

Natural Capital Accounting: Implementing SEEA Ecosystem Accounting in South Africa

STRENGTHENED PRODUCTS, PEOPLE, PROCESSES, AND PLATFORMS TO ADVANCE NCA

Natural capital accounting (NCA) is a practical tool to measure how nature supports people and the economy. NCA uses an internationally agreed accounting system to measure a country's natural assets and resources, such as ecosystems, land, and water, and then to track their state over time. This elevates environmental statistics and

indicators to the same standing as economic and demographic statistics and indicators. Statistics drawn from these accounts support an evidence base for decision-making in support of development goals.

South Africa has rich and varied biodiversity and ecosystems. To conserve these assets, it has placed itself at the forefront of the global effort to promote NCA. South Africa has played an important role in developing and formalising NCA, especially in relation to ecosystem accounting.

Over the last 5 years to 2021, South Africa has been a partner in the Natural Capital Accounting and Valuation of Ecosystem Services (NCAVES) Project, which has provided funding to bring coordination and technical capacity together, provide access to global collaborating partners and experts, and connection to a global community of practitioners. (See Box 1).

This investment has been used to strengthen products, people, processes and platforms to advance NCA in South Africa.

► Box 1. About the NCAVES Project

The NCAVES Project was a global project in which South Africa was one of five participating partner countries, alongside Brazil, China, India and Mexico. NCAVES was funded by the European Union, and led globally by the United Nations Statistics Division and United Nations Environment Programme.

In South Africa, the project was co-led by Statistics South Africa (Stats SA) and the South African National Biodiversity Institute (SANBI) in collaboration with the Department of Forestry, Fisheries and the Environment (DFFE). This group led the project through responsive and adaptive institutional mechanisms to get the most out of multi-disciplinary

capacity, and the limited time and resources involved.

The lead team included a small, resourceful project management unit, a broader reference group involving global partners to connect national and global contexts, and a strategic advisory group with representatives from key national government departments and agencies.



NATURAL CAPITAL ACCOUNTING STRENGTHENED THROUGH NCAVES

Through the NCAVES project, South Africa has strengthened products, people, processes, and platforms for NCA, which can support policy and planning. By working together to produce high quality accounts, silos in government can be bridged and there can be a transformation in how to produce, coordinate, and use statistics.

1. PRODUCTS that add to the richness of evidence for decision-making

NCAVES in South Africa focussed on compiling national land, ecosystem, and species accounts in biophysical terms, and on piloting the development of ecosystem services accounts (in biophysical and monetary terms).

The NCAVES project enabled South Africa to upscale its early ecosystem accounting pilots from the provincial level to the national level.

National implementation included:

- National scale Land and Terrestrial Ecosystem Accounts (1990 to 2014) (see Box 2);
- Accounts for Protected Areas (1900 to 2020); and
- Species-specific accounts for:
 - cycad plants (1970 to 2010); and
 - rhinos (1970 to 2017).

Development of these products involved a range of stakeholders. They add to the richness of evidence available for decision makers when making resource- and land-use decisions. The process of development also provided valuable lessons in terms of methodology, validation processes, and interpretation considerations, which also apply to other types of accounts.

