

Treatment of multiple economic values connected to ecosystems – theoretical aspects

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based on the 2024 London Group paper “Treatment of monetary values connected to ecosystem services”

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System of
Environmental
Economic
Accounting



LAST YEAR'S ISSUE PAPER AND THIS YEAR'S THEORETICAL PAPER



Background

UNCEEA and UNSC

IPBES

London Group

NEW

Introduction

Plural values, utilitarianism, and official statistics

Economics and accounting

Non-pricing-consistent accounting of ES and their connected values

The way forward on monetary values

NEW

NEW



Multiple approaches for individual services: formulating a basic typology of values

How we proceed

Criteria

a. Statistics vs. modelling

b., c. Actual and hypothetical values

d. Issues with the aggregation of monetary values across services and/or ecosystem assets

e. Private and public goods and services

f. Quantities valued

NEW

NEW

A reference scheme

NEW – PRESENT IN BOTH PAPERS

Conclusion: developing a **dashboard** of values for policy and communication

REFERENCES

NEW

Annex A. Monetary values and ecosystem services

NEW

Annex B. Current cost accounting (Replacement cost) - Annex C. The South-African biodiversity economy satellite accounts - Annex D. Integration of welfare values - Annex E: Which of the estimates of connected/dependent values at hand are fit for use in official statistics at all? - Annex F. Communication of (multiple) monetary values from different approaches

The reference scheme for the treatment of multiple economic values connected to ecosystems

			Ecosystem service in scenario	
			Ecosystem service exists	Ecosystem service does not exist hypothesis
Connected monetary value (transaction/asset, etc.) in scenario	exists (scenario coincides with reality)	Ecosystem services are traded as private usage rights	Rent of the land, directly observable prices applied to actually traded volumes, observed value of actually observed transactions in tradable permits	
		Ecosystem services are potentially traded as private usage rights	Directly observable prices applied to potentially for sale permits of using the ES	
		ES is used for producing other goods or services	Resource rent, residual value, hedonic pricing	
		Other (outside or inside of SEEA-EA, within SEEA CF, other satellite accounts or SNA)	Travel cost method, effective carbon rates	
	"would appear" (does not exist in reality, does in the scenario)	Economic activity that avoids the need for the ES		Abatement and substitution costs, averting behaviour
		ES restoration as economic activity*		Restoration costs
		Marketisation of the ES (with or without perfect price discrimination)	Prices applied to quantities of ES not actually traded or tradable under current institutional arrangements, WTP for maintaining ES	
	"would disappear" (exists in reality, is lost in the scenario)	Existing economic activities can no longer thrive, and/or assets are damaged (≠other negative changes in value) because of the lack of the ES		Social cost of lacking ES, expected damages