

DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION
UNITED NATIONS

System of Environmental-Economic Accounting— Ecosystem Accounting

Global Consultation on the complete document: Comments Form

Deadline for responses: 30 November 2020

Send responses to: seea@un.org

Name:	Arnie Saiki
Organization & country:	Intemerate Working group

The comments form has been designed to facilitate the analysis of comments. There are six guiding questions in the form, please respond to the questions in the indicated boxes below. To submit responses please save this document and send it as an attachment to: seea@un.org.

All documents can be found on our website at: <https://seea.un.org/content/global-consultation-complete-draft>

In case you have any questions or have issues with accessing the documents, please contact us at seea@un.org

General comments

Question 1: Do you have comments on the overall draft of the SEEA Ecosystem Accounting?

SEEA intervention from the Intermerate working group on data, statistics and valuation

Ecological accounting is the foundation that we, as an interdependent global society, require to determine economic value and to safeguard that which cannot be given price. The SEEA and our preferred approach to ecological accounting both spring from the recognition of this fact.

This is because these values are unreliable indicators of the overall impact of production on our lives and our planet, being based on the exchange prices of labour, land and other factors or resources which are in turn skewed by exchange rates, historical conventions and the relative scarcity of the item in the market in which it is purchased and consumed.

The logic of the SEEA is, as often repeated in the draft document, the provision of reliable data and information to facilitate decision-making. Indeed, the document does provide clear definition on ecosystems, their extent, condition and interaction with the economic. We applaud the effort to develop a platform that would allow adoption of environmental-economic accounting by national statistical offices and countries across the globe.

Historical Background

However, *considering* how the SEEA has progressed since the World Commission on Environment and Development in 1983;

Proceeding to the formation of the Integrated Environmental Economic Accounting workbook in 1992 where it was affirmed that “the economy was a part of nature and that integrated environmental and economic accounting should not consist in an economic accounting of the environment; rather, the economy should be treated as part of an environmental accounting system;”

Recognizing that the revision of the SNA in 2008 rejected environmental degradation and resource depletion because it was “too experimental”, while moving Military Systems from an inventoried account to a fixed asset, which embraced a value of National Security over our global ecological security;

Recalling that the 2012 Central Framework where environmental accounting structures are being harmonized for private investment regimes;

And *concerned* that the current 2020 Ecosystem account where our ecological asset valuations are set to be standardized to investment markets;

As a working group we feel the need to intervene with a People’s equation for an ecological-economic account

Alternative: Intemerate Accounting

We present our alternative: the Intemerate Accounting Equation:

<http://intemerate.earth>

$$M\$ = (w)Z_p + \left(P_P x \frac{Z_{18}}{P_{ACP}} \right) \left(\frac{C_{ppm \text{ current}}}{C_{ppm \text{ baseline}}} \right) \prod_i \left(\left| \frac{(x_i - x_o)}{x_o} \right| + 1 \right)$$

https://issuu.com/wordsbydesign/docs/ecological-economic_accounts_final_version

We submit that biodiversity underlies both current and future factors of production. Climate change and environmental degradation constitute a massive factor in reducing wealth creation, and pose imminent danger to effective democratic and economic systems.

We submit that environmental assets and ecological services are defining features of our choices with regards to civilization and human settlement. Individual administrative areas, especially cities are already historically defined by environmental conditions, most notably

the availability of water and arable land. It is fundamental for the maintenance of human civilization that reference conditions be established and restored in a manner that combines the advantages of technology, democracy and traditional stewardship.

We submit that ecological accounting will only be effective if it increases communities' sense of engagement and efficacy in recording, safeguarding, and increasing ecological value.

We respectfully reject this initiative, and ask you to support a People's Revision of ecological-economic accounts, and submit our equation to be considered for the improvement and democratization of the current national accounting system.

Comments by sets of chapters

Question 2. Do you have comments on Chapters 1-2 of the draft SEEA Ecosystem Accounting?

1.4.3 Connection to the System of National Accounts

In earlier iterations of the SEEA (2003), the aspiration for reversing climate change was to fold GDP into the SEEA. At face value, that would suggest that degradation would be accounted for as a deficit rather than to enhance the value of depletion. We feel that in principle, it is disingenuous to expand the value of ecosystem assets in order to compensate for degradation and loss.

This inversion of now folding the SEEA into the consumption and production values of GDP will do very little to reverse climate change and instead seeks to use ecological accounts to enhance GDP by expanding the value of ecosystem assets, which benefits further privatization of our public assets like water.

Our intemperate equation does not put a value on our ecological biodiversity, anymore than we would put a value on immaculate conception. If we believe