks and flows in the country. This information has the potential to improve the productive and equitable use of water across Botswana now and in the future.

Water use efficiency – makes more productive and economic growth use and helps to lead to growth in water allocation.

Water allocation – provides water to sectors and users that add most value through the economic development.

Water conservation – ensures that water needs and use are met through the use of water resources.

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MADAGASCAR Natural Capital Accounting and Management of the Malagasy Fisheries Sector

Madagascar's fisheries sector – important for local livelihoods & national growth

With a marine area of over 2 million square kilometres, Madagascar's fisheries are a natural resource that offers significant economic and social benefits. The sector is a major source of employment and income for many Malagasy people, particularly in coastal areas. However, the sector is also facing significant challenges, including overfishing, illegal fishing, and climate change impacts. This report provides a comprehensive overview of the sector's current status and offers recommendations for sustainable management.



A web of institutions, policies and laws governing the sector

The Malagasy fisheries sector is governed by a complex web of institutions, policies and laws. This report provides an overview of the current governance framework and offers recommendations for strengthening it. Key areas for improvement include: enhancing the capacity of the fisheries administration, strengthening the legal framework, and improving the monitoring and enforcement of fisheries regulations.

WAVES

MADAGASCAR
Valuing Ecosystem Services in the CAZ
Forestry Corridor

The CAZ Forestry Corridor

The CAZ Forestry Corridor is a strategic area for the Malagasy government, offering significant economic and social benefits. This report provides a comprehensive overview of the corridor's current status and offers recommendations for sustainable management.

Analysis of water supply and sediment regulation services in the CAZ protected area

This report provides a detailed analysis of the water supply and sediment regulation services provided by the CAZ protected area. It identifies key areas for improvement and offers recommendations for strengthening the sector's governance framework.

Table tasks - consider the case studies and report back on questions

1. What is the problem?

2. What are the options for addressing the problem?

3. What accounts and analytical tools could you use to assess the options?

4. What processes could the information feed into?



Natural capital accounting policy roundtables

Users and producers of accounts work together to identify the issues, policy options, analytical tools and decision-making processes that can use natural capital accounts

