



Wealth Accounting and Valuation Ecosystem Services (WAVES) Programme in Zambia



Wealth Accounting and the Valuation of Ecosystem Services www.wavespartnership.org



Outline of Presentation

- What is WAVES?
- The WAVES Global Partnership
- Objectives of WAVES
- Measurement of Wealth
- Natural Capital Accounting (NCA)
- WAVES in Zambia



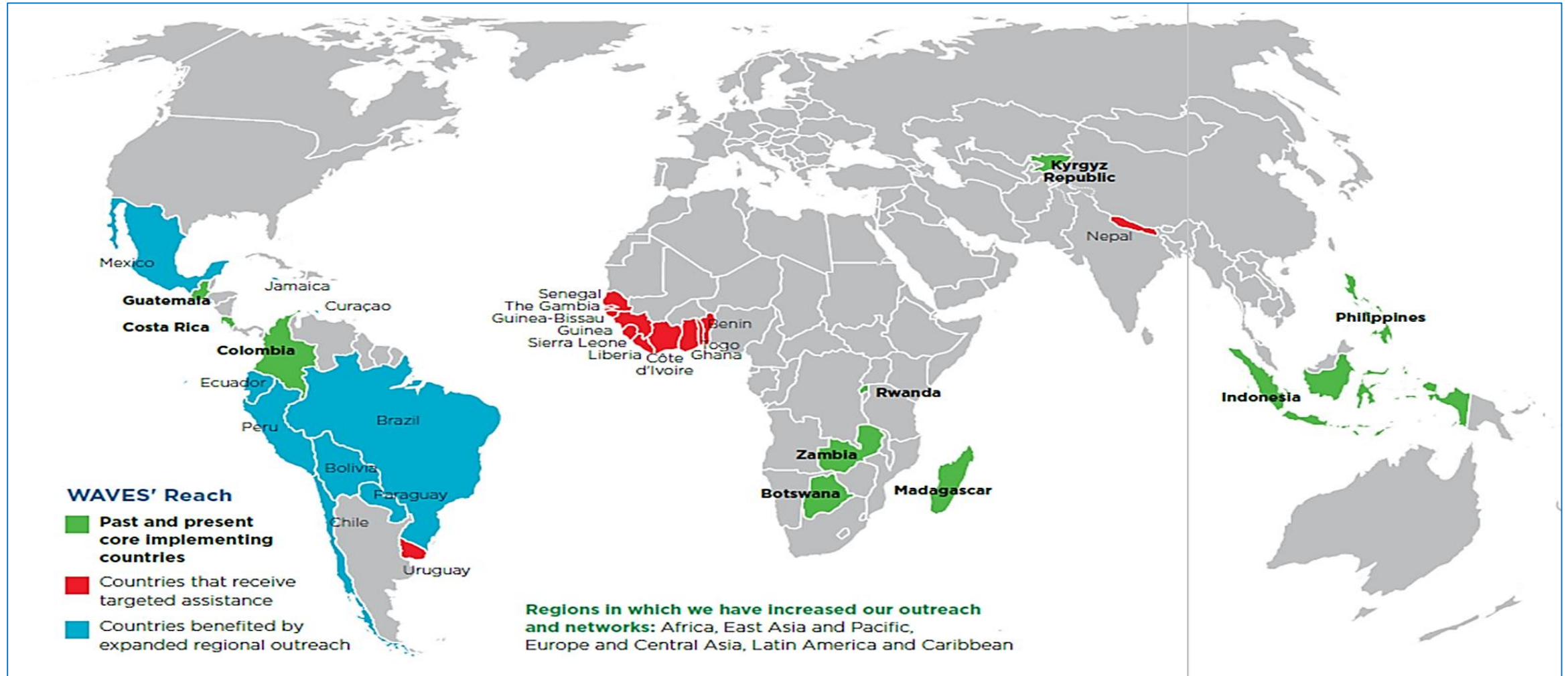
What is WAVES?

- **Wealth Accounting and Valuation of Ecosystems Services**
- WAVES is a World Bank–Led Global Partnership that aims to promote sustainable development through mainstreaming of a Country’s **Natural Resources** in development planning and national economic accounting.

First Phase	Partnership Second Phase – WAVES+
Botswana	Zambia – Joined January 2017
Colombia	Kyrgyz Republic – Scoping Mission 2017
Costa Rica	Uruguay – Small Grants and working with local partners
Madagascar	West Africa – Working on Coastal Management
The Philippines	Nepal – Forest Agendas /Programmes



The WAVES Global Partnership



Objectives of WAVES

WAVES aims to:

- 1) Help countries **adopt and implement accounts** that are relevant to inform policies
- 2) Develop **ecosystem accounting** methodologies
- 3) Establish a global platform for **training and knowledge sharing**; and
- 4) Build **international consensus** around Natural Capital Accounting (NCA).



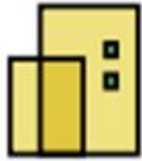
Measurement of Wealth

“GDP, the leading economic measurement, is outdated and misleading...
It’s like grading a corporation based on one day’s cash flow and forgetting
to depreciate assets and other costs.”

Joseph Stiglitz, Nobel Laureate in Economics



GDP does not Measure...



Wear and tear and depreciation resulting from using produced assets like factories, roads, and bridges.



Loss of natural areas that provide ecosystem services to the economy, like pollination.



Extent to which renewable resources like forests and fisheries are being depleted.



