

NATURAL CAPITAL ACCOUNTS in KENYA

PRESENTED BY: CHRISTINE MAGU



A large orange circle is positioned on the left side of the slide, partially cut off by the edge. The word 'OUTLINE:' is written in white, bold, uppercase letters inside this circle.

OUTLINE:

About Natural Capital

Background of NCA in Kenya

National Plan for advancing EEAs,
2025-2028

Terms of Reference and Membership
of the National Steering Committee

Summary

Natural Capital

What is it?

- Natural capital is the stock of natural resources, which includes geology, soils, air, water and all living organisms. Some natural capital assets provide people with **“free goods and services”**, often called ecosystem services. All of these underpin our economy and society, and thus make human life possible.

Types of Natural Resources



Sun



Forest



Rock



Minerals



Animals



Air



Oil



Water



Soil

Background of NCA in Kenya

The United Nations Statistics Division (UNSD) introduced the System of Environment Economic Accounts (SEEA) to Kenya back in late 2016. During that time, KNBS managed to:

Hold a national workshop with representatives across various Government Ministries, Departments and Agencies; The consensus from this workshop was that the country should focus on publishing Energy, Water and Forest Accounts

The team was also able to develop a draft national plan for advancing environmental economic accounting (NPAEEA)

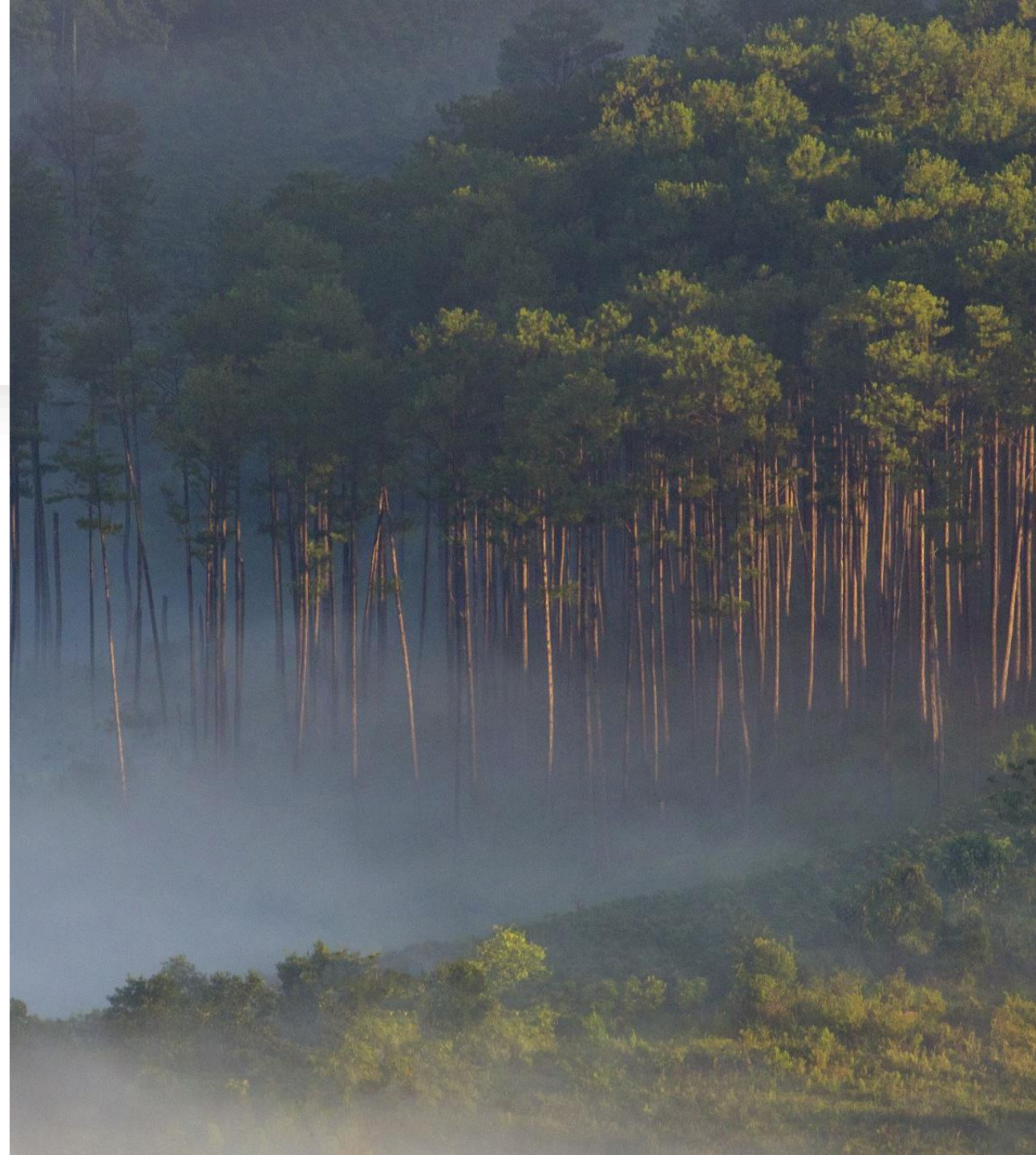
Receive a number of trainings on SEEA Accounts

