

Workshop on MAES pilot study on Natural Capital Accounting

Concepts, accounting standards, policy applications some reflections

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Policy commitments & accounting related activities

Strategic Plan for Biodiversity 2011-2020: Target 2

Global

Rio+20 Conference: fifty-seven countries – call to strengthen the implementation of natural capital accounting

'Beyond GDP' & 'Stiglitz-Sen-Fitoussi Commission' & OECD's Better Life Initiative

UN System of Environmental and Economic Accounting (SEEA)

Global Partnership for Ecosystem Valuation and Wealth Accounting (WAVES)

EU

EU Biod. Strat. : Action 5: promote integration of values in accounting by 2020

EU : EEA Ecosystem Capital Accounts

EU : Regulation on National Environmental Economic Accounts

Country

NBSAPs – National Biodiversity Strategies and Action Plans

MS: Range of national commitments and experiments

Corporate

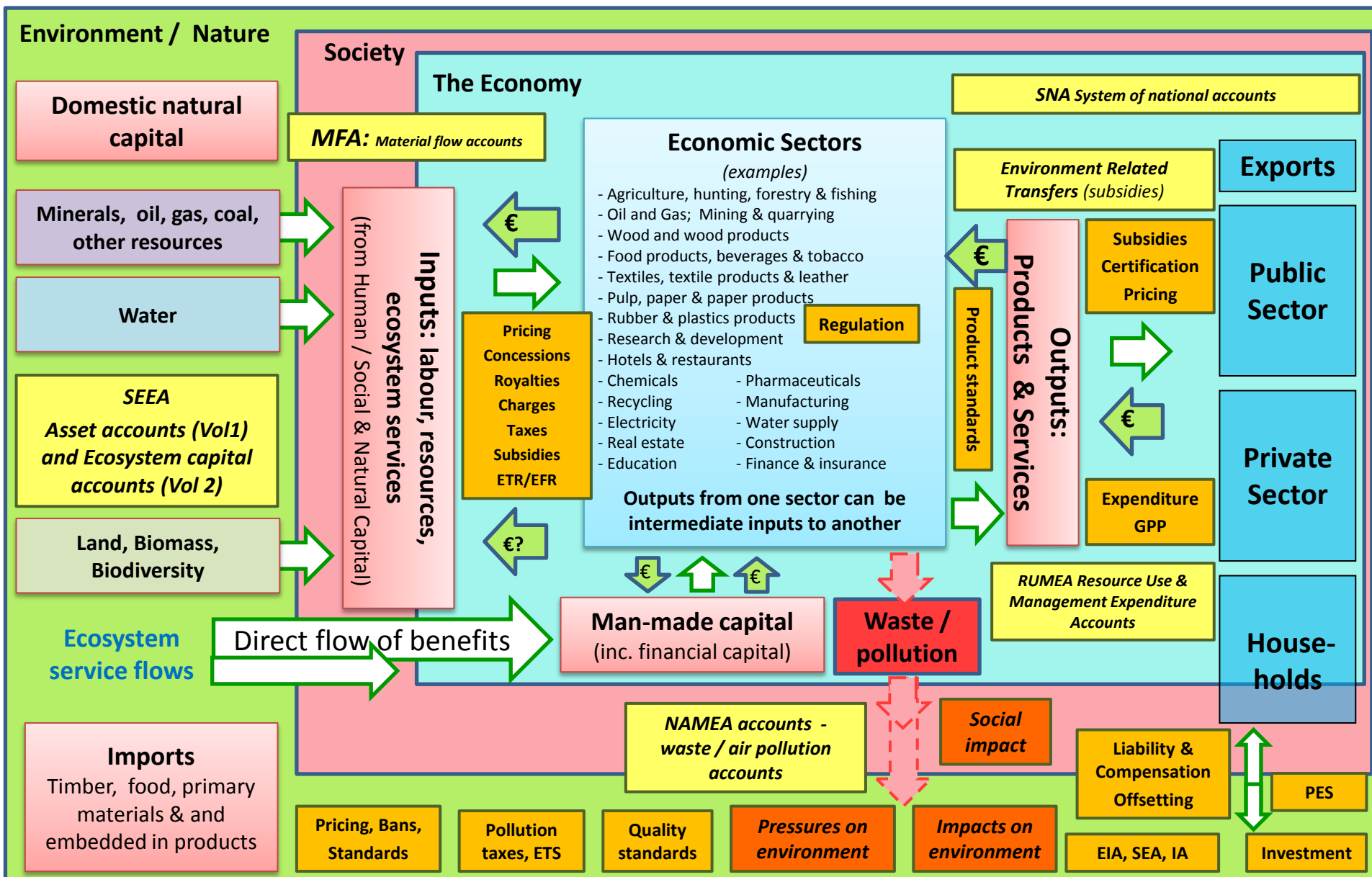
Nat. Cap. accounting; EP&L (Puma). Corporate ecosystem valuation (WBCSD)