Box 2. Land and Terrestrial Ecosystem Accounts, 1990 to 2014

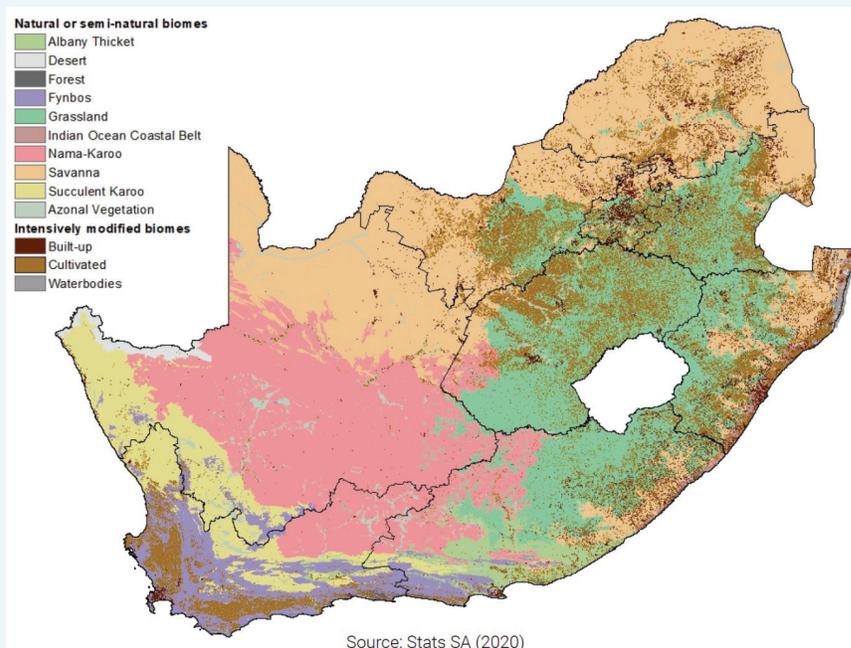
Over the past three decades, South Africa's landscape has changed in its land cover and land use patterns. Understanding these changes, over space, across time, and in combination with changes in the country's terrestrial ecosystems, provides insights that can inform planning and decision-making across a range of sectors from national through to local levels.

South Africa's first Land and Terrestrial Ecosystem Accounts, 1990 to 2014, provide insight into these changes. Published by Stats SA, in collaboration with SANBI and DEFF, it is the first publication in Stats SA's new Natural Capital series.

The Land and Terrestrial Ecosystem Accounts are presented as accounting tables accompanied by maps and graphs, which draw out key indicators from the accounts. The first part of the account outlines changes in land cover patterns at national, provincial, and district municipal levels. The second part provides information about the condition of South Africa's terrestrial ecosystems and how this has changed from their historical state (before people began modifying the landscape intensively).

Figure 1 shows the extent of each biome in 2014, including intensively modified biomes that have replaced and fragmented natural and semi-natural biomes.

Figure 1: Extent of biomes in 2014, including intensively modified biomes that have replaced portions of the natural and semi-natural biomes.



Looking ahead: Stats SA, in partnership with others, will continue to support the compilation of natural capital accounts and publish them in the Natural Capital series. Further investment through capacity, collaboration, and institutionalisation of NCA is needed to expand the suite of accounts, to develop time series for existing accounts every two years and to support an evidence-base for policy and decision-making.

2. PEOPLE with strengthened knowledge and expertise to do NCA

NCAVES in South Africa contributed to the testing and development of the System of Environmental Economic Accounting (SEEA) Ecosystem Accounting guidelines and methodologies and building awareness, knowledge sharing, and capacity building to support a community of practitioners.

NCAVES in South Africa provided people with opportunities to strengthen their knowledge and

expertise through training events (both national and across Africa), opportunities to work in multi-disciplinary collaborations, and being involved in the testing, reviewing, and further development of the SEEA Ecosystem Accounting framework.

NCAVES was implemented in an inclusive process, co-working with a wide range of stakeholders, which enabled the project to positively influence not only those directly involved in its implementation, but,

more broadly, to include national and provincial governments. Additionally, NCAVES has helped strengthen South Africa's ability to make meaningful contributions to NCA into regional (e.g., African Ministerial Conference on the Environment) and global processes (e.g., Post-2020 Global Biodiversity Framework).

Looking ahead: NCA is multi-disciplinary and cross-sectoral work and Stats SA alone does not have the capacity and data required to produce the full range of natural capital accounts. Collaboration and partnerships are essential for taking the production of natural capital accounts forwards. More capacity is needed, not only to produce a continued and wider range of natural capital accounts, but also to interpret and use this information most effectively.



3. Enabling PROCESSES that support natural capital accounting nationally and globally

The NCAVES project enabled South Africa to complete country-level piloting and testing of methodologies for ecosystem accounting and to participate in and contribute lessons into processes that informed the further development of the SEEA Ecosystem Accounting framework.

