

SANBI

Biodiversity for Life

South African National Biodiversity Institute



Natural Capital Accounting

Measuring our natural assets for sustainable development

There is growing recognition that environmental information needs to be brought into national statistical systems alongside traditional economic information and demographic information. Natural Capital Accounting (NCA) uses an internationally agreed accounting system, the System of Environmental-Economic Accounting, to measure a country's natural assets and resources, such as ecosystems, land and water, and track their state over time. This gives decision-makers a clearer picture of the extent and condition of a country's natural assets and the benefits that flow from them, providing evidence of the many links between the economy, people and the environment. South Africa, as a country with abundant natural assets and resources, is contributing to the continued advancement and application of NCA in support of sustainable development and informed decision-making.



Statistics South Africa
Environment, Forestry and Fisheries
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Why Natural Capital Accounting?

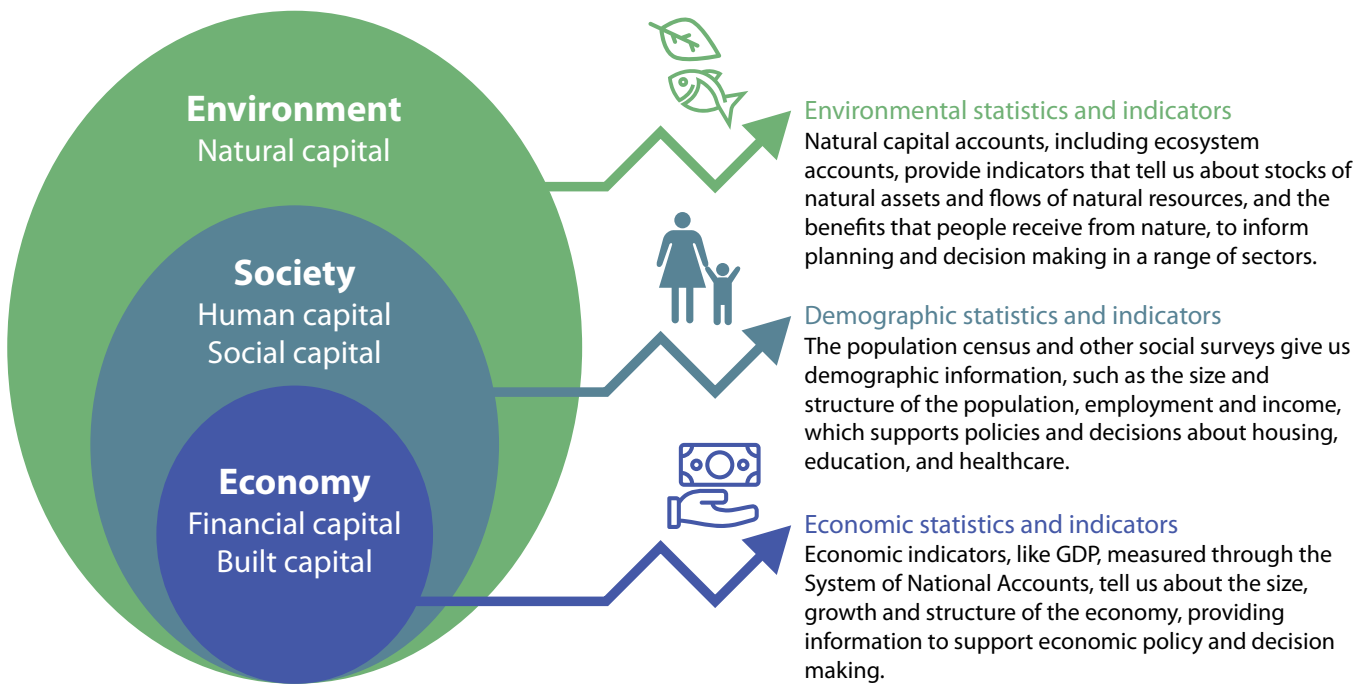
Natural Capital Accounting (NCA) is about moving closer to the ideal of an integrated approach to policy and decision-making, in which the inter-dependencies between the economy, society and the environment are more readily considered. For this, we need an integrated measurement system.