Produce Pilot Physical Energy Supply and Use Tables in 2018 which are since being produced and published annually as part of the Energy chapter in the Economic Survey.

Develop draft Physical Water Flow Accounts, 2021

BACKGROUND OF NCA IN KENYA

- KNBS is, since October 2024, receiving Technical Assistance from the World Bank on Integrating Natural Capital and Ecosystem Service Considerations in Macro and Investment Decisions. The Technical Assistance (through the GPS funding program), **ending in December 2025**, focuses on advancing work on Land, Water, Forests and Ecosystem Accounts and expanding existing Physical Energy Accounts to Monetary Accounts.
- The Technical Assistance is also focusing on institutionalization of environmental economic accounting in Kenya (with KNBS spearheading this work).



ACHIEVEMENTS SO FAR

National Plan for Advancing Environmental Economic Accounts, 2025-2028 is now in place.

Five Operational Technical Working Committees on Land, Energy, Water, Forests and Ecosystem Accounts are in place.

Draft Land, Forests, Water and Ecosystem Accounts have been developed and are currently being validated by the TWCs. These accounts are in physical terms

Draft Monetary Energy Flow Accounts have also been developed and are currently being validated by the TWC.

There have been discussion with The National Treasury on use of the accounts in Policy and Decision Making and The National Treasury is in the process of greening its macro-model through KENMOD

National Plan for advancing Environmental Economic
Accounting in Kenya
NPAEEA, 2025-2028

INTRODUCTION:

- The Kenyan economy is heavily dependent on the exploitation of finite natural resources that if depleted would pose serious challenges to the socio-economic development of the country
- The livelihoods of a significant section of the population are based on products from the environment including food, cooking fuel, energy, water, construction materials among others
- Therefore, it is imperative that information regarding natural resources available for use by the various sectors of the economy is produced.



RATIONALE FOR DEVELOPMENT OF SEEA KENYA

- Just like other countries in the world, need for Kenya to account for natural capital has been growing steadily over time
- Kenya's development discourse in the last decade has been guided by several socio-economic blueprints and laws, which have placed sustainable exploitation of the environment at the core of the aspirations contained therein
- The Kenya Vision 2030's social pillar envisions and the recent Bottom-Up Economic Transformation Agenda (BETA) where Environment and Climate Change is among the six pillars need evidence based environmental policies



RATIONALE FOR DEVELOPMENT OF SEEA FOR KENYA...

- ❑ Kenya has ratified and joined several international conventions involved with environmental conservation such as:
 - ✓ Africa's agenda 2063,
 - ✓ UN Sustainable Development Goals (SDGs)
 - ✓ The Convention for Biological Diversity (CBD)/Global Biodiversity Framework (GBF),
 - ✓ Convention to Combat Desertification (CCD),
 - ✓ Paris Agreement on Climate Change Etc

As such, the EEAs will go a long way in providing some of the environment related indicators that have not been forthcoming in the past