NBSAP and the integration of values into accounts part of a wider trend

Accounts provide a range of policy relevant indicators

- ❖ What **natural capital resources** (stocks and flows) does the country depend on?
- ❖ And what are the **state and trends** of natural capital?
- ❖ **Who benefits** from natural capital and the flow of **ecosystem services**?
- ❖ What are **impacts of economic activity on natural capital**?
- ❖ What **changes have occurred over time**?
- ❖ What **(monetary) values** might be attached to ecosystems?
- ❖ What is the **impact of policy instruments** introduced?

Building an overview: Accounts and the Economy

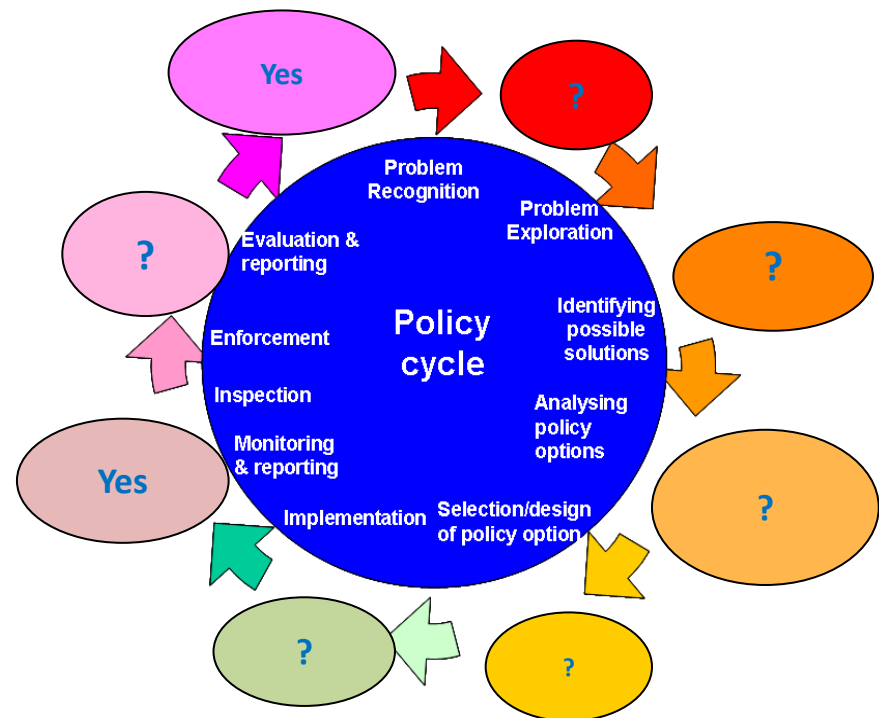


Policy Uses for Accounts

Policy Areas

- Biodiversity
- Water
- Climate mitigation & adaptation
- Cohesion policy
- Agriculture
- Forestry
- Fisheries
- Energy
- Resource efficiency
- Green economy

Points in policy Cycle



Accounts can be of use to many policy areas and across the policy cycle

Added value depends on data quality, account maturity & alternative info sources & assessment tools

Way forward

- Environmental and economic accounts have the potential to help in creating a **paradigm shift in evidence, awareness, policy making and impact.**
- **Increasing commitments** at global and national levels
- Range of potential **benefits across policy areas and policy cycle**
- Level of benefits depends on **type of data, quality of data & regularity of data reporting** as well as **availability of alternative information sources and tools**
- **Policy benefits will grow** as accounts mature and policy makers' awareness of accounts grows – **further application, method advances & investment needed**
- Need to **focus on high added value accounts** given resource considerations
- Some **major issues** remain: e.g. **monetisation** and **integration of biodiversity**

Thank You!