Just as we have a system of national (economic) accounts to measure the Gross Domestic Product (GDP) and other indicators to track the performance of the economy, and the population census to track progress in social outcomes, we also need a system to track the natural environment. This will tell us how the natural environment is improving or declining and what that means for people and the economy.

Natural Capital Accounting is a practical tool to measure how nature supports people and the economy

The SEEA accounting framework provides systematic, reliable, and comparable measurement of the stocks and flows of our environmental and ecosystem assets. The use of an accounting framework to organise environmental information allows us to make links with the System of National Accounts from which indicators such as the GDP are drawn.

The System of Environmental-Economic Accounting (SEEA) provides the measurement framework for Natural Capital Accounting. The SEEA Central Framework was adopted in 2012 and deals with accounts for individual environmental assets, such as water, minerals, timber and fisheries. It is complemented by SEEA Ecosystem Accounting, which provides a spatially explicit accounting approach to the measurement of ecosystems and the services that flow from them. SEEA Ecosystem Accounting was adopted by the United Nations Statistical Commission in 2021.



The value of ecosystems

Using accounts to quantify natural capital and its benefits is always done in biophysical terms, such as the extent of an ecosystem remaining in natural condition, amount of water produced by a catchment, volume of fish harvested from the ocean, or number of people visiting protected areas. Where it is useful and appropriate, this may be translated into monetary values, but often that is not necessary. There are many examples of things that are important to society that are measured in non-monetary terms, like literacy rates, unemployment levels or life expectancy. The same is true for ecosystems – their importance and value to society can be captured in a range of statistics and indicators, many of which are non-monetary.

Natural Capital Accounting in South Africa

One of South Africa’s natural assets is abundant ecological infrastructure – the naturally functioning ecosystems that generate and deliver valuable services and benefits to people. The value of this ecological infrastructure is often not captured in market transactions or in conventional infrastructure financing decisions, leading society to under-invest in maintaining and restoring this precious resource.

NCA that is focused on ecological infrastructure assets could help to change this, by revealing the contribution of these assets to people and the economy, and by consistently tracking their contribution over time.

South Africa has invested over decades in spatial assessment and planning for ecosystems, for example by mapping and classifying different ecosystem types and gathering information about their ecological condition. This

