

BOTSWANA PRESENTATION ON WAVES AT A CBD WORKSHOP - LIVINGSTONE

12-16 May 2014



Republic of Botswana

PRESENTATION OUTLINE

- BACKGROUND
 - WAVES AND ECONOMIC GROWTH
 - PROGRESS MADE BY BOTSWANA ON THE FOUR PRIORITY AREAS OF NATURAL CAPITAL ACCOUNTING
 - LESSONS LNRT
 - CONCLUSION
- BW WAVES W-PLN



BACKGROUND

- In March 2012 Botswana government entered into agreement/partnership with the world bank to develop Accounts for natural resources and value ecosystem system services under Wealth Accounting and Valuation of Ecosystem Services (WAVES)
- Government has also committed itself to natural capital accounting in May 2012 at Gaborone Declaration on Sustainability in Africa

- Prior to that President of Botswana requests World Bank to give presentation on Natural Capital Accounting to the Botswana Economic Advisory Council (BEAC), ahead of the African Sustainability Summit hosted by BW in May 2012.
- Gaborone Declaration; signed by Heads of State or senior ministers from 10 African states; endorses NCA in May; NCA also strongly endorsed at Rio+20 Summit.
- Therefore WAVES can be viewed as an implementation activity of the national road map towards sustainability

- The Government of Botswana has indicated a strong commitment to the WAVES Partnership and a Botswana Steering Committee for WAVES has been established, chaired by the Ministry of Finance and Development Policy (MFDP), Socio-Economic Policy Section.
- This is high-level oversight committee with membership at PS/DPS level and it provides strategic direction to the country programme.
- At sector level, sub-committees convened by the DPSs' have been formulated to oversee the development of the sector specific natural resources accounts.

WAVES AND ECONOMIC GROWTH

- Botswana has a long history of economic planning for development and since 1966 has prepared 10 National Development Plans and Vision 2016 strategy also highlights the need for new sources of economic growth while ensuring the sustainable use of natural resources

©FRANS LANTING

- Natural resource capital is a critical asset which significantly contribute to the national Gross Domestic Product e.g contribution of mineral resources (Coal, diamond, copper), eco-tourism, water resources
- WAVES undertaken to incorporate values of natural capital into system of national accounts thus improving macro economic indicator (not only from GDP)

- Ecosystem accounts concept even though currently not fully rolled out helps Botswana which is biodiversity-rich country design a management strategies that balances trade-offs among what is obtained from the environment and what remains on the environment to ensure sustainability. Levies paid by tourism sectors, lease rentals from concession areas. Funds later used to develop management plans to properly manage the environment, restoration of degraded areas(NEF)