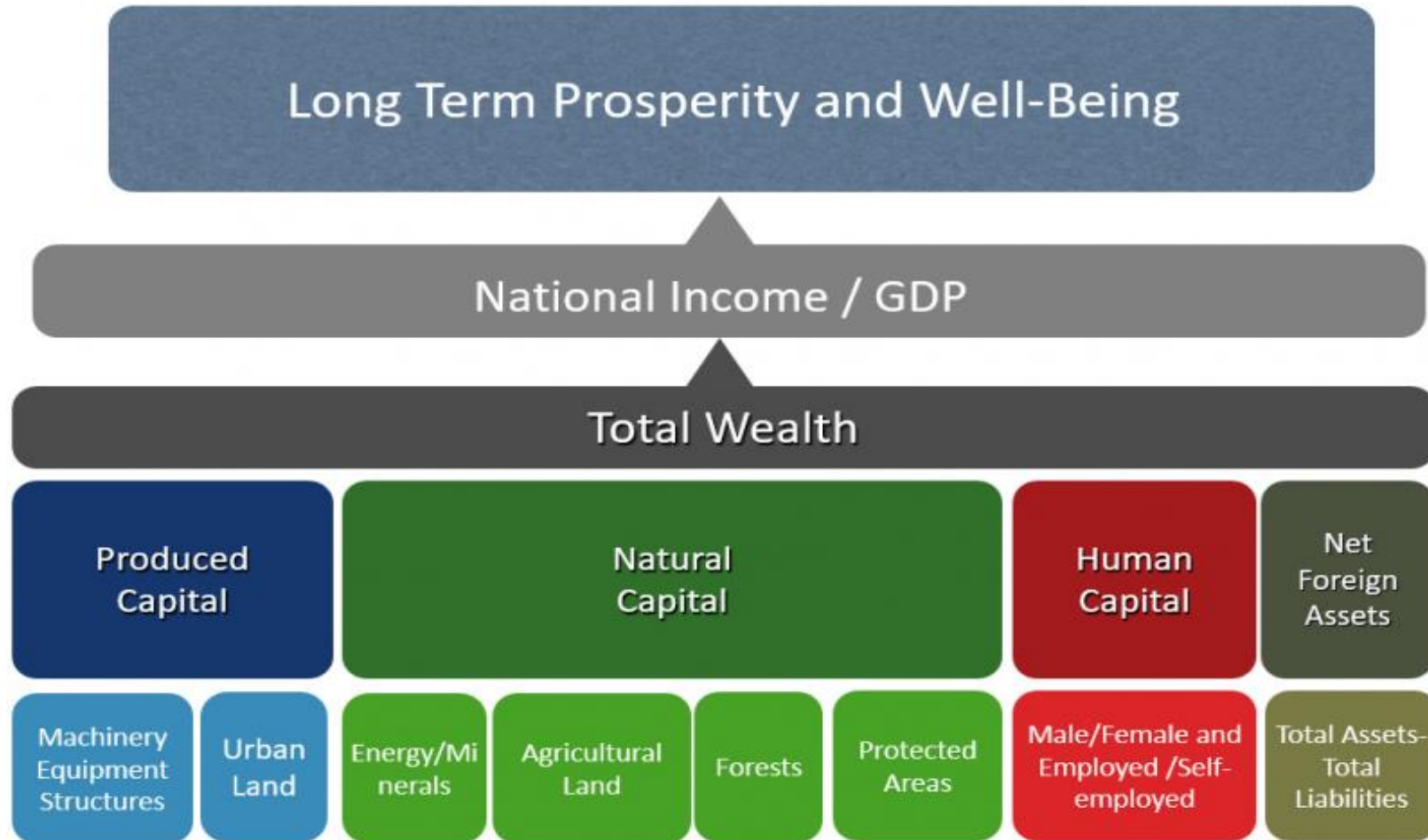
Depletion of minerals and mineral fuels.

Future losses resulting from greenhouse gas emissions – sea level rise, extreme weather, and agricultural losses.



Future economic losses when pollution leads to premature deaths and chronic disease.

Towards better Measures of Wealth



Natural Capital Accounting is focused on the part of total wealth that comes from land, water, mineral, energy, soil, forests and timber, and ecosystem assets.

NCA: Country Case Studies with Policy Impacts

Country	WAVES ACCOUNT TYPE
Botswana	<ol style="list-style-type: none">1. Macroeconomic Indicators: for monitoring sustainable development.2. Water Accounting: managing a scarce resource.
Guatemala	<ol style="list-style-type: none">1. Energy and Air Pollution: cleaner, more efficient production.2. Stocks of Minerals & Energy: managing resource rents for long term growth.3. Forest Accounts: Understand the uses and users of the resource.
Philippines	<ol style="list-style-type: none">1. Land and Ecosystems: balancing the needs of tourism, agriculture and other uses.



Natural Capital Accounting(NCA) and its Important to Zambia

- **The World Bank report, total wealth of Zambia US\$221.1 billion in 2010:**
- **Natural capital** represented 43 percent;
- **Intangible, human and social capital** represented 44 percent;
- **Conventional capital** accounted for 14% of the total wealth.

- The livelihoods of many subsistence communities depend directly on healthy ecosystems provided by natural capital.

- It is important to factor the NCA in the Systems of National Accounts (SNA) to promote sustainable use of natural resources.



WAVES in Zambia

- What WAVES means for Zambia:-
 - Taking stock of its our Natural Assets (Supply)
 - Taking stock of how we are using these (Usage)
 - Taking actions to better usage (Sustainability).

WAVES is about understanding and using our resources while always preserving them!



Natural Capital Accounts in Zambia

- **Initial Accounts**

- Water
- Forest
- Land
- **Modeling**

- **New Accounts**

- Tourism
- Mineral
- Energy



THANK YOU