Further information:

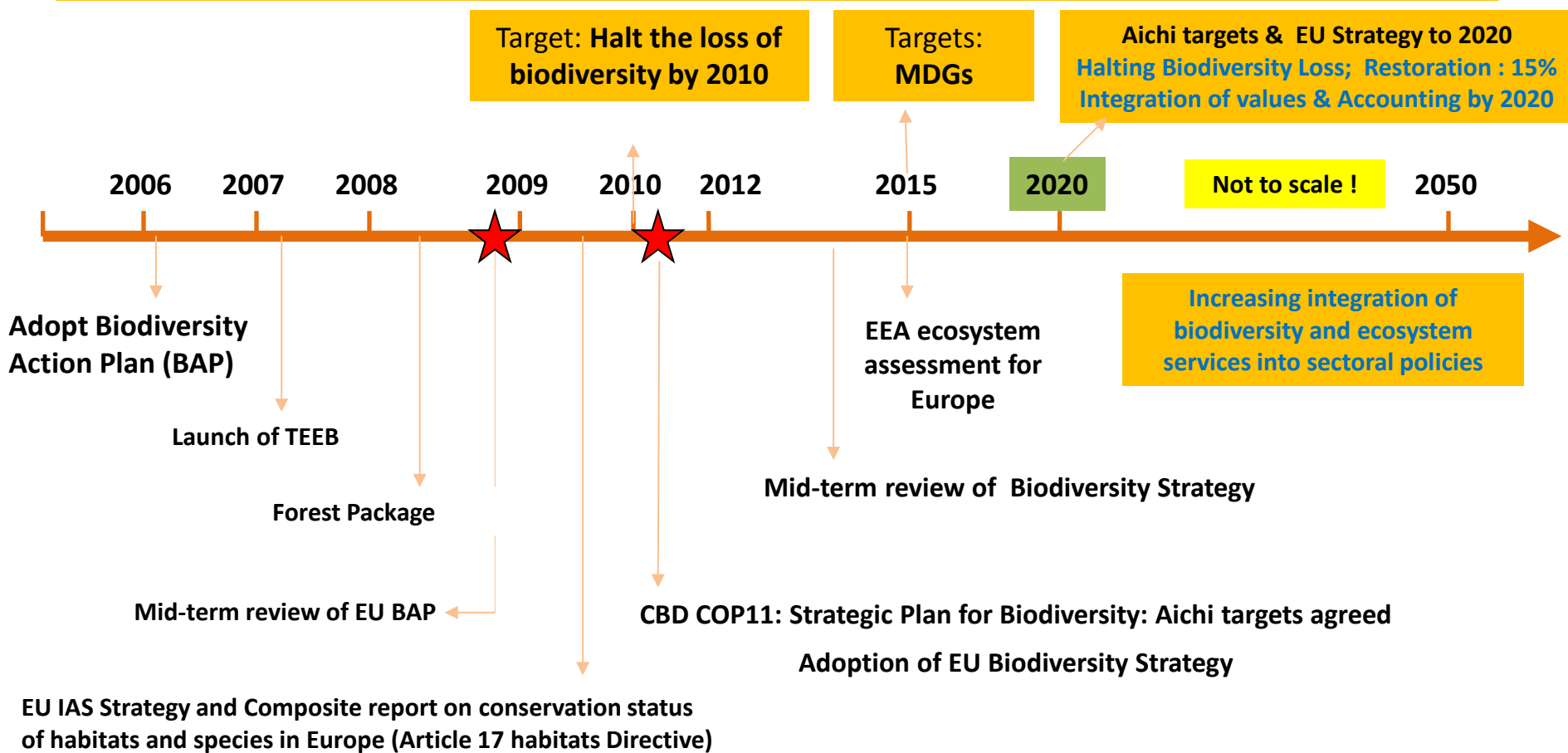
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