



7th Global Policy Forum on Natural Capital

*Integrating the NCA work into the System of
National Account - Rwanda*

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Outlines:

1. Introduction (Natural capital)
2. Why Natural Capital Accounting in Rwanda
3. Compilation of the System of Environmental-Economic Accounting
4. Achievements
5. Work in progress and way forward

Introduction:

Natural capital includes all the resources that we easily recognize like minerals, energy, timber, productive land, fisheries, water.....

And also the ecosystem services that are often “obscure” to most people, such as habitats for wildlife, air and water filtration, flood protection, carbon storage, ***(These values are not readily captured in markets, so we don't really know how much they contribute to the economy. We often take these services for granted and don't know what it would cost if we lost them. Until we lose them).***

Introduction ctd:

- Rwanda committed to use NCA as a signatory of the Gaborone Declaration in 2012.
- In 2013, Rwanda joined the Wealth Accounting and the Valuation of Ecosystem Services (WAVES) global partnership with the World Bank to support its NCA efforts.

The objectives were:

- To draw attention to economically important natural resource sectors in the country by providing reliable data to support economic assessments and sound policy formation including identifying trade-offs or potential constraints for Rwanda growth trajectory.

Natural Capital Accounting in Rwanda

Why?

1. High dependency on Natural Capital and Ecosystem Services

High population density, significant agro-economy, topography, water demand, energy demand,

2. Natural Capital potential

Mineral, tourism.....

3. Significant need for sustainability

Compilation of the System of Environmental-Economic Accounting in Rwanda

Medium term objectives.

- Produce asset accounts for individual environmental assets in physical and monetary terms showing the stock at the beginning and end of each accounting period and the changes.
- Produce supply and use tables in physical and monetary terms showing flows of natural inputs, products and residuals.
- Produce functional accounts recording transactions and other information about economic activities undertaken for environmental purposes.
- Produce economic accounts highlighting depletion-adjusted economic aggregates.

Compilation of the System of Environmental-Economic Accounting in Rwanda

Process

- In Rwanda we started compiling Natural Capital Accounts in 2013 with the establishment of a steering committee that identified policy priority areas and the establishment of a technical committee to support the technical work.
- Both the steering and technical committees included key representatives at policy level (Minister, Permanent Secretary, Director General) and technicians respectively from relevant institutions.
- Four priority accounts were selected: Land, water, mineral and biodiversity accounts. The decision was based on the importance and practical consideration of data availability.
- Working closely with the World Bank technical collaboration.

Compilation of the System of Environmental-Economic Accounting in Rwanda

Achievements

- Land Accounts published in 2018: Land accounts was relevant due to high population density and the significant role of land in agriculture, food security and economic development. The land accounts was supposed to help Rwanda explain trends in economic values of land under different use and assess potential trade-offs more systematically.
- Water accounts published in 2019: Was chosen because Rwanda's water resources was assessed to be under pressure from population growth and rapid economic development;
- Minerals accounts published in 2019: Was chosen because it represents a very large share of export revenues and was growing rapidly with hope for increasing investment and production.
- Ecosystems accounts published in 2019:

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- Ecosystems accounts published in 2019: Was to contribute in understanding how ecosystems as a form of capital in Rwanda are changing over time. How this affects associated services, the implications for the Rwandan society and identifying strategic interventions to manage the risks and opportunities.

Work in Progress and Way Forward

- Strengthening availability of data across the board for the environment sector as a foundation for Natural Capital Account and Compilation of the System of Environmental-Economic Accounting.
- Institutionalization of NCA and building capability.
- Compilation of the System of Environmental Economic Accounting systematically and sustainably.

Thank You