

COMMUNICATING THE PATH TO SUSTAINABILITY THROUGH NATURAL CAPITAL ACCOUNTING

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Introduction and purpose

The urgent need for sustainable management of environmental resources is gaining traction among the general public, the private sector, and government offices. Public and private natural capital accounting can provide the necessary evidence base to enable decision making that incorporates the environment's contribution to economic development, well-being, and sustainability. But we need to sharpen the narrative on the added value of natural capital accounting for both public and private sector decision making and policy. Well-communicated use-cases of natural capital accounts are necessary for moving beyond 20th century production-based metrics and towards 21st century sustainable economies focused on human wellbeing.

The year 2020 will be pivotal for the future of natural capital accounting. The Sustainable Development Goals (SDGs) indicators of the 2030 Agenda are slated for revision, many aspects of the Paris Agreement are pegged to 2020 and the post-2020 global biodiversity framework will be agreed at the COP-15 in Kunming, China in October 2020. Simultaneously, the statistical community is revising the System of Environmental Economic Accounting—Experimental Ecosystem Accounting (SEEA-EEA) with the objective of elevating it to an international statistical standard in 2021. The revision of the System of National Accounts (SNA) is also being discussed with the objective of taking into account the new economic environment, including issues of well-being and sustainability. The SEEA is the statistical framework for natural capital accounting that aligns with the internationally agreed SNA for producing national economic statistics. Eighty-five countries and counting currently compile SEEA-compliant natural capital accounts and are promoting its use in decision making.

There is growing recognition within the private sector of the importance of including the environment in business decision making and reporting. The Natural Capital Protocol is widely recognized as a decision making framework for assessing and understanding natural capital dependencies and impacts for the private sector. However, there is still scope for further alignment and agreed language and approaches to measuring non-financial flows at the business level. Furthermore, greater interaction between national statistical offices and businesses can help to strengthen and align public and private frameworks and best practices, improve the availability of data at the business level, and increase the utilization of spatially disaggregated environmental data in business decision making. A better dialogue between business accountancies and national statistical offices will furthermore help maximize the value of the SEEA information system and corporate natural capital accounts more broadly.



A key reason natural capital accounts have yet to reach their potential is the lack of a cohesive narrative connecting the information from the accounts to the needs of decision makers, and to the public discourse on the economy. The difficulty of navigating the natural capital accounting landscape is leading to missed opportunities to harness information on natural capital for decision-making. In addition, the lack of coherent dashboards that link natural capital to other capitals, including financial capital, in both public and corporate spheres, makes communication more challenging. However, this is precisely why a natural capital accounting narrative is needed. Understanding and communicating how a standardized system of natural capital accounting can support a dashboard of indicators to meet the needs of different user groups and decision makers is key to building robust natural capital accounts and getting the most out of them.

A group of international partner organizations led by Yale's Schools of Forestry & Environmental Studies and Management, the United Nations Statistics Division (UNSD), Bennett Institute for Public Policy, Natural Capital Coalition, World Bank Global Program on Sustainability and International Monetary Fund will hold a two-and-a-half-day conference in March 2020 at Yale University that brings together leading practitioners, scholars, policy makers, business leaders and communication experts. The objective of this conference is to advance a shared understanding and develop a collectively embraced narrative for natural capital accounting that supports the Beyond GDP movement, Post-2020 Global Biodiversity Framework, the Paris Agreement, and decision making for sustainable economic development from both the public and private sector perspectives.

Scope

The conference will address three key questions:

1. Why do we need natural capital accounting?
2. What narratives can natural capital accounting convey?
3. How are big data and emerging technology changing the natural capital accounting story?
4. What are the impediments to advancement and how can they be overcome?

The conference will address these questions as they apply to three thematic areas, namely the 2030 Sustainable Development Agenda, communicating among users and producers, and data technologies for creating and communicating natural capital accounts. Each day will include plenary sessions and concurrent sessions with breakout groups that focus on crosscutting issues. Speakers and break-out group moderators will be leaders in academia, government and business from around the world.

Conference audience

This conference will bring together individuals from the:

- Public sector, including finance and economy ministries, central banks, national statistical offices, environment ministries etc.;
- International organizations, including the United Nations and its agencies, the World Bank, the Secretariat of Convention on Biological Diversity, regional organizations etc, and NGOs such as IUCN, Conservation International etc.;



- Private sector, including those who utilize natural capital or multiple capitals thinking, integrated or environmental profit and loss analyses, integrated reporting, or use data from the SNA for scenario planning or quantitatively measure business contributions towards the SDGs;
- Academia involved in natural capital accounting; and
- Communication experts with expertise communicating environmental, sustainability and economic issues.

The goal of the conference is to bring together producers, current and potential users, and communications experts of natural capital accounting in a non-technical setting to craft a narrative that is simultaneously compelling, accessible and true to detail. To ensure success, conference participants will be experts in their field, with considerable experience in their respective domain. We expect 100-150 participants.

Workshop schedule

A broad outline of the workshop schedule is provided below.

Day 1- Theme: 2030 Sustainable Development Agenda and Natural Capital Accounting

Day 1 sets the scene, providing a history of natural capital accounting, the current state of play and perceived needs. Participants will explore how natural capital accounting, as an integrated system, can serve the 2030 Sustainable Development Agenda and how it adds value to initiatives such as the Beyond GDP movement, post-2020 global biodiversity framework, the Paris Agreement. In addition, the first day will explore how natural capital accounting, reporting and communication can be applied for private sector long-term social and private value creation. A common thread throughout the day's sessions will be how natural capital accounting provides a 'systems approach' that complements existing economic accounting efforts so it can be applied by public and private sectors and at local and national scales to improve decisions. Use cases and existing narratives will be presented to provide a starting point for the second day.

Day 2- Theme: Bridging Users and Producers to Craft the Natural Capital Narrative

The second day will address the challenges in communicating the value of natural capital accounting among the various users and developers. There has been progress in 'demystifying' the accounts, and participants will share what works in communicating the results of the accounts to different users. The sessions will focus on the challenges that remain and how to better communicate the use and usefulness of the accounts for policy and business decision making, including the development of the use cases for the accounts. The session will also discuss issues that the accounts, in their current structure, may not help in addressing. Communications experts will share their experiences to help forge a path forward to shape a coherent and productive narrative.



Day 3- Theme: Data Technologies for Creating and Communicating Natural Capital Accounts

Natural capital accounting uses a myriad of data sources. These will be discussed, with a focus on big data, including geospatial data and emerging technology. New data sources and dissemination platforms for the accounts present opportunities for new ways of communicating. The day's sessions will explore the opportunities, strengths, and weaknesses of emerging technology when it comes to communicating the accounts.



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