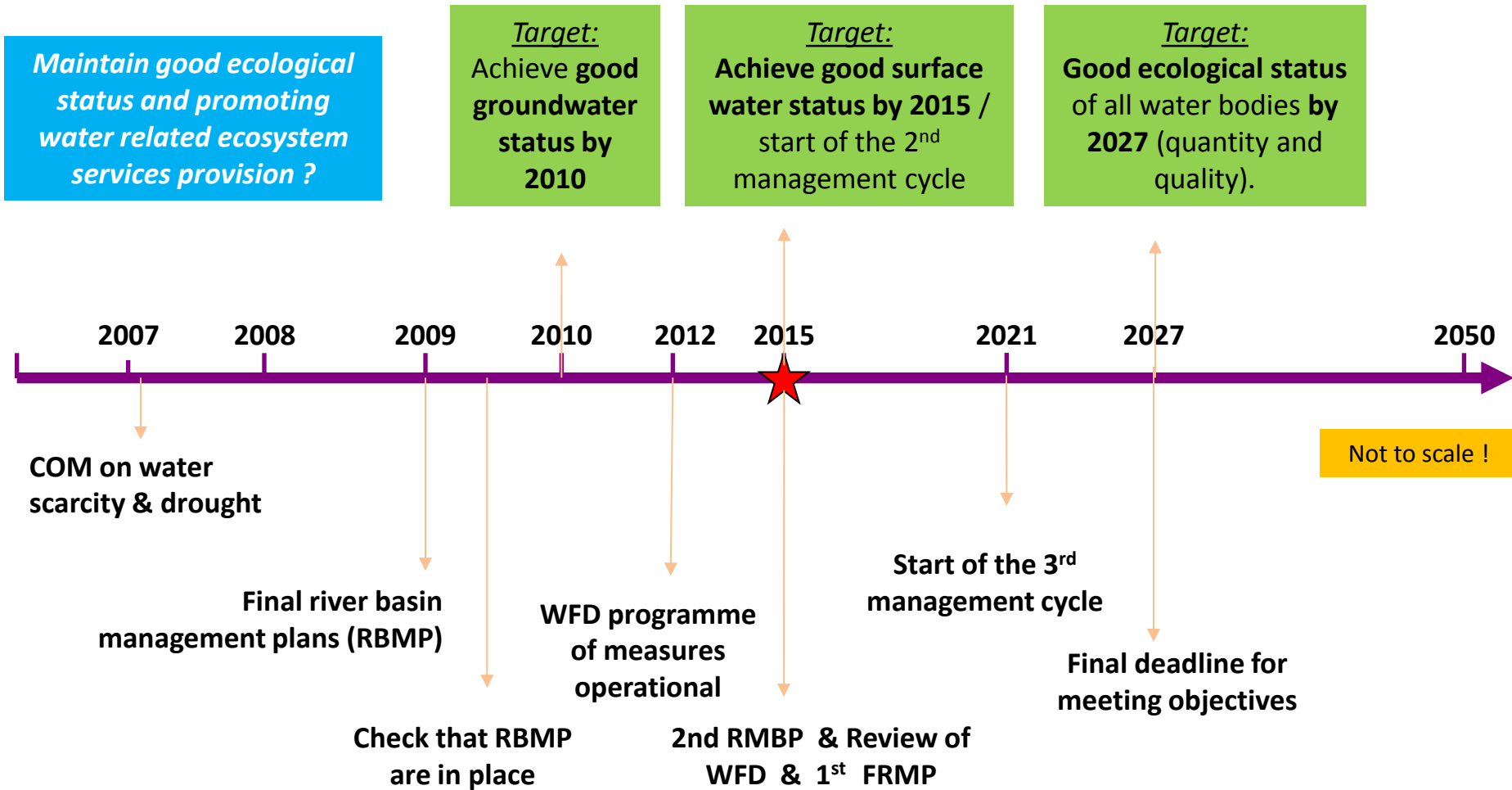
Biodiversity Policy