Processes, such as expert participation in the SEEA Forum of Experts and London Group on Environmental Accounting, enabled South Africa to contribute experiences and knowledge. The global NCAVES project, and NCA broadly, also benefitted from Stats SA and SANBI's long-standing involvement on several of the technical committees and working groups involved in the development

of the SEEA Ecosystem Accounting, including Stats SA's membership of the UN Committee of Experts on Environmental-Economic Accounting.

NCA in South Africa has further benefitted from Stats SA and SANBI having 'layered investments' from multiple NCA projects. This is where project processes and staff are synergised, rather than pursuing individual projects through a siloed approach. For example, South Africa was a pilot country for an earlier project, Advancing Natural Capital Accounting (ANCA), where it developed the National River Ecosystem Accounts and tested land and terrestrial ecosystem accounts at the provincial level. Later, through NCAVES, Stats SA and SANBI took this provincial testing to a national level.

The NCAVES Project also overlapped with the Ecological Infrastructure of Water Security Project (EI4WS), a five-year (2019 – 2023) Global Environment Facility-funded project implemented by the Development Bank of Southern Africa and implemented by SANBI, in collaboration with partners. The EI4WS Project builds on the organisational capital developed through ANCA and NCAVES and supports the implementation of the [National NCA Strategy](#) (produced through the NCAVES Project and released by Stats SA in June 2021). The Strategy has built momentum through the 'snowball effect' – bringing on enthusiastic people, building and supporting a network of NCA champions, and harnessing the NCA Strategic Advisory Group to guide development.

Looking ahead: Implementation of NCA in South Africa, making best use of existing human and financial resources, will be supported by a multi-institutional NCA Strategic Advisory Group and operationalised by an NCA Coordination Unit, co-convened by Stats SA and SANBI. More investment and collaborative partnerships are needed to achieve the Strategy's vision of NCA being widely used to provide credible evidence for integrated planning and decision-making in support of the development needs of the country.

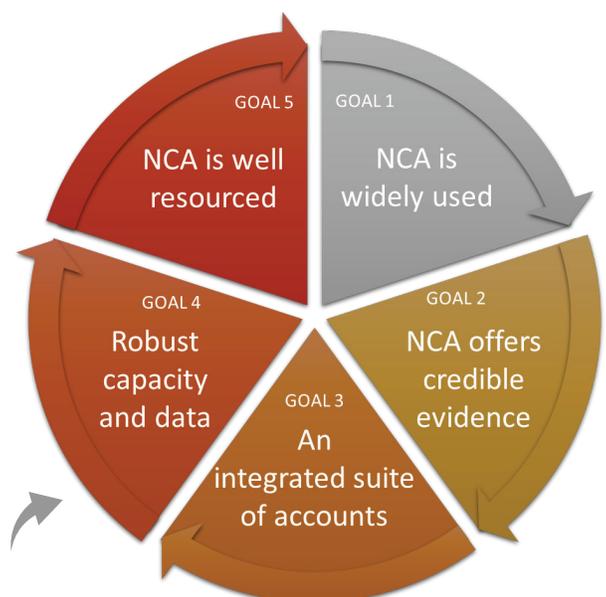
National NCA Strategy

A ten-year strategy for advancing NCA in SA

Vision:

Natural capital accounting is widely used to provide credible evidence for integrated planning and decision-making, in support of the development needs of the country.

5 inter-related goals



Source: Statistics South Africa. 2021. National Natural Capital Accounting Strategy, A ten-year strategy for advancing Natural Capital Accounting in South Africa. Report 00-01-04.

4. Stimulating PLATFORMS that support natural capital accounting in South Africa through vibrant communities of practice

South Africa is a mega-diverse country, with a clear development agenda and rich data foundations, particularly for ecosystems and biodiversity. As such, it has much to offer the field of NCA. Both in terms of compiling further types of natural

capital accounts, and in terms of exploring these for specific policy- and decision-making purposes, including to help unlock resource mobilisation for investment in biodiversity assets and ecological infrastructure.