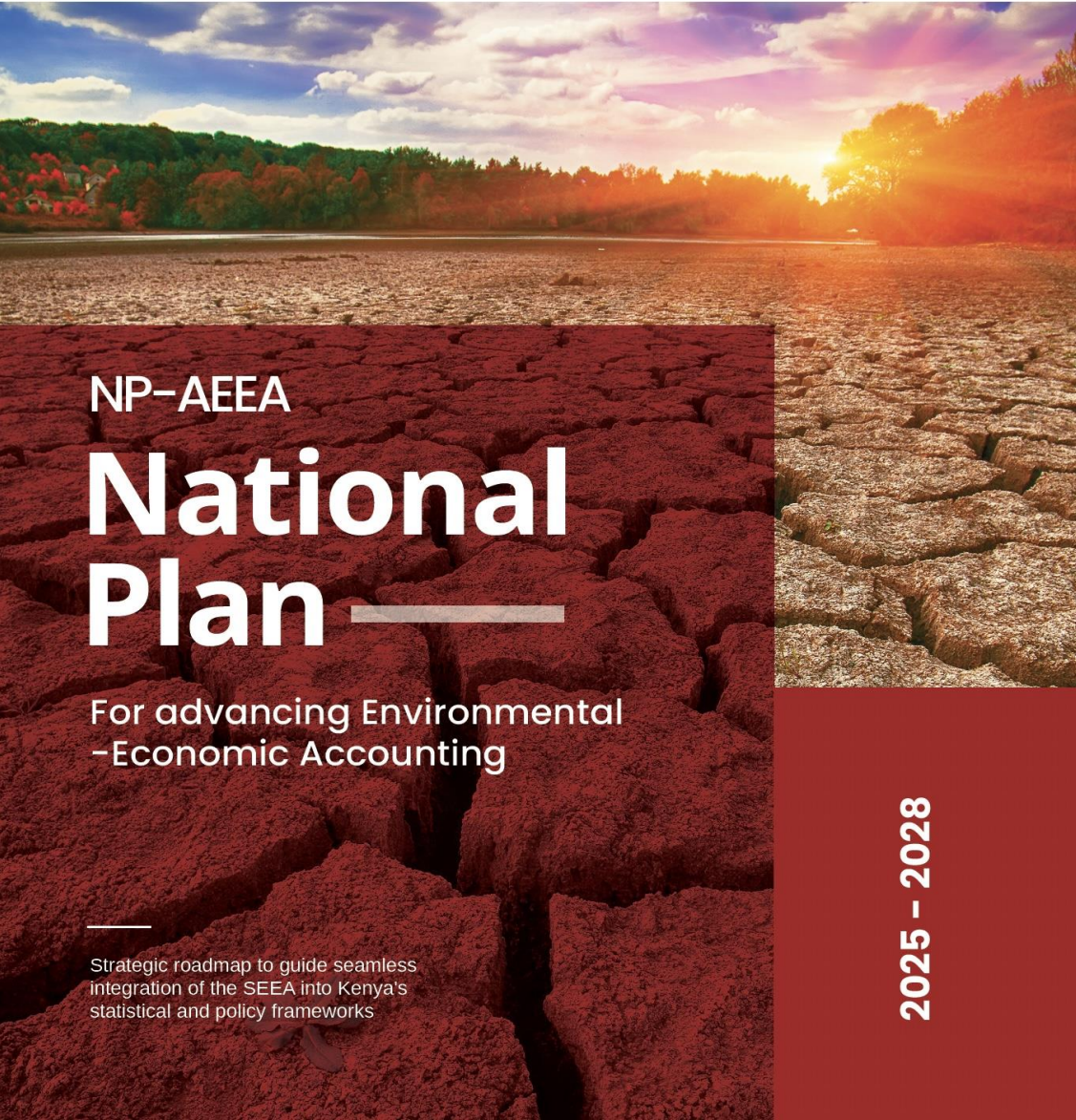




REPUBLIC OF KENYA



Quality statistics for better lives



NP-AEEA

National Plan

For advancing Environmental
-Economic Accounting

Strategic roadmap to guide seamless
integration of the SEEA into Kenya's
statistical and policy frameworks

