

The state of play on natural capital accounting

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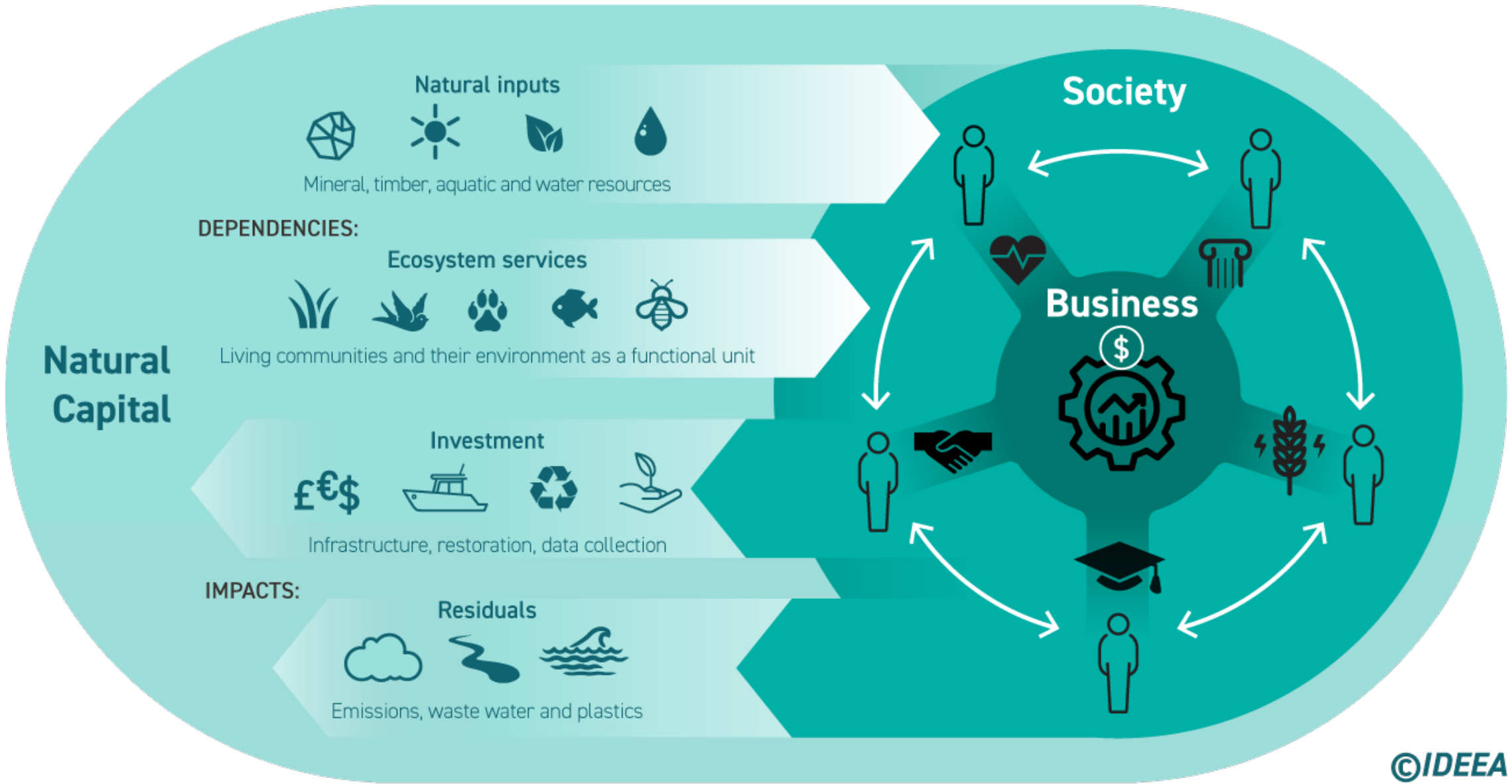
12 March, 2024



Recognise. Account. Decide.