The NCAVES project helped to stimulate a vibrant national NCA Community of Practice through enabling three national level

stakeholder events, which together have helped to grow the number of stakeholders involved (see Box 3). The Community of Practice is an open invitation list, which includes both the private and public sectors. South Africa is also an active participant in the global NCA Policy Forum, which meets annually, and serves on the Steering Committee for the Africa NCA Community of Practice.

Looking ahead: Stats SA, in partnership with others, will continue to communicate actively with the national NCA Community of Practice, convene a National NCA Forum, and support the Africa NCA Community of Practice. Coordination capacity is needed to build on this to see more transformative outcomes, which support a learning and growing community into the future.

► Box 3. Vibrant Community of Practice supported through NCAVES

Enabled through the NCAVES project and with co-finance from Stats SA and SANBI, South Africa hosted three national stakeholder events:

1. the National NCA Stakeholder Workshop in March 2018 convening more than 70 people from 30 organisations;

2. the National NCA Forum in July 2019, which convened more than 130 delegates from 24 organisations; and

3. the National NCA Stakeholder Workshop in November 2020, which convened 50 people from 20 organisations to give detailed input on the draft National NCA Strategy.

Organisations involved included national departments, such as the Department of Forestry, Fisheries and the Environment, Department of Planning, Monitoring and Evaluation, Department of Agriculture, Land Reform, and Rural Development, Department of Water and Sanitation, and National Treasury, as well as the private sector and non-government organisations.



Events

- National NCA Forum (June 2021)
- Regional Training Workshop for SEEA Experimental Ecosystem Accounting in South Africa (October 2019), which helped stimulate an African NCA Community of Practice.

TAKING NCA FORWARD IN SOUTH AFRICA

South Africa is a mega-diverse country, with a clear development agenda and rich data foundations, particularly for ecosystems and biodiversity. As such, it has much to offer the field of NCA. Both in terms of compiling further types of natural capital accounts, and in terms of exploring these for specific policy- and decision-making purposes, including to help unlock resource mobilisation for investment in biodiversity assets and ecological infrastructure.

As a signatory to the Gaborone Declaration on Sustainability in Africa, current Chair of the African Ministerial Conference on the Environment (AMCEN), and Steering Committee member of the Africa NCA Community of Practice, South Africa will play a key leadership role in the development and mainstreaming of NCA across the continent.

With the National NCA Strategy in place, clarifying and supporting national coordination, Stats SA and SANBI can continue to work collaboratively and add value to resources already invested in NCA, and seek out the right institutional partners by building on existing relationships and networks. Adopting an inclusive process and working with as wide-a-range of stakeholders as possible has been important to the country's success so far.

Mobilizing resources, so that South Africa's NCA agenda can continue to produce accounts and develop further capacity, is critical. Through layering of donor investments, the core in-house teams in Stats SA and SANBI have leveraged internal and external resources to great effect, creating synergies and meaning the outcomes achieved represent a significant return on investment.

To build on this, it is important that new resourcing opportunities are found. Additional resources are needed to develop further time

series for important accounts and to develop an expanded suite of priority accounts identified in the National NCA Strategy, such as accounts for: river and wetland ecosystems, carbon and greenhouse gas emissions, agriculture and food security, water, ecological infrastructure assets, priority ecosystem services and priority species of special concern.

More work is needed to explore what NCA can offer South Africa's businesses to help the private sector better account for dependencies and impacts on nature. Further formal and informal learning opportunities also need support to supply a pipeline of expertise, as well as support for research and innovation to drive advancements in the technologies that support NCA.

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For more information please visit:

Stats SA and NCA >>

http://www.statssa.gov.za/?page_id=5992

SANBI and NCA >>

<http://biodiversityadvisor.sanbi.org/planning-and-assessment/natural-capital-accounting/>

Ecosystem Accounts for South Africa: Report of the NCAVES Project >>

<http://opus.sanbi.org/jspui/handle/20.500.12143/7764>

Citation: South Africa National Biodiversity Institute and Statistics South Africa. 2021. Natural capital accounting in South Africa: Products, people, processes, and platforms for moving forward. Developed in partnership with UNSD and UNEP. SANBI, Pretoria. 6 pages

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