



# POVERTY-ENVIRONMENTAL ACCOUNTING FRAMEWORK (PEAF)

Session 2: National and Sub-National Budgeting

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# BUDGET CYCLE

- Budget prioritisation
  - Where, why and how much do we want to spend – policy priorities – many different approaches
    - Often not transparent or replicable
- Expenditure review
  - Was the money spent – binary YES or NO, or.....
  - Was the money spent well – return on investment
- Allocation
  - Who or where was it allocated
- Execution and Oversight
  - Fundamental project management principles

# BUDGET CYCLE

- Data is often collected in an ad hoc manner
- Different (data and reporting) methods across and within agencies
- Little spatial context – linking to the environment (climate, biodiversity, etc.)
  - Consider place based expenditure reviews
- Links to M&E – for discussion is Session 4

Often the results of reviews cannot be compared and the process is very costly, since it is done differently every time.....

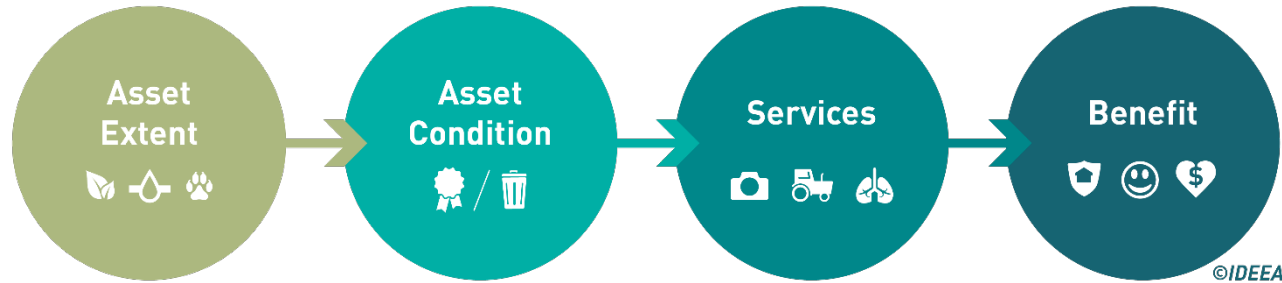
- Data is collected for each review.....

# BUDGET CYCLE

- Moving forward.....
  - There is the potential to use the SEEA as the underpinning information framework to undertake B&E reviews
  - SEEA – Common standards and methods and data is transferable and comparable
  - Work may be required to tailor data collection to specific policy issues, for example
    - Poverty Accounting Framework (PEAF)
  - However, the fundamental principles and methods of SEEA remain.....

# CORE ACCOUNTING MODEL<sup>©</sup>

Making the connection between natural assets and human benefits



- Single **asset** framework applied to different landscapes and ecosystem types
- Assess impact of human activity on extent and **condition**
- Consider changing mix of provisioning, regulating and cultural **services**
- Evaluate **benefits** and tradeoffs among different landscape uses
- **Benefits** to economic and social-wellbeing
  - Assess dependence of **human activity** on ecosystems & biodiversity

# BUDGET AND EXPENDITURE REVIEW

	<b>Assets</b>	<b>Condition</b>	<b>Services</b>	<b>Benefits</b>
<b>Environmental data</b>	<p>What is the spatial extent of asset before and after the investment?</p> <p>Where are the assets located?</p>	<p>How has the condition of the asset (existing and new) changed?</p>	<p>How does the change in extent and condition of the asset impacts on ecosystem services?</p>	<p>What are the environmental benefits?</p>
<b>Social data</b>	<p>Who (and how many) were employed to deliver the program?</p> <p>What groups or industries are reliant upon asset as a natural resource?</p>	<p>Does a change in the condition provide benefits to people either directly or indirectly through changes in ecosystem services?</p>	<p>What are the ecosystem services that change as a result of the investment?</p>	<p>What are the benefits to society (individuals or groups) that result from the investment?</p>

# AN ACCOUNTING APPROACH TO THE BUDGET CYCLE

## COMMON ACCOUNTING FRAMEWORK

### Basic Spatial data

- Vegetation type
- Land use
- Production forest area
- Rainfall, temperature
- Slope, aspect, DEM
- Soil type
- Stream flow/quality
- Timber production
- Cultural activities and forest use data
- Housing, population, income
- Prices for ecosystem services

**Accounting**  
Classification  
Measurement  
Sampling  
Concepts

### Integrated Accounts

Ecosystem Extent

Species

Ecosystem Condition

Water

Ecosystem Benefits

Economic

### Analysis and Interpretation

Flood and disaster

Tourism and cultural

Poverty and Environment

Water and sanitation

Economic wealth & income

Biodiversity Preservation

# LINKING STATISTICS TO B&E REVIEWS