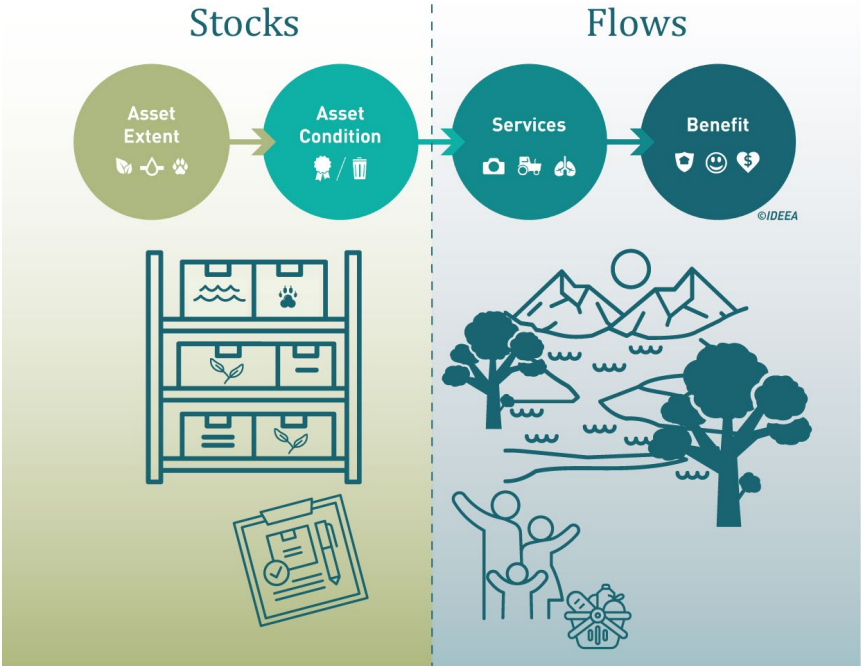
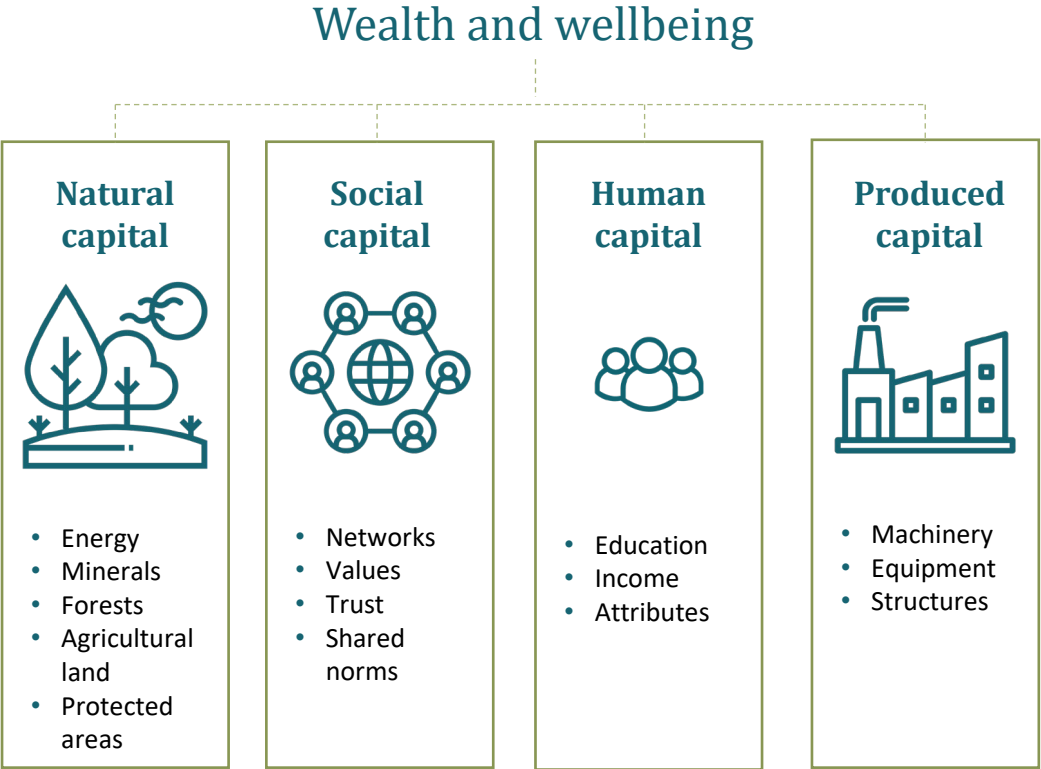
The context for accounting