Rich biodiversity







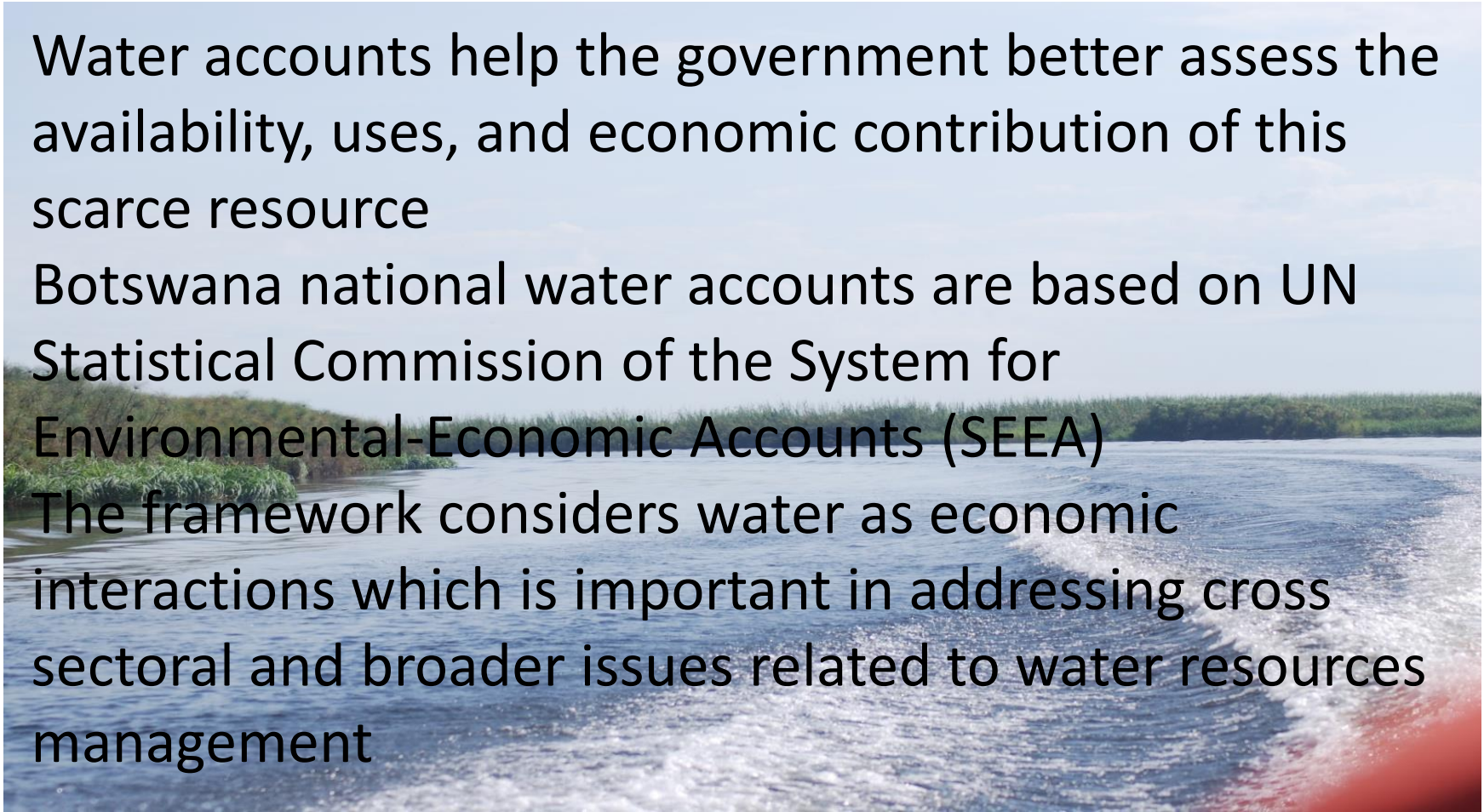
Natural capital already plays a huge role in supporting Botswana's economy—providing food, fuel, shelter and a livelihood to thousands of people (ecosystem functions and services) while underpinning key activities, such as diamond mining which has dominated Botswana's economy for more than 30 years (30% GDP contribution, 70-80 % of the country foreign returns)

PROGRESS MADE BY BOTSWANA ON THE FOUR PRIORITY AREAS OF NATURAL CAPITAL ACCOUNTING

- Four priority areas for natural capital accounting have been identified, with water accounts being the top priority:
 - Water Accounts:
 - Land and Ecosystem Accounts
 - Mineral and Energy Accounts
 - Macroeconomic Indicators of Sustainable Development

Water Accounts

- Water accounts help the government better assess the availability, uses, and economic contribution of this scarce resource
- Botswana national water accounts are based on UN Statistical Commission of the System for Environmental-Economic Accounts (SEEA)
- The framework considers water as economic interactions which is important in addressing cross sectoral and broader issues related to water resources management

