
WAVES Botswana: Frequently Asked Questions

What is natural capital accounting?

Natural capital accounting (NCA) brings together information on how natural resources are contributing to the economy – information on natural capital stocks and flows, uses and users, scarcities and potentials – to help improve development decisions. NCA, an extension of the System of National Accounts, also shows the impact of the economy on natural resources. The approach is designed to integrate natural resources into economic analysis and can provide a broader picture of development progress than standard measures such as GDP.

Where does Botswana stand on NCA?

Botswana is a leader in Africa on natural capital accounting. It benefited from a pilot programme in natural resource accounting for water, minerals and livestock in the late 1990s and early 2000s, which has created a familiarity with the concept.

The country also benefits from support from the National Strategy Office and the president himself. In May 2012 President Khama convened an Africa Summit on Sustainability where ten heads of state, with some public and private sector partners, considered what sustainability meant for the continent. The resulting Gaborone Declaration had 'Integrating the value of natural capital into national accounting and corporate planning and reporting processes, policies, and programs' as its first action statement. A follow-up meeting, convened in 2013 at ministerial level, reaffirmed the utility of natural capital accounting as part of a roadmap towards implementation of the Gaborone Declaration.

Where does the mandate for NCA come from, who is leading the process and who is contributing?

President Khama has given the mandate for natural capital accounting to the Ministry of Finance and Development Planning, and the ministry is championing the cause, supported by a multi-sectoral steering committee. The committee reports on a twice-yearly basis to the Botswana Economic Advisory Council (BEAC), chaired by the president, and he included natural capital accounting in his state of the nation speech in 2013 as well as 2014.

The National Strategy Office sees natural capital accounting as a building block of development. NCA is incorporated in the draft Botswana National Development Plan 11.

What are the stakeholders around the NCA 'cycle'?

The stakeholders are currently mainly in government although the technical working group includes key players from the private sector: the Water Utilities Corporation, the Chamber of Mines, mining companies, the Hospitality and Tourism Association of Botswana (HATAB) and the University of Botswana among others.

The Botswana national water accounts have big implications for the agriculture, mining and livestock sector – how can we get more detail?

There is a lot of information on the WAVES website including technical reports, a policy brief and a short two-page 'snapshot' outlining the accounts' key findings.



Why have we only done water accounts? What others are we doing?

The roadmap for natural capital accounting in Botswana includes not only water, but also minerals and energy, ecosystems and macroeconomic indicators of sustainability. The World Bank briefed the president on natural capital accounts at the 2012 BEAC meeting and showed him results of the earlier water pilot. Following the meeting, he asked for water accounts to be done first as the consequences of Botswana's water scarcity are significant.

The second phase of water accounts is ongoing. Accounts for minerals and macroeconomic/fiscal policy indicators were started in 2013 and a first report is available on the WAVES website. On ecosystem accounts, the scoping report prioritizes the Okavango Delta, the Makgadikgadi ecosystem, and the Chobe system. Work is on-going to collect and update data systems needed to construct tourism accounts. A detailed Action Plan for energy accounts over an 18-month period has been developed and the first step is beginning in early February 2015.

Will these accounts mean I have to do things differently as a data provider?

Generally the accounts integrate existing data more systematically so there will be fewer gaps in information when we make decisions. The accounts reveal where critical data are missing and indicate how such gaps can be filled. We will be able to consider the ecological indicators against economic and social indicators to get a more comprehensive picture of the state of a resource and the trade-offs from different uses.

In the process of putting accounts together government agencies will share data and build more cooperative relationships. For example, different departments in the Ministry of Agriculture have different pieces of information on irrigation. These should all be shared with the Department of Water Affairs which is where the water accounts will be housed.

In the future it will become much easier to produce accounts. For instance, if the Water Utilities Corporation, which provides Botswana's piped water, attaches an industry code for its commercial clients in the billing system, water accounts can be automatically generated every year, or on a quarterly basis.

Will these accounts mean I have to do things differently as a business or citizen?

Natural Capital Accounting offers better information for long-term sustainable solutions. The accounts may signal that adjustments to incentives for handling scarcities are needed, such as revised prices, but it won't directly lead to that.

The accounts will help Botswana use its scarce resources more efficiently to support long term growth, diversification and poverty reduction. There are many ways to create incentives for more efficient resources use: pricing and taxes are just one of these tools. The accounts also help identify opportunities and priorities for investment, institutional bottlenecks to development and strategies to overcome such obstacles, as well as putting in place systems to capture physical and monetary data required to inform planning decisions.

Who else is doing this?

Seventy countries are signed up to the natural capital accounting approach including 30 developed countries that have been using this approach for 15-20 years. There are a number of middle income countries including Colombia, Costa Rica, China, Brazil and Mexico. Ten countries in Africa signed up to the Gaborone Declaration and WAVES is working in Madagascar and Rwanda with plans to expand to other countries in the region.

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