

Natural capital accounting in Himachal Pradesh: Feasibility and planning study

Forests are the most important natural resource of the state legally comprising nearly 66% of the geographical area. The state's contribution in sustaining life support system of the local as well as the national economy is quite undisputed. The state has a challenge to make use of its unique resource endowments and at the same time prioritise economic, social development and poverty eradication while maintaining ecological balance. The state has accorded high priority to power sector and tourism, for which abundant natural resource base is crucial. The State Government being very conscious of the ecological sensitivity of the region and has resolved to protect and enhance its natural resources and to follow the path of sustainable development in all sectors as seen from the state's Hydropower policy, sustainable tourism policy, sustainable forest management policies and environmental master plans. The state also plans to encourage investors who see sustainability as a viable economic venture.

The objective of this feasibility report is to look at the feasibility of developing forest accounts for the state of Himachal Pradesh. It describes an approach to link environment with the economy by developing the forest resource accounts for Himachal Pradesh and proposes a set of accounts to address these linkages.

An intensive review of data sources and institutional capability has been done and comprehensively presented in the report. A draft work plan to move towards a complete set of accounts has been suggested for developing the forest accounts. The project was funded by World Bank.