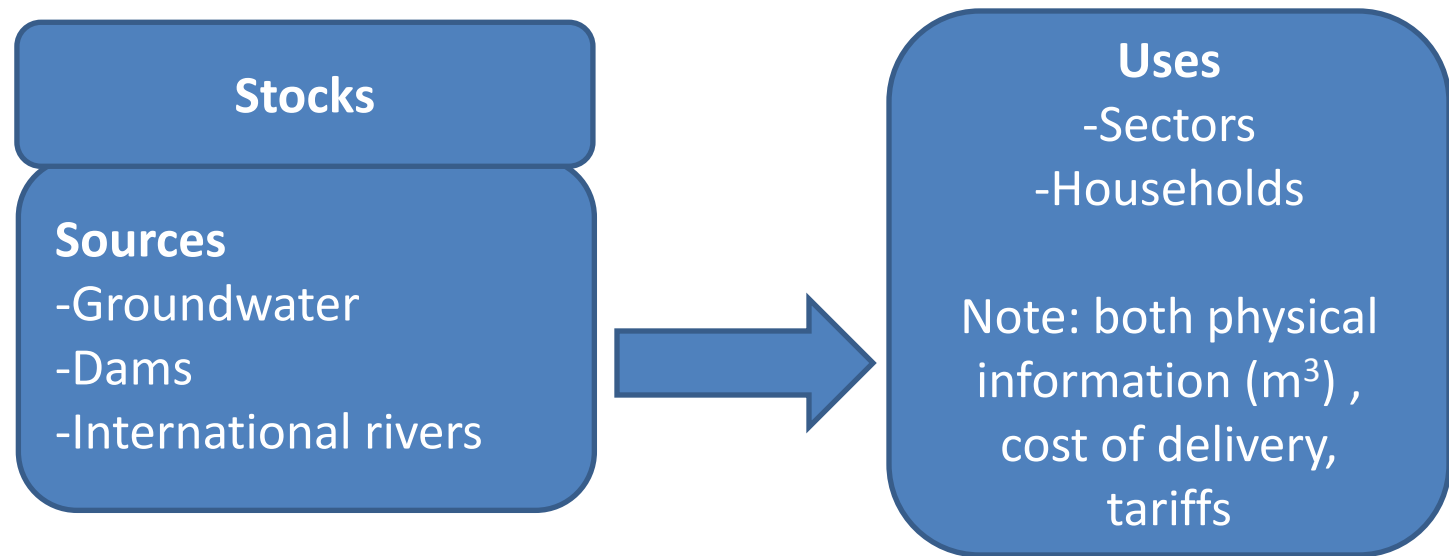


- The System for Environmental-Economic Accounts (SEEA) captures information on water stocks, flows from the environment and within the economy in physical and monetary terms and water quality
- Current water accounting efforts in Botswana focuses on physical water resources stock accounts (reservoirs) and physical flow accounts (use and supply)
- Monetary accounts have focused on reviews of revenue and costs of water supply

- Water resources Stock accounts
 - 1. Surface water stocks (reservoirs and rivers)
Focused on five dams being Nnywane, Letsibogo, Gaborone, Bokaa and Shashe dam
Accounts provided annual % availability of water in the dams
 - 2. Ground water stocks
 - 3. Waste water stocks
- N:B the two were initially deferred : available data not sufficient for their development

- Flow accounts
 - Annual water abstraction stand at 195 Mm³
 - Bulk of this water supplied to households
 - Agriculture consumes large amount of water but contributes little to the GDP and formal employment
 - The mining sector consumes a significant amount of water and largely contributes to the GDP and formal employment