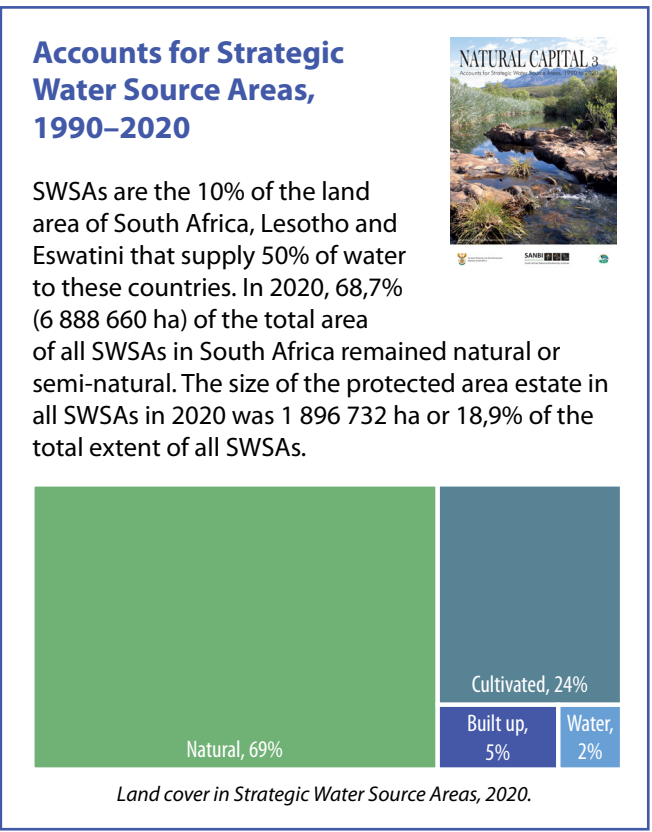
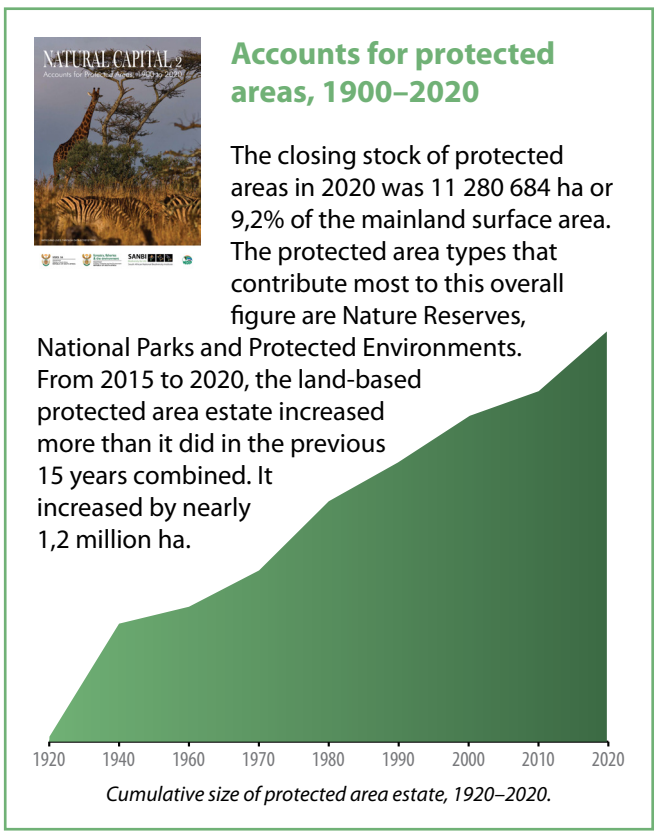
South Africa is at the forefront of a global movement on Natural Capital Accounting

provides a strong foundation for South Africa to produce natural capital accounts and to test globally emerging methodological approaches. As a pilot country in global NCA projects, South Africa’s experience in developing ecosystem accounts contributed to the development of SEEA Ecosystem Accounting.

A ten-year **National Natural Capital Accounting Strategy** has been developed, led by Statistics South Africa in partnership with SANBI and other stakeholders, to ensure that NCA is taken forward through both government- and donor-funded investments.

National NCA Strategy	Vision: NCA is widely used to provide credible evidence for integrated planning and decision-making in support of the development needs of the country				
	GOAL 1.	GOAL 2.	GOAL 3.	GOAL 4.	GOAL 5.
	NCA is used for integrated planning, decision-making, monitoring and evaluation across a range of sectors	NCA offers credible evidence of how nature supports people and the economy	An integrated suite of natural capital accounts is produced based on best-available methods	Capacity and data for advancing NCA are well developed and robust	NCA is well resourced, underpinned by effective and collaborative institutional arrangements

The accounts for Protected Areas and Strategic Water Source Areas are prime examples of this strategy in action:



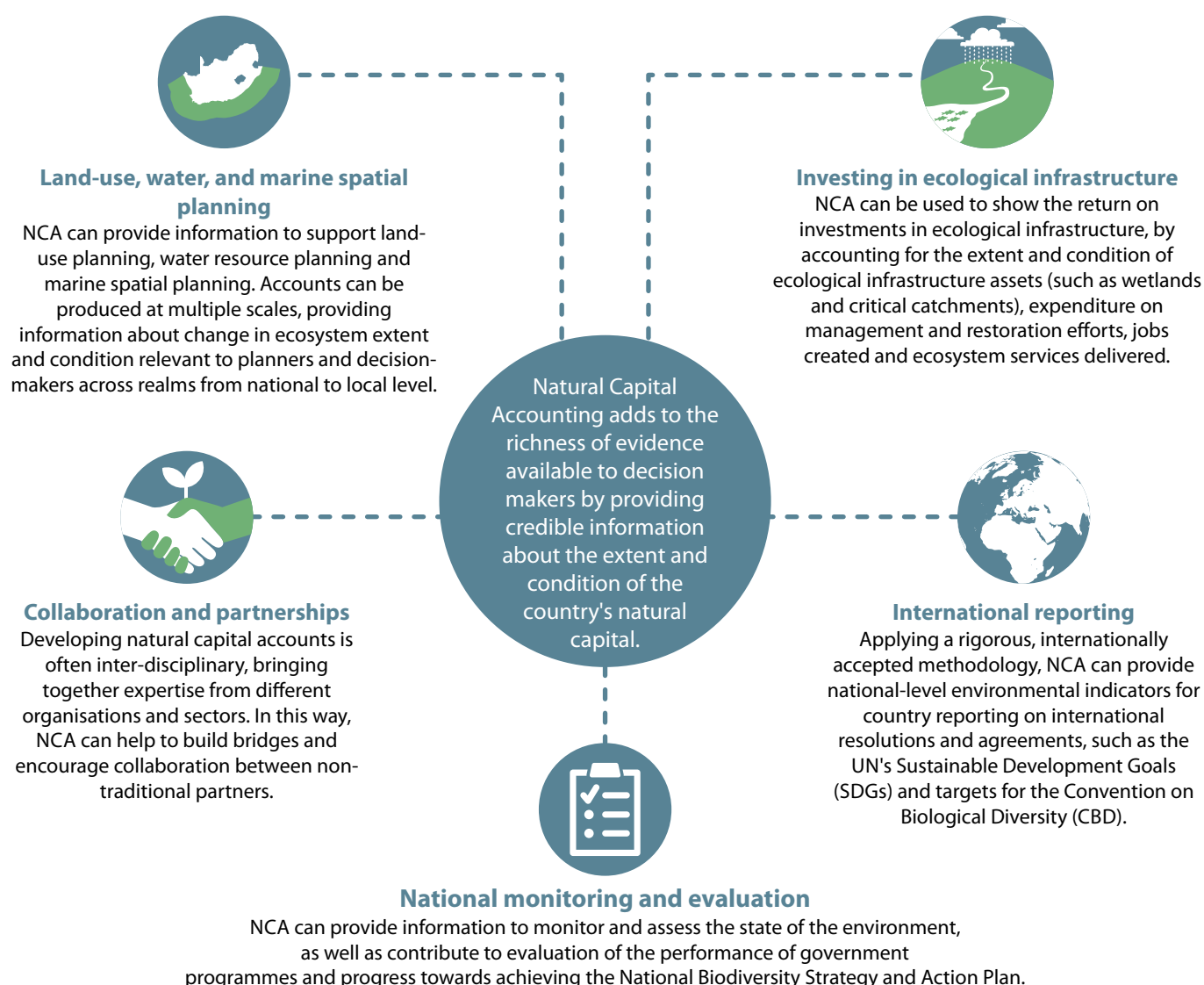
How does NCA provide evidence for decision making?

NCA provides consistent, comparable information on ecosystems, natural resources and the benefits they provide to people, from one time period to another. This makes it suitable for deriving indicators, analysing trends, and supporting integrated planning. It is a robust source of statistical information that adds to the evidence available to policy and decision-makers.

In South Africa, this enables consistent indicators on ecosystem extent and condition, land-cover change, protected area coverage, water availability and use, energy and mineral resource flows, fisheries, and ecosystem services such as biodiversity-based tourism. By translating environmental

Natural Capital Accounting helps us to make better choices and decisions for a sustainable South African future

assets and resource use into policy-relevant measures, NCA supports more strategic planning, monitoring and reporting against national priorities, including the National Development Plan 2030, while contributing to global commitments such as the Sustainable Development Goals, the Global Biodiversity Framework and Africa's Agenda 2063.



For more information:
http://www.statssa.gov.za/?page_id=5992
<http://nca.sanbi.org.za/>

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