



NATURAL CAPITAL ACCOUNTING FOR LIBERIA

Towards a National Strategy & Action Plan

Global implementation of natural capital accounting (NCA) is growing, with national governments developing national natural capital accounts to track ecosystems and their contribution to the economy. The ultimate goal is incorporating this vital information into national accounting systems.

In February of 2020, Liberia formally began its journey towards NCA. The Liberia Environmental Protection Agency (EPA), in partnership with other governmental agencies, and support from Conservation International, started implementation of the GEF-funded [“Conservation and Sustainable Use of Liberia’s Coastal Natural Capital” project](#). Broader project objectives include mainstreaming the value of nature and its benefits to its citizens into Liberia’s development trajectory, while building the statistical infrastructure and capacity for the Liberian government to conduct SEEA Ecosystem accounting as an integral part of the national statistics efforts.

As part of the GEF project activities, a National Strategy and Action Plan (NSAP) for NCA is being proposed to outline the purpose of NCA in the context of Liberia, the outcomes or goals that a NCA program is expected to achieve, and a series of practical steps for achieving those. Ultimately, the NSAP puts in place the foundations for a considered and flexible national program of NCA to progress ad-hoc approaches to environmental measurement to an institutionalized approach.

Purpose of a National Strategy & Action Plan (NSAP)

The role of the strategic planning phase is to build and maintain the high-level of commitment to NCA implementation that will be required for successful integration of environmental and economic statistics into the Liberia’s national statistical system. Strategic planning has a number of benefits:

- **to obtain political and financial support** for investment in statistics
- **to produce the information** needed to inform sustainable development and green economy programs
- **to identify current strengths and weaknesses** of statistical capacity in producing key environmental and economic indicators and basic source data
- **to schedule tasks** to remedy the weaknesses and leverage strengths

Steps in Developing a NSAP

The NSAP for Liberia will be developed following a participatory process that consults multiple Liberian government agencies. There are several steps in the development of a NSAP for Liberia.

1. National assessment of NCA in Liberia, including consultation with potential users, suppliers of data, and compilers of NCA.
2. Establishment of a core group in Liberia to drive the NSAP forward
3. Establishment of an authorized senior board or group to provide strategic advice
4. Consultation with government agencies to develop core components of the NSAP, for example goals, objectives, and recommendations
5. Drafting the NSAP
6. Consultation on the outcomes contained in the NSAP
7. Implementation of the NSAP

NSAP for NCA in Liberia

Key features of the NSAP for NCA in Liberia will include:

- **A flexible and modular approach** that understands the political and governance context in Liberia, the level of statistical development and the environmental circumstances in the country
- **Recognition of the policy issues**, and of priorities to be informed by accounts (e.g., for strategic planning, monitoring, reporting)
- **Recognition of the need for coordination** with related national and international initiatives/projects
- **An incremental approach** to developing the technical capacity for reporting on a core set of environmental-economic accounts and of accounting derived indicators relevant to the country
- **A phased approach**, which focusses on developing accounts that address identified priority issues