An example of NCA - Water accounts

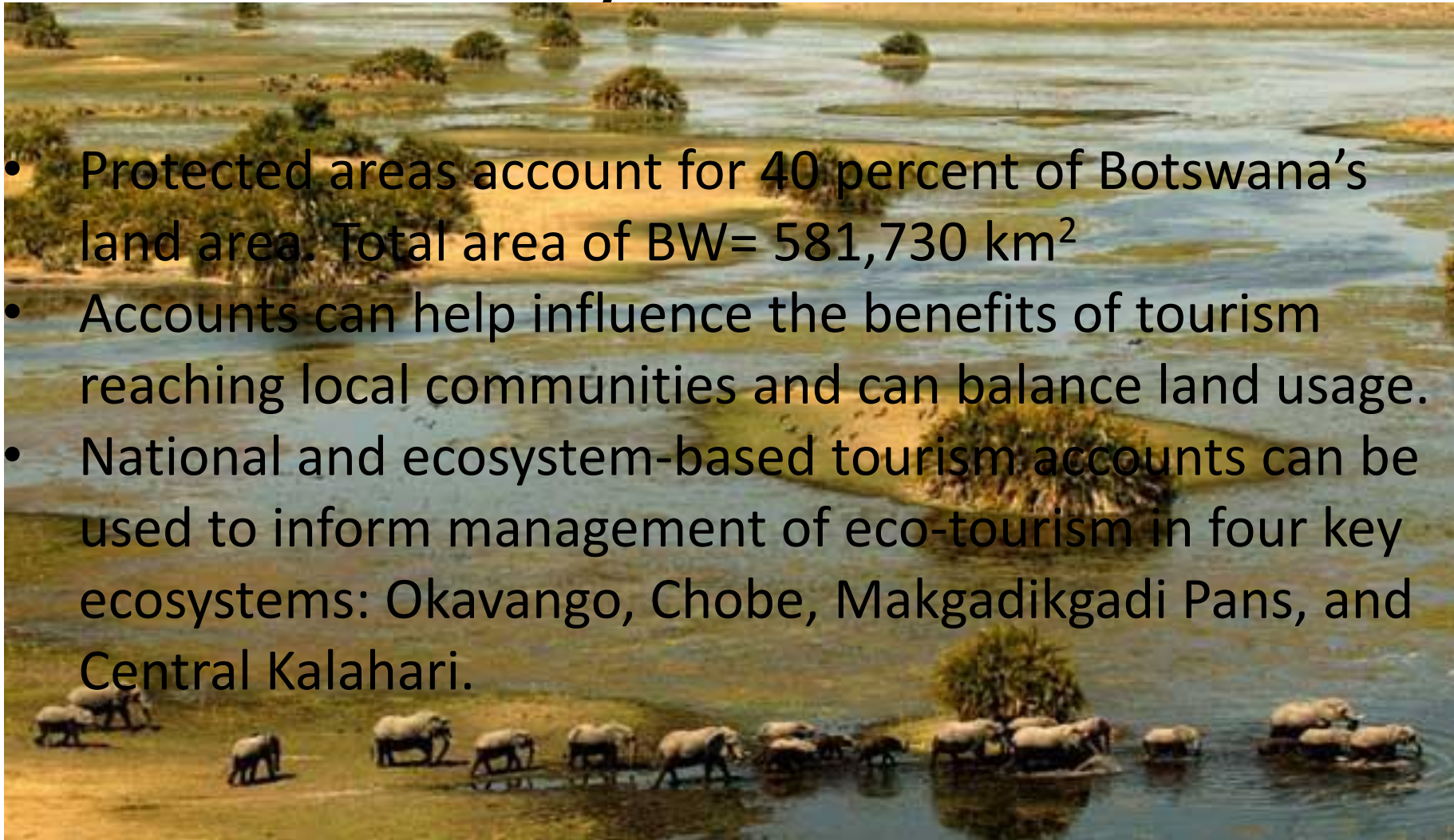


Informing policy making:

- Water productivity by sector
- Contribution to GDP
- Forecasting the needs for growth

Land and Ecosystem Accounts

- Protected areas account for 40 percent of Botswana's land area. Total area of BW= 581,730 km²
- Accounts can help influence the benefits of tourism reaching local communities and can balance land usage.
- National and ecosystem-based tourism accounts can be used to inform management of eco-tourism in four key ecosystems: Okavango, Chobe, Makgadikgadi Pans, and Central Kalahari.



Mineral and Energy Accounts

- In addition to diamonds, Botswana possesses other mineral deposits, particularly coal, that could be developed for export or to alleviate regional energy shortages.
- Energy accounts can help determine the optimal energy mix for the future and examine the role of Botswana's coal in a green economy.
diversification through coal development [1nd draft of mineral accounts concluded]

Macroeconomic Indicators of Sustainable Development

- Using the methodology approved in 2012 by the U.N. Statistics Division, Botswana will develop indicators for natural capital and changes to natural capital (depletion/additions), including adjusted net national income, adjusted savings, and national wealth accounts with natural capital to assess the prospects for long-term, sustainable growth. Is Botswana on a growth path that is sustainable? [answer development of indicators for natural capital and its changes]

Lessons thus far:

- Need for broad policy support in Botswana for NCA.
- BEAC has shown particular interest in the Water accounts, and have thus been prioritised in the WAVES Workplan. Led to full institutionalisation of accounts at DWA.
- Line ministries (e.g. DWA/ MMEWR) cannot do it alone; support needed from Statistics Botswana, leading economic sectors (agriculture, mining & industry) and from MEWT. Role of MFDP is also vital for the use of the results in Mid Term Review and NDP11.
- Appropriate institutional framework for WAVES essential for the success of the components. [Ministry of Finance and Development Planning]

CONCLUSION- BW WAVES Work Plan

- Work has also started in developing the minerals and Ecosystems and Tourism accounts. Some reports have been subjected to the Sustainable Environment TWG and will be presented other TWGs for utilization in the NDP 11 planning process to ensure continued sustainability.

CONCUSION-BW WAVES Workplan cntd.

Four main areas of focus

1. *Macro-economic indicators of sustainable development: Is Botswana on a growth path that is sustainable? [develop indicators for natural capital and its changes]*
2. *Mineral and Energy accounts: diversification through coal development [2nd draft of mineral accounts]*
3. *Managing water resources to support long term growth, diversification and poverty eradication.[first phase of water accounts presented in 2012]*
4. *Ecosystem/land accounts--how can proper management of ecosystems contribute to long term growth, diversification and poverty alleviation? Role of Tourism in Botswana's development*



THANK YOU FOR
YOUR ATTENTION!!!