

SESSION DESCRIPTION

ID: T17

From assessment to accounting: how countries experience the development of NCA. Insights from applications

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Abstract:

Natural Capital Accounts (NCA) are meant to complement the System of National Accounts (SNA), which represents the main source of information to assess the wealth of a country. To make NCA operational within and together with SNA, accounting mechanisms and rules have to be consistently applied. An evolution is foreseen from pure ecosystem and ecosystem services assessment to their structured accounting. After the System of integrated Environmental and Economic Accounts – Experimental Ecosystem Accounting (SEEA–EEA) was proposed in 2012 and few guidelines were offered by many sources (e.g. UNSD, World Bank, European Commission), there is a wide application of these accounting modules throughout the world.

NCA is part of the wider SEEA accounting toolkit and is now the focus of considerable political commitment at Global, EU, national and regional scales. However, there is quite some uncertainty as to which accounts, which metrics can support which policy areas.

Among the current initiatives, the Integrated system for Natural Capital Accounts (INCA) project is a partnership among the European Commission Directorate General (DG) Joint Research



Centre, DG Environment, DG Research and Development, Eurostat and the European Environment Agency. INCA started in 2015 with the objective to develop ecosystem accounts for the EU, following the SEEA-EEA.

Another close initiative, Mapping and Assessment for Integrated ecosystem Accounting (MAIA) project starts in 2018 and has 18 partners in 10 countries. MAIA project aims to mainstream natural capital and ecosystem accounting (NCA) in EU Member States through the assessment of policy priorities for accounting NCA tests and pilots in EU MS and the development of innovative approaches for NCA in the European context.

In this session two streams of applications are proposed:

- in the first sub-session, applications are presented by invited speakers (mainly from INCA and MAIA);
- the second sub-session is open to all other NCA applications.

Participants will present "accounting tables" as the key element to communicate with a technical audience (statistical offices and policy analysts) involved in this field, but they can also propose a set of alternative tools to communicate with academia, NGOs, multiple policy layers and the general public.

An important extension of this session will be the "Policy and Practice in the face of Global Changes". Examples of accounting outcomes should be in line with countries' policy priorities to face policy issues as Climate Change.

Participants will present;

- 1. Their technical experiences in compiling the NCA
 - a. Accounting tables
 - b. limits gaps and problems encountered in NCA compilation
- 2. The policy impact of their NCA experience
 - a. How did it influence decision-making and policy?
- 3. Lessons learnt



- a. Limitations of NCA approaches
- b. Political considerations
- c. Institutional considerations (who compiles the accounts? etc.)

Following individual presentations, a plenary discussion will further explore:

- How user requirements influence NCA construction
- Trade-offs between robustness and inclusiveness
- · Reliability of methods vs feasibility & capacity to compile
- · Cost effectiveness of accounting methods

With a broad range of application experiences (geographic, account types, policy priorities etc.) discussion in this session will be able to enhance understanding of the relationship between the technical construction of the accounts and their actual usage in decision making by end users.

Goals and objectives of the session:

The goal of this session is to present a number of applications of Experimental Ecosystem Accounting core accounts (i.e. extend, condition, services, assets,) and thematic accounts (i.e. water, carbon or biodiversity). The presentation of accounting modules should ideally offer a series of insights to discussion on: what natural capital accounts can and cannot do now, in terms of opportunities, risks, and development needs. The session will also help identify the way forward – on accounts development, their use in policy areas, and how to interpret the results so that NCA can realize its potential.

Planned output / Deliverables:

No specific output is planned at this stage but options to prepare a common paper would be explored during the session. Presentations and discussion participants will have the chance to contribute to publications in the MAIA project.

Voluntary contributions accepted:

Yes, I allow any abstract to be submitted to my session for review

Related to ESP Working Group/National Network:

<u>Thematic working group: TWG 17 - ES Accounting & Greening the economy</u>