Biodiversity itself difficult to integrate into accounts directly.

Water, land, biomass-carbon & pollution accounts (and especially the links between these) offer a **valuable evidence base (pressures & services) for biodiversity policy**

Water Policy

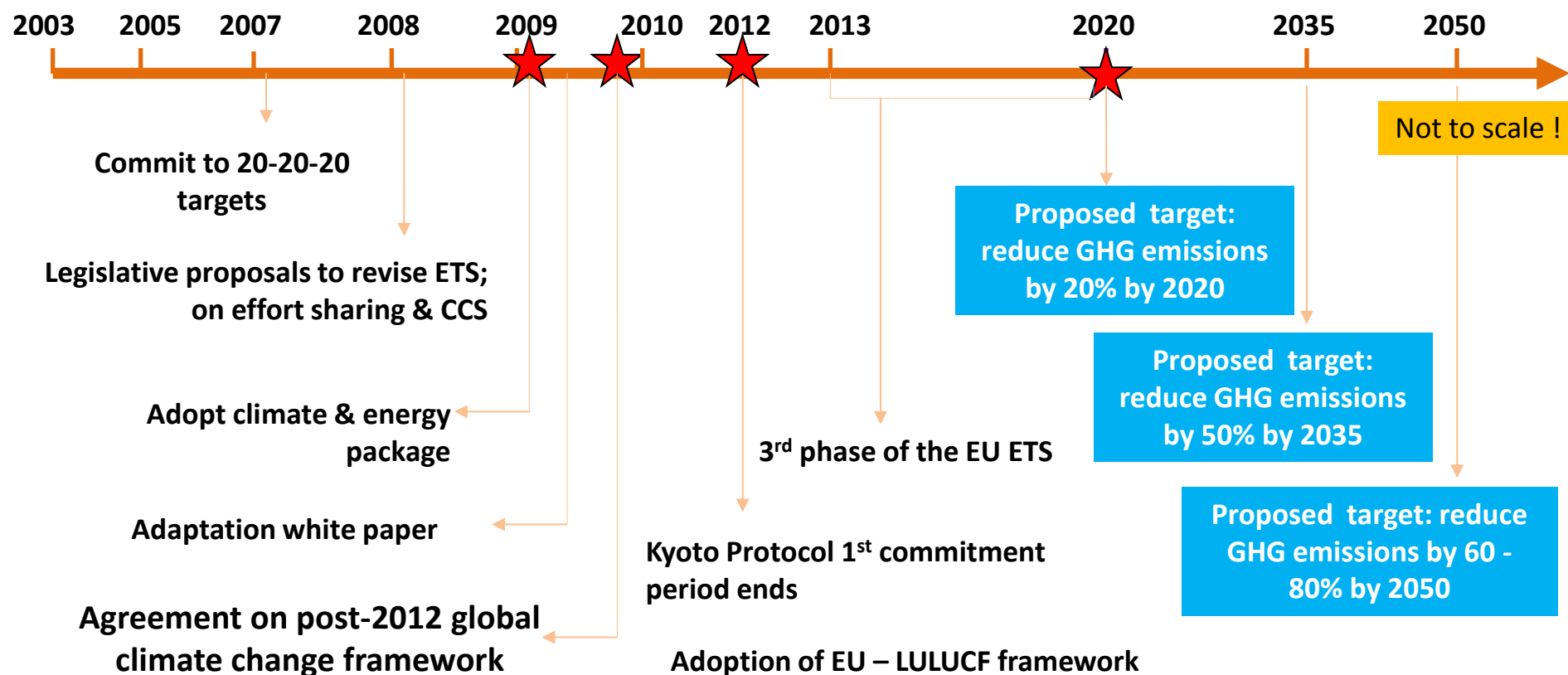


Water & Ecosystem Cap. accounts (link land, water, biomass) & **NAMEA: valuable evidence base**

Water stock (aquifers, soil water, rivers, lake and dams) and changes; Annual water flows, Net Ecosystem Accessible Water Surplus – at national and river basin level. **Water Quality issues will require accounts development.**

Climate Change

Move to ecosystem based mitigation and adaptation to climate change?



Air & carbon biomass accounts: valuable evidence base.

Stock of carbon in soil, trees and shrubs and changes in stocks; Net Ecosystem Carbon Balance; HANPP; Net Ecosystem Accessible Carbon Surplus. Eventual link to LULUCF.

Also used re Env tax, subsidies/transfers and env expenditure accounts: re drivers/response: ETR/EFR et al
 Already int. accounting on GHG emissions and LULUCF: some areas less added-value from accounts.

Cohesion Policy

EC proposals: 2014-2020 EU Cohesion Policy:

- Overall budget - **€336 billion** (33% of MFF) & retains main funds: **ERDF, Cohesion Fund** and **ESF**
- EC proposal 20%+ MFF allocated to climate related activities =~ €200 billion for 2014-2020

11 thematic objectives, including:

Supporting the shift towards low-carbon economy in all sectors

Promoting climate change adaptation, risk prevention & management

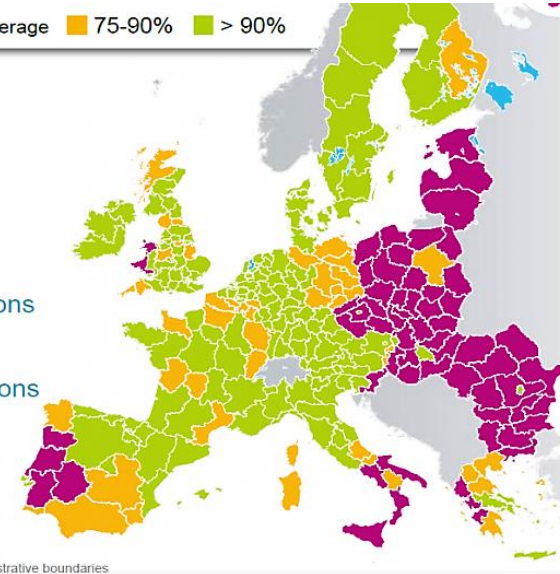
Protecting the environment, and promoting resource efficiency

GDP/capita* ■ < 75% of EU average ■ 75-90% ■ > 90%

*index EU27=100

3 categories of regions

- Less developed regions
- Transition regions
- More developed regions



Potential for accounts:

Carbon biomass accounts for **commitments on GHG mitigation**;

Land & water accounts: **areas at risk from climate change - water scarcity, flooding et al.**;

Regional accounts: **carbon intensity, resource efficiency**;

Local accounting (e.g. InVest) for decision making regarding **investments**.

Need experimentation, improved data & capacity building.