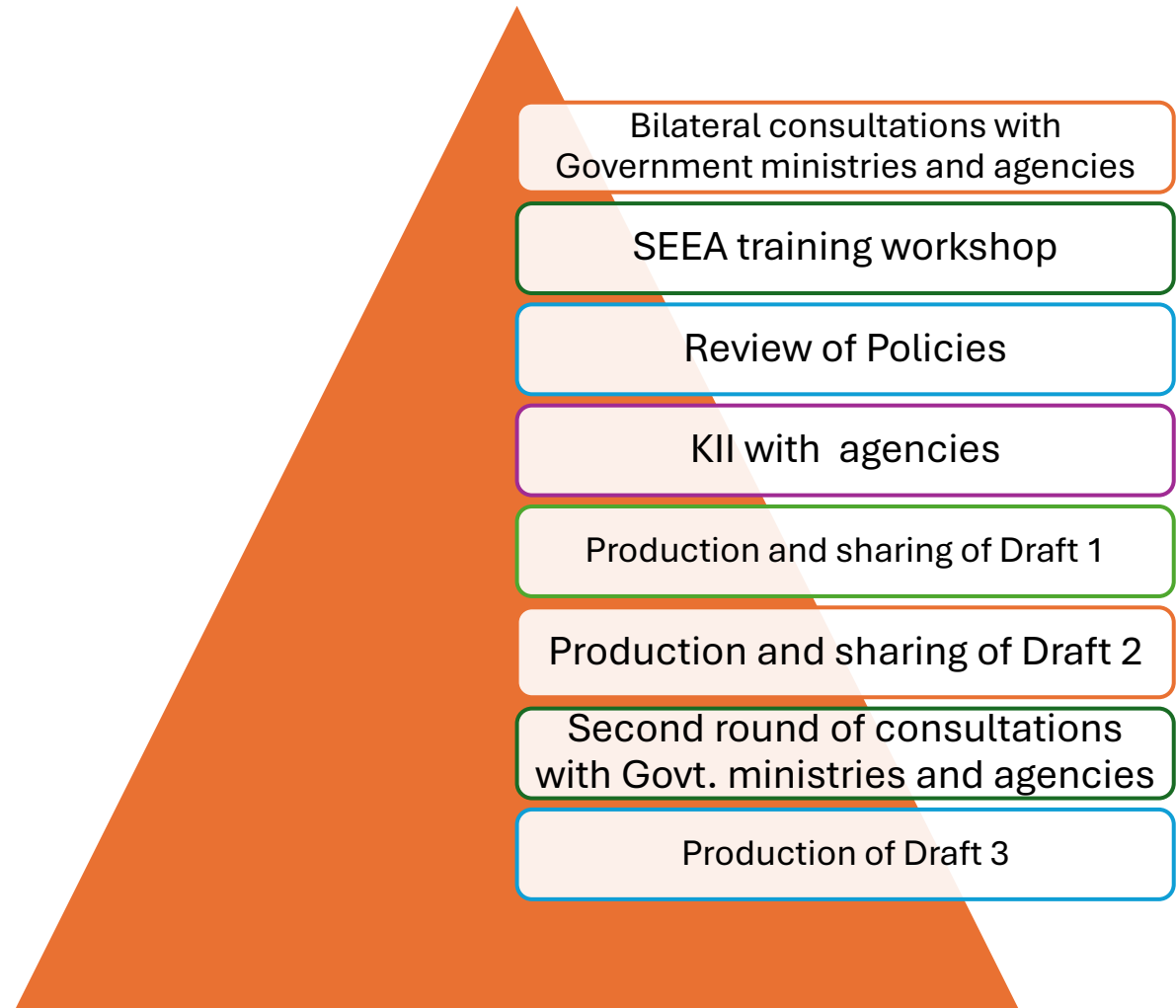
2025 - 2028

DEVELOPMENT OF SEEA IN KENYA

- ❑ A National Plan for the development of SEEA is now in place for year 2025-2028
 - This provide avenues through which identification of SEEA accounts is initiated.
 - The identification of Accounts to being developed is through a very intensive and extensive process.
 - The development of the NP-AEEA was spear-headed by Kenya National Bureau of statistics (KNBS) with support from United Nations Statistics Division (UNSD) and the World Bank's Global Program on Sustainability (GPS)

WHAT STEPS WERE USED IN THE DEVELOPMENT OF NATIONAL PLAN FOR SEEA IN KENYA?

- There have been several attempts aimed at producing various accounts by various institutions in the country.
- This plan is a product of an extensive consultative and participatory process involving a wide range of stakeholders.
- Consultations and stock taking meetings were held throughout the entire period of developing the plan.




PRIORITIZATION OF ENVIRONMENTAL ECONOMIC ACCOUNTS (EEAS) IN THE CURRENT NATIONAL PLAN

- ❖ **Water Accounts**
- ❖ **Forest Accounts**
- ❖ **Ecosystem accounts (EA)**
- ❖ **Energy Accounts**
- ❖ **Mineral Accounts**
- ❖ **Land Accounts**

❑ Why prioritization?