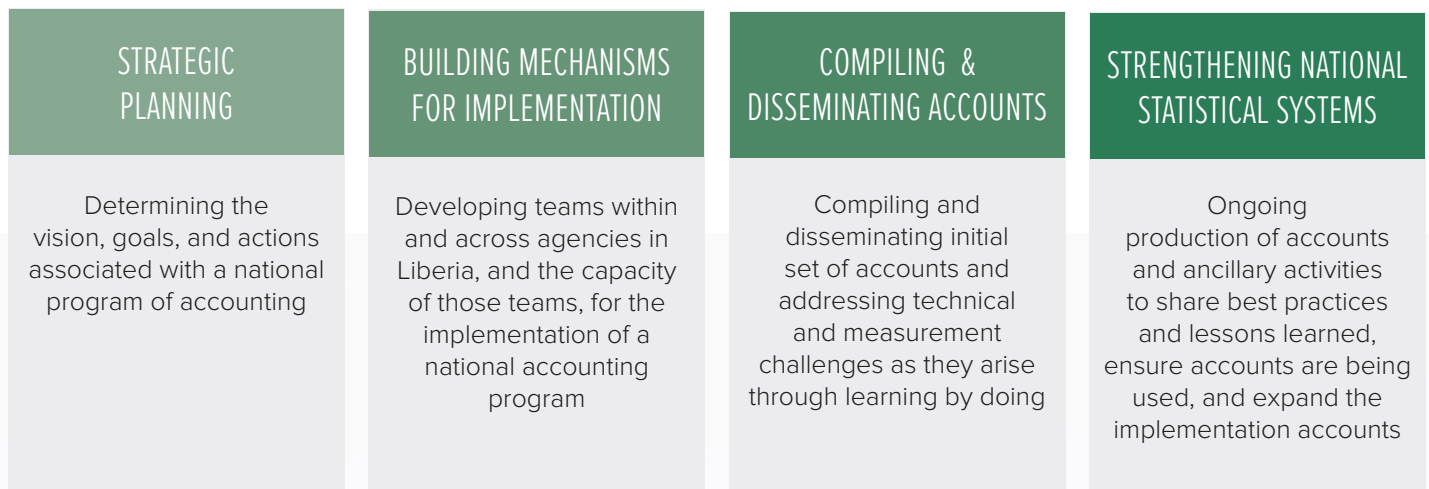
What is Natural Capital Accounting?

Natural Capital Accounting (NCA) is a systematic process to measure stocks of natural resources and the flows of benefits they provide, enabling the integration of economic, environmental, and social data into a coherent framework. The accounting-generated structured information facilitates coordination across various governmental agencies, thus enabling better planning, management and monitoring of natural resources.

The United Nations' [System of Environmental-Economic Accounts \(SEEA\)](#), an internationally accepted framework for incorporating nature into national accounting systems, governs NCA efforts in the public sector. SEEA includes the [Central Framework \(CF\)](#) and [Ecosystem Accounting \(EA\)](#).

Steps in Implementing Natural Capital Accounting

There are four broad stages in the implementation of NCA: strategic planning, building mechanisms for implementation, compiling, and disseminating accounts, and strengthening national statistical systems. The focus of this project is the strategic planning phase.



NCA is a multi-disciplinary exercise and requires input from many stakeholders including suppliers of environmental and economic data, compilers of statistics and users of environmental-economic information. NCA discourages the traditional “silo approach” to the development of statistics and requires that different organizations collaborate to produce statistics. Successful implementation of a national program of NCA requires buy in across many government agencies and research organizations, and capacity building where necessary.





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Current Global NSAP Implementation

National Strategy and Action Plans have been completed by a range of countries, for example, [South Africa](#), [USA](#), and [Australia](#). There is no standardized approach to developing a National Strategy and Action Plan, as they need to be relevant for a particular context. Examples of key terms in Strategy and Action Plans for NCA in South Africa and Australia are provided below.

	SOUTH AFRICA	AUSTRALIA
MISSION STATEMENT	Natural capital accounting (NCA) is widely used to provide credible evidence for integrated planning and decision-making in support of the development needs of the country.	The Australian community understands the environment's contribution to our quality of life, and its condition and value are accounted for in decision making for a prosperous and healthy society.
GOALS	NCA is used for integrated planning, decision-making, monitoring and evaluation across a range of sectors	Public and private decision-making results in a balance between economic, social and environmental outcomes
OBJECTIVES/PRIORITIES	Increased use of natural capital accounts-based indicators and information for high level and sectoral policies and planning	Ensuring the development and application of accounts is driven by policy and decision-making needs across Australia
ACTIVITIES/ACTIONS	Present indicators from available natural capital accounts at strategically important meetings (e.g. National Planning Commission, Ministers & Members of Executive Councils Meeting)	User needs assessment for priority policy and investment decisions that could be informed by accounts

***Note that some interpretation has occurred to compare strategies, due to differences in nomenclature

National Assessment Report Components

A national assessment report is the first step to providing complete coverage of the institutional and data environment within which implementation of NCA would be undertaken. The assessment report covers seven main areas:

- i. Stakeholders and institutional arrangements/frameworks
- ii. Policy priorities, targets, and indicators
- iii. Data sources
- iv. Existing accounts and previous studies
- v. Constraints
- vi. Opportunities
- vii. Recommendations for priority accounts and next steps

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