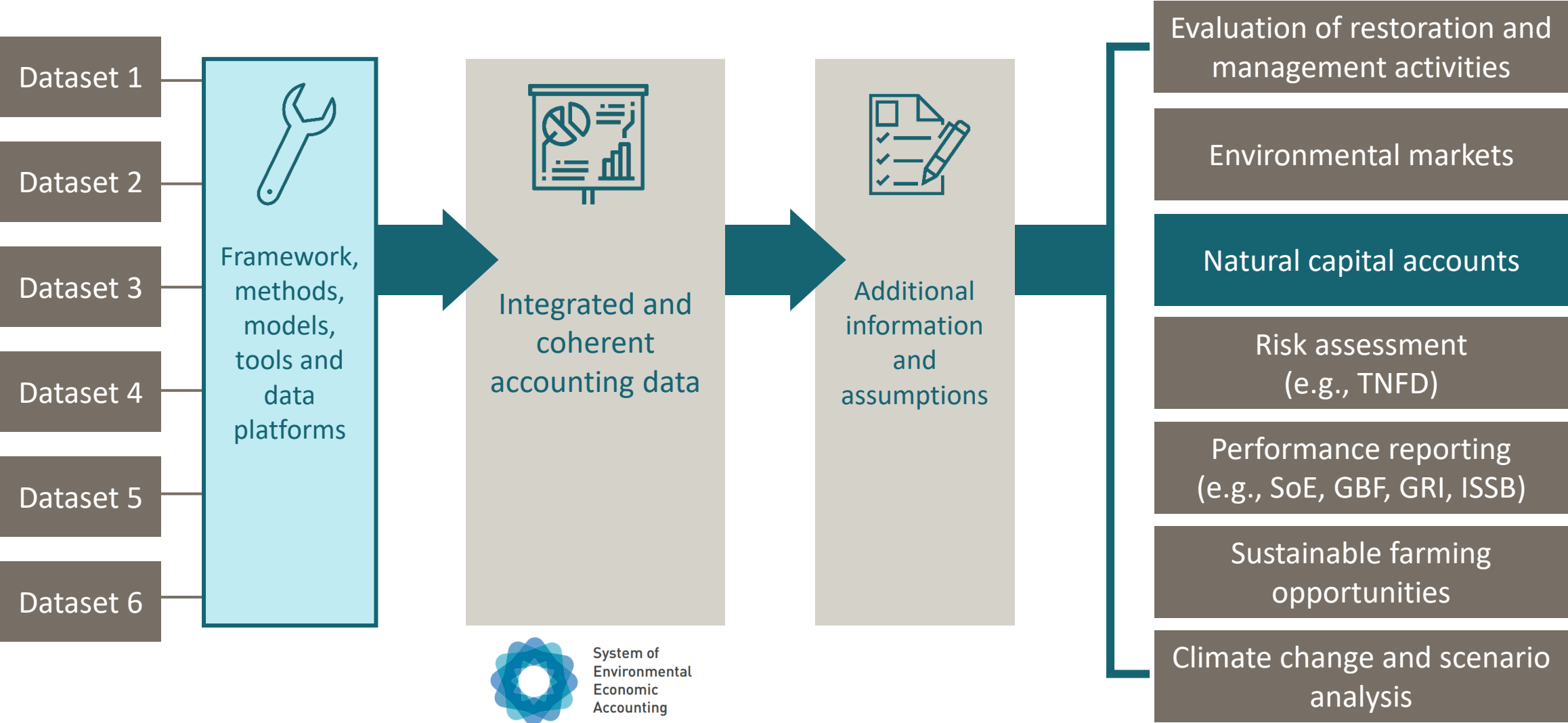
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A natural capital approach connects the environment and people



