Connecting natural capital accounting to policy

Regional Perspectives on Natural Capital Accounting
21 – 23 June 2016
Intercontinental Hotel
Nairobi, Kenya
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 the 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

- Ecology and environmental science
- Ecological economics
- Sustainable development
- Environmental policy
- Economic management and planning
- National accounts
- Environmental data and statistics

Where does your understanding start?
What do decision-makers think about?

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

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

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)

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

- 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?

What does it cost?

What is the problem?
Audiences and information

Information users

- Decision makers & wider public
- Managers and analysts
- Researchers

Indicators
- Headline indicators
- Indicators on specific subjects or industries

- SEEA Standard tables
- Supplementary tables

Data items

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

Analysis and interpretation (e.g. water use by industry)

Account compilation (e.g. water account)

Policy and decision making
Basic data

Accounts

Analysis

Information system

Review

Issue

Policy response

Monitoring

Implementation

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
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