- **Water Accounts:** Help in planning for supply especially during dry periods and give more accurate information for better management of water resources.
- **Forest Accounts:** Most of the services offered by the forest do not have direct market values, and the contribution of forestry to Kenya's economy is much higher than the estimated 7 billion,
- **Ecosystem accounts (EA).** Gives critical information to policy and decision makers on the importance of ecosystems and the value of the services derived from them.
- **Energy Accounts: Over** a relatively short period, power supply has shifted from dependence on non-renewable to renewable energy sources
- **Mineral Accounts. Give** the country a chance to take stock of available mineral resources and analyze their flows, both in physical and monetary terms.
- **Land Accounts:** Very important for the country. Base for most other accounts.



Why these six (6) accounts?

The situation analysis for SEEA has been based on:

- Available data and their current status (read quality)
- National policy priorities including BETA, Kenya's Vision 2030
- Implementation challenges of SEEA as reported from KII
- Mitigation mechanism as reported by KII
- Opportunities and Threat for Development of EEAs in Kenya as reported by KII

METHODOLOGICAL FRAMEWORK FOR IMPLEMENTATION OF THE SEEA IN KENYA TO ACHIEVE THE STATED OUTCOMES...

- ❑ Production process of Priority Accounts in the Plan entail:-
 - ✓ Data collection (or generation – through surveys and censuses, and administrative sources, studies
 - ✓ Data harmonization (processing, quality control, imputations etc.);
 - ✓ Populating of the EEA framework;
 - ✓ Estimation of outputs
 - ✓ Validation of the results
 - ✓ Publishing of the estimates
 - ✓ Inviting feedback from users
 - ✓ Monitoring utilization and interpretation of EEAs

Mainstreaming of Environmental Economic Accounting

- ❑ KNBS has adopted mainstreaming as a strategic approach to production of statistics and is expected to follow the same in the implementation of SEEA.
 - ❑ Approach where environmental economic accounting actions are designed as extensions to existing activities and processes
- WHY?
- it is easier to implement,
 - less costly,
 - Enables the integration of environmental statistics into existing processes.



Expected outcome of the National Plan for Advancing Environmental-Economic Account

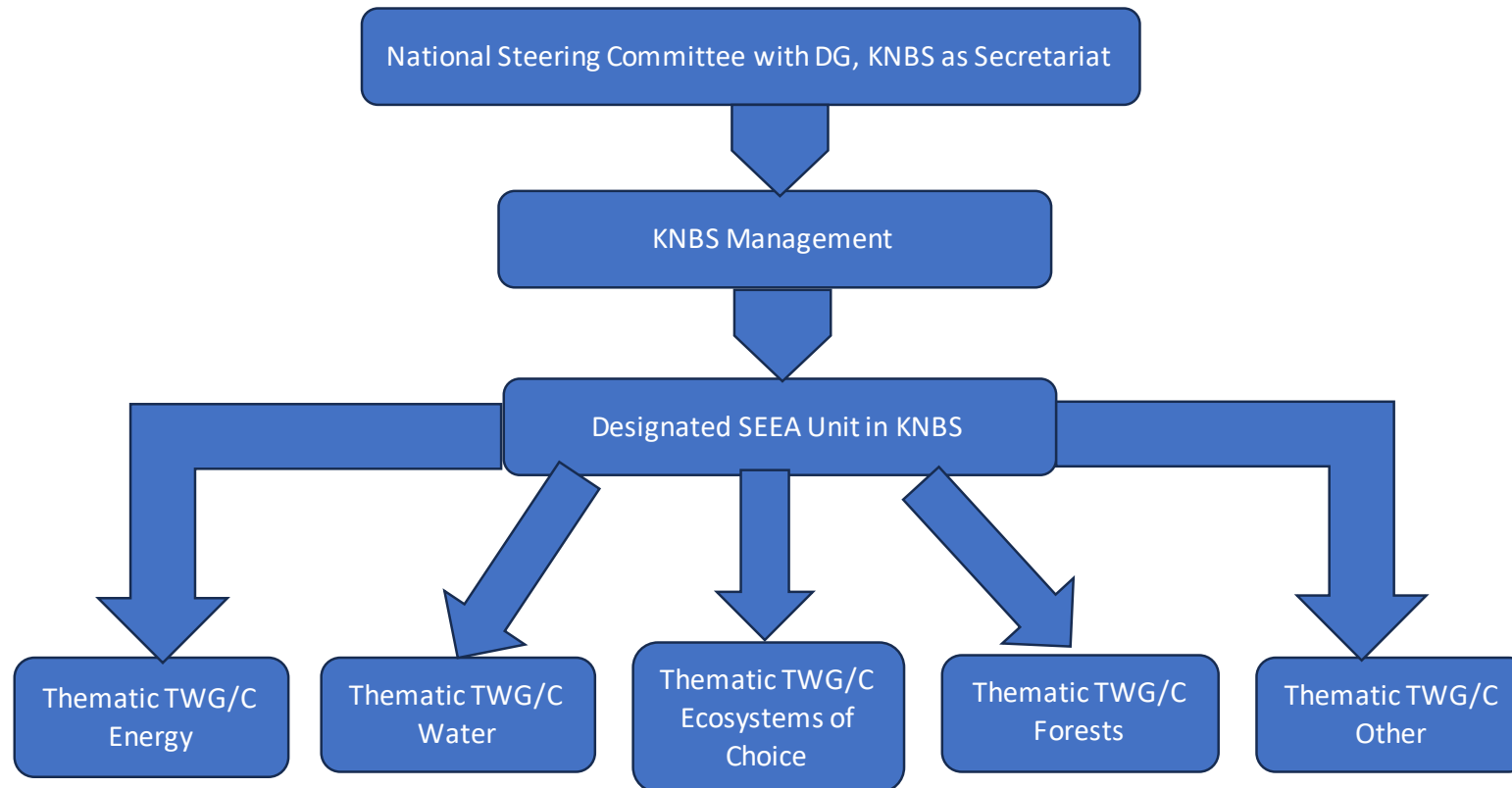
S.No	Outomes
1	Defining and building consensus on the applications of environmental economic accounts for Kenya
2	Comprehensive environmental-economic accounting information system that responds to the requirements for informing the SDGs, BETA and the Kenya Vision 2030 blueprint
3	Continued statistical coordination within Kenya between levels of government and initiatives for the mainstreaming of Environmental Economic Accounts
4	Enhanced coordination with national initiatives, as well as international development partner agencies for assistance with environmental-economic accounting and related data initiatives
5	Improved resourcing, data quality, access, technical capacity, and statistical infrastructure for environmental-economic accounting;
6	A set of priority accounts regularly produced and published, namely Land, Energy, Forest, Water, Mineral and Ecosystem Accounts at national level
7	Development of EEA products linked to policy and used to inform national decision-making



Participation

- **KNBS is the coordinating agency for the implementation of the plan**
- **A National Steering Committee is established by the plan at the highest level to give policy guidance and allocate resources. They will include:**
 - Principal secretaries and CEOs of strategic government agencies (next page)
- **Technical Working Groups (TWGs)**
 - TWGs to be convened on a regular basis to review, harmonize datasets and update accounts

Planning and Coordination/Organization Chart



CAPACITY BUILDING

Sufficient technical capacity within KNBS and the NSS is a key enabling factor for successful execution of this plan:

Currently KNBS and our NSS do not have adequate competent personnel for preparation of EEAs.

Capacity building is an essential part of the National Plan

RESOURCE MOBILIZATION



Need for a Resource mobilization strategy



The strategy to identify funding mechanisms for all statistical activities identified in the medium-term strategies



By extension it should provide for mobilization of funds for full implementation of NPAEEA.



The funding of EEAs is also expected to be integrated within the Medium-Term Expenditure Framework (MTEF) and sustain allocation of funding in the long term.

Partnerships



This plan welcomes partnerships from international organizations, national organizations and private sector interested in this program of work.



Partnership identification is a key ingredient of this plan.