*Natural capital is the **stock** of renewable and non-renewable **natural resources**, (e.g., plants, animals, air water, soils, minerals) that combine to yield a **flow** of benefits to people. (Natural Capital Protocol, 2016)*

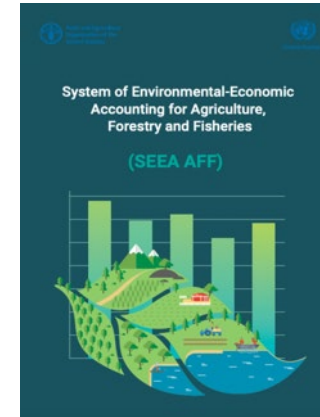
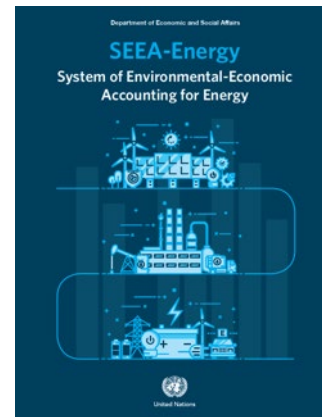
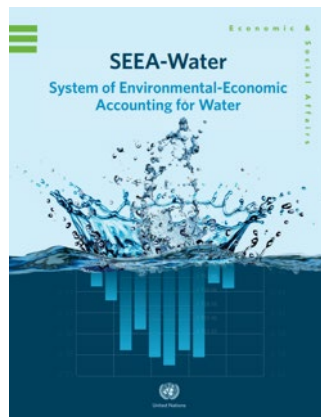
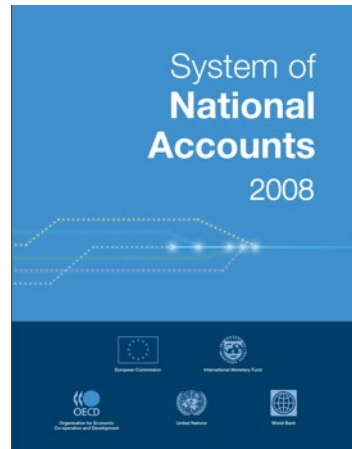
Linking accounting to the priority applications



Advancing the SEEA



The SEEA Family



- Advancing on:
- Ocean Accounts
 - Measuring the Sustainability of Tourism
 - Accounting for Protected Areas

Progress is clear...

- Around 90 countries have implemented the SEEA in some way
 - 41 have implemented ecosystem accounts
 - All continents represented
- EU has mandatory reporting for 6 accounting modules with two more well advanced – ecosystems and forests
- Leading countries have substantial investments in ongoing staffing of accounting teams with a very high focus on co-ordination of data
- Widespread endorsement by international organisations and through international conventions (UN, IMF, OECD, World Bank, UNEP, IUCN, CBD)

Natural capital accounting is emerging in many places...

- Ocean accounts through the Global Ocean Accounts Partnership
- Links to tourism through UNWTO Measuring the Sustainability of Tourism
- Increasing number of companies applying SEEA principles (BHP has a natural capital accountant)
- Connections to environmental markets design and operation and reporting on sustainable finance
- Research across a range of fields (ecology, economics, law, accounting, geography, sociology...)

Common language is building...

- Revision of the System of National Accounts (2025) to include chapters on wellbeing and sustainability
- Adoption of IUCN Global Ecosystem Typology as an international statistical standard classification
- TNFD – nature related risk disclosures uses SEEA EA as a core framework
- British Standards – Natural Capital Accounting for Organizations moving towards an ISO standard has close ties to SEEA principles
- EU Horizon funded project to design Nature Information Pathways – linking SEEA with corporate applications including LCA

But reinforcement is needed...

- Knowledge and experience of natural capital accounting is not widespread
- Investment in skills and a commitment to progressive improvement a rarity – we need to move beyond pilots and demonstrations
- Too many still caught in the trap that the barrier is data rather than investing in communication and sharing of knowledge
- Institutional context to recognise the relevance and potential of natural capital thinking remains unchanged – how can we move to joined up, whole of government, landscape scale policy?

Where to from here?



Keep conveying the key messages

1. Natural capital thinking is a powerful framing that supports integration of environmental and economic thinking
2. Wide application of natural capital thinking has been limited by too many similar but alternative entry points
3. Natural capital accounting is a common language to drive scale into our response to environmental challenges that is desperately needed
4. Natural capital accounting is not easy but it is possible and you have many friends
5. Getting started is the biggest step – the time to invest is NOW

Thank you

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Acknowledgement

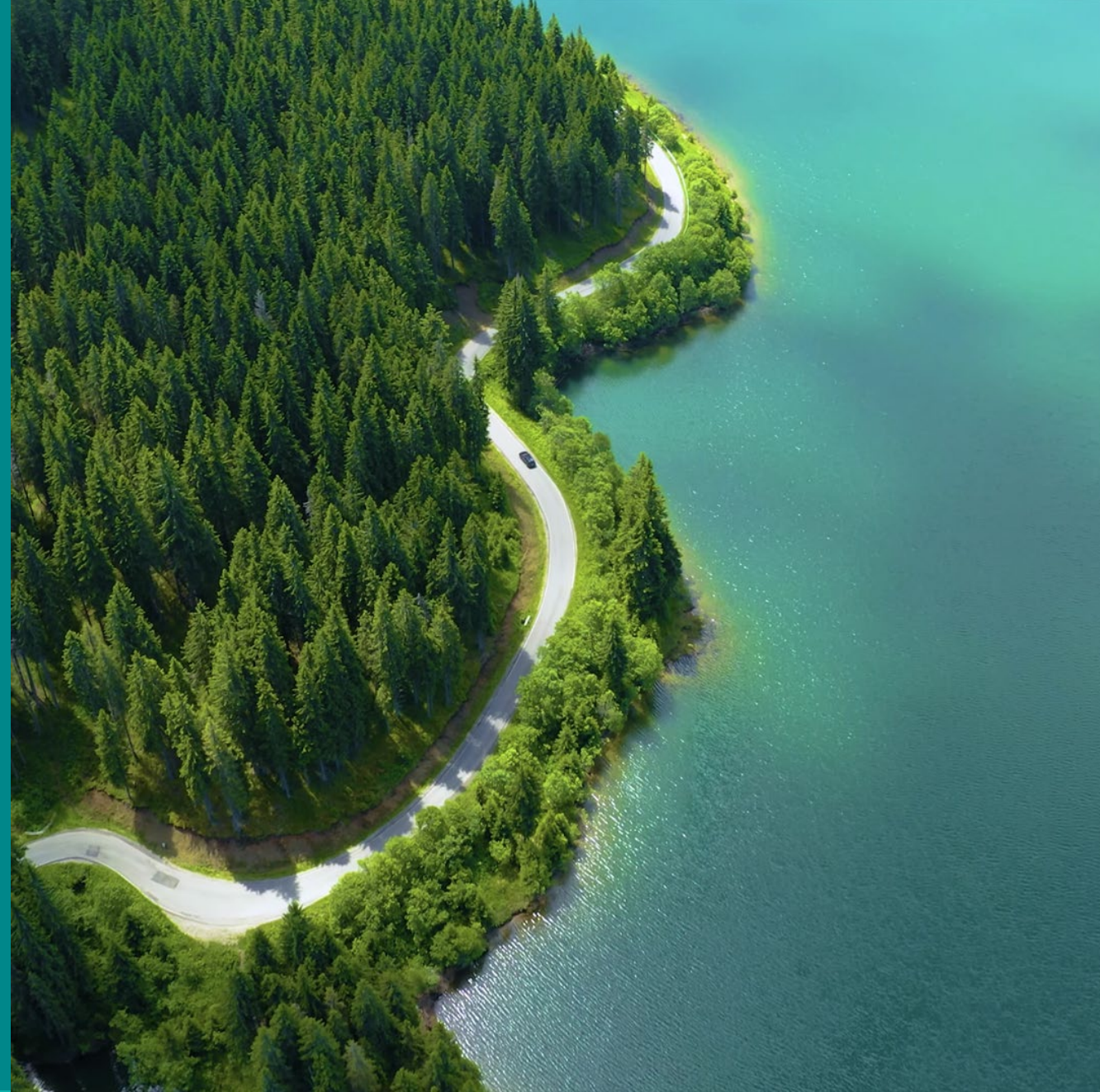


The content and figures presented here come from a range of sources and reflect work and ideas generated by the community of SEEA experts over many years. The relevant sources include work by UN Statistics Division, World Bank, Eurostat, Australian Bureau of Statistics, Statistics Netherlands, UK DEFRA, Statistics Canada, ANU, University of Wageningen and IDEEA Group, recognising this is not an exhaustive list.

The presenter acknowledges the significant and ongoing contributions from all SEEA experts in the development of the current body of knowledge.



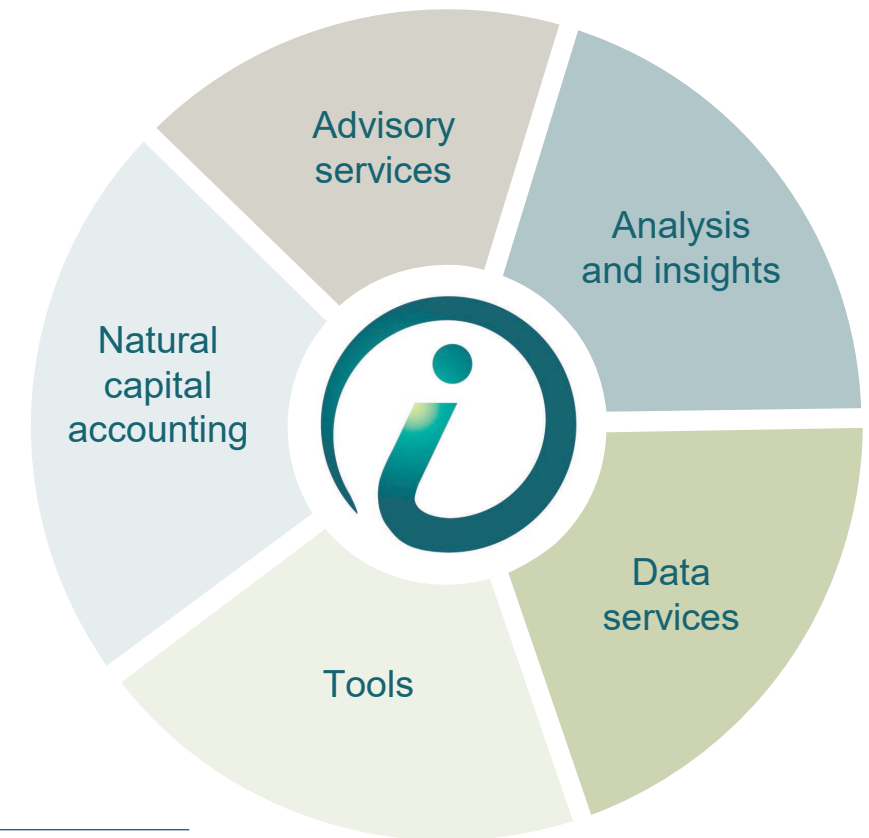
About IDEEA Group




Guiding your natural capital accounting journey



Recognise. Account. Decide.



 Authors of the SEEA

 Supporting governments and organisations around the world

 Natural capital software – Data4Nature

 Provision of the full suite of natural capital services



IDEEA Group

IDEEA Group is a Melbourne-based firm with a team of expert economists, environmental accountants, and national accountants. The team brings together expertise in a range of disciplines including environmental markets, the design and implementation of measurement frameworks, environmental valuation, spatial analytics, sustainability, and risk management. IDEEA Group operate at the nexus of economics, ecology and accounting and realise the importance of employing a multi-disciplinary approach to solve complex problems.

IDEEA Group are world renowned experts in the development and production of environmental-economic accounts using the United Nations' System of Environmental-Economic Accounting (SEEA). IDEEA Group Principals have over 20 years of experience in natural capital thinking and are at the leading edge of conceptual and practical advances in ecosystem accounting.