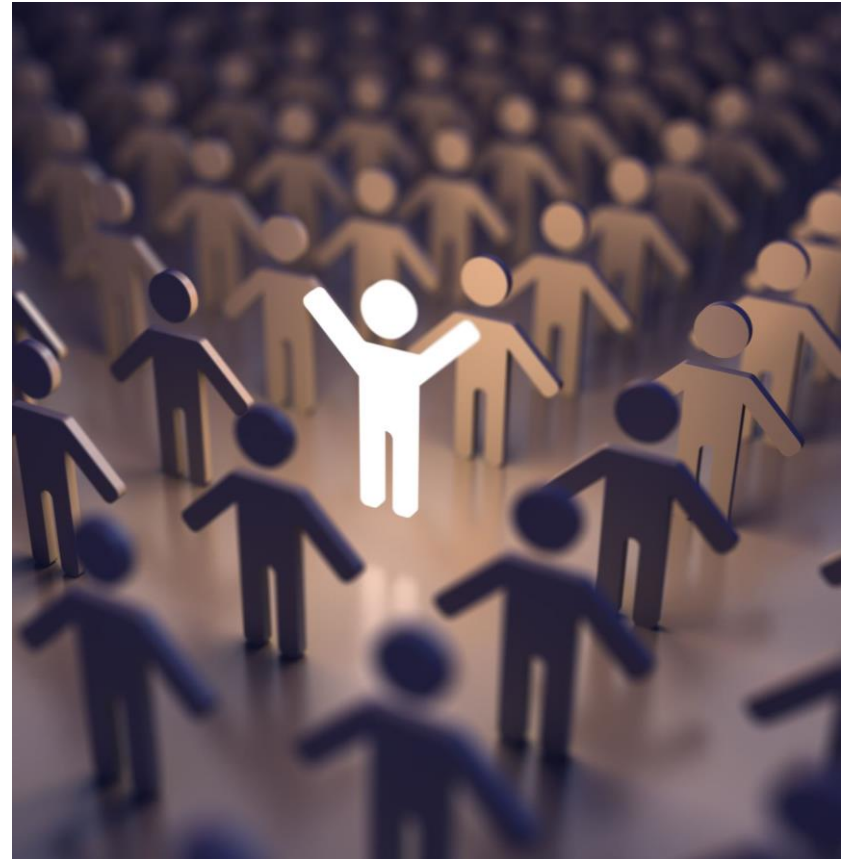
Terms of Reference and Membership of the National Steering Committee:



Terms of Reference for the National Steering Committee:

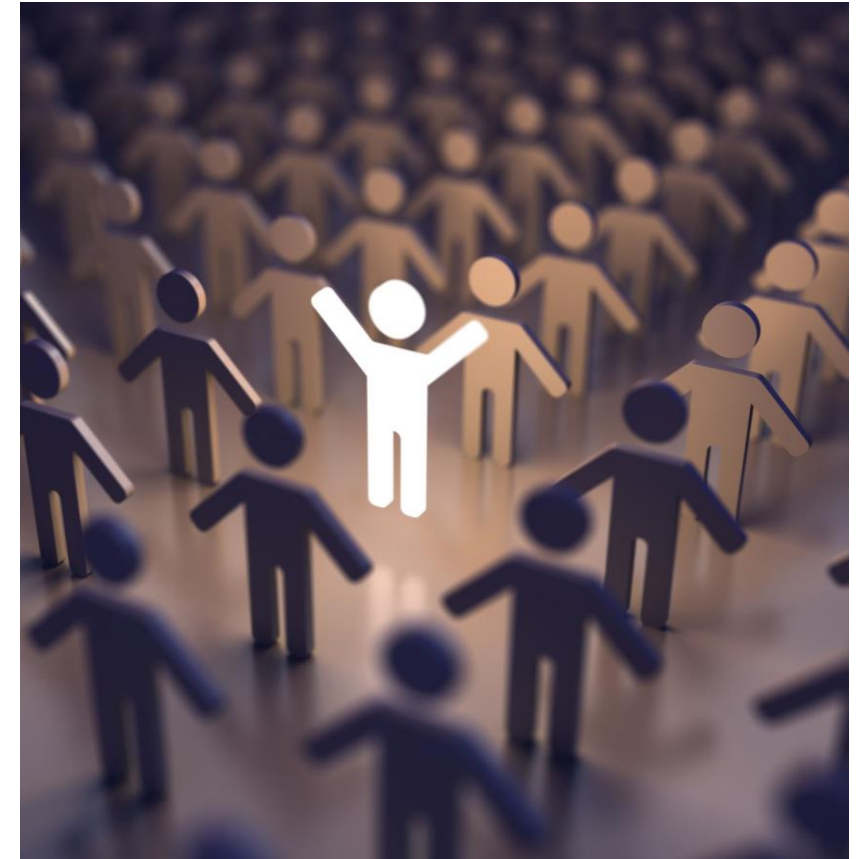
The NPAEEA, 2025-2028 recommends the formation of a High-Level Inter-Ministerial National Steering Committee (NSC) with the following responsibilities:

- Develop, endorse and advocate the NPAEEA within the government and with relevant international agencies
- Oversee the development of Natural Capital Accounts/Environmental Economic Accounts (NCA/EEAs) methodologies and data collection frameworks
- Coordinate relevant data collection and capacity building activities
- Endorse priority natural capital accounts to be developed.
- Ensure NCA/EEAs implementation is well resourced
- Review and approve budgets and work plans for NCA/EEAs activities.
- Facilitate inter-agency coordination and collaboration on NCA/EEAs initiatives.
- Advocate for the mainstreaming of NCA/EEAs into national policies and plans.
- Monitor progress against agreed indicators and targets.
- Commission independent reviews of NCA/EEAs implementation.
- Provide guidance on NCA/EEAs training needs and capacity building efforts.
- Promote knowledge sharing and dissemination on NCA/EEAs.
- Report regularly to relevant government bodies on the progress of NCA/EEAs implementation



Members of the National Steering Committee:

- Membership will include:
 - PS, National Treasury
 - PS, State Department of Economic Planning
 - PS, State Department of Environment and Climate Change
 - PS, State Department of Forestry
 - PS, State Department for Lands and Physical Planning
 - PS, State Department for Mining
 - PS, State Department for Blue economy and Fisheries
 - PS, State Department for Tourism
 - PS, State Department for Wildlife
 - PS, State Department for Water and Sanitation
 - PS, State Department for Agriculture
 - PS, State Department for Energy
 - PS, State Department for Petroleum
 - CEO, Commission of Revenue Allocation (CRA)
 - CEO, Council of Governors (CoG)
 - Director, Kenya Department of Resource Surveys and Remote Sensing (KDSRS)
 - CEO, Kenya Space Agency (KSA)
 - DG, National Environment Management Authority (NEMA)
 - Representatives from relevant research institutions (e.g., universities, research centers)
 - Representatives from civil society organizations working on environment
 - Representatives from the private sector (e.g., businesses with significant reliance on natural resources)
 - Development partners supporting NCA initiatives (as observers)



Summary:



Where are we?

Achievements:

1. A published National Plan for Advancing Environmental Economic Accounting (NPAEEA), 2025-2028
2. Published Physical Energy Flow Accounts 2018-2024
3. Technical Working Committees for Land, Water, Forest, Ecosystems and Energy formalized
4. Preparation of Land, Ecosystem, Forest and Water Accounts ongoing thanks to Technical Assistance by the World Bank's Global Program on Sustainability (GPS).
5. Progress in linking Accounts to Policy with our National Treasury operationalizing a Green Macro model (KENMOD)
6. New partnership emerging with ONS-UK and UNECA looking to advance the work on Forest Ecosystem Services Valuation.
7. With ONS and UNECA support, we managed to participate in ACS2 and present our NPAEEA to wider stakeholders
8. Inaugural National Steering Committee was held on the 16th September 2025.

Where do we wish to be?

1. A fully implemented national plan (NPAEEA)
2. A full set of SEEA Central Framework and Ecosystem Accounts regularly published and updated
3. SEEA accounts linked to policy and decision making
4. SEEA Accounts assist to track multilateral and national targets of SDGs, Africa's Agenda 2063, among others
5. Contribute to the work of Ecosystem restoration/conservation with data sheets

How do we get there?



A high-level National Steering Committee to provide guidance and overall decisions (as proposed in the NPAEEA)



A Natural Capital Accounts office/section/division at KNBS to oversee the technical work of accounts and provide coordination of teams



Support for Technical Working Committees to regularly meet to provide data, harmonize similar data sets and provide the technical backstopping



Partnerships with International/regional/national organizations and the private sector

Opportunities:

1. Have a National Plan (NPAEEA)
2. A very positive collaborative working environment with all our stakeholders
3. Increased demand for Accounts nationally
4. Partnerships with international and regional/national organizations
5. Opportunities for South-South exchange with colleagues from the region_Example; the Africa NCA Community of Practice (CoP)

Challenges

1. Human Resource constraints (Limited Technical knowledge on SEEA in the country and; competing engagements)
2. Financial constraints (not enough funding to carry out the work required)
3. Limited recognition of our work and its impact by Senior State and Non-State Actors

Our Partners:



**United
Nations**



Our contacts: seea@knbs.or.ke





Thank you!

Sincerely,
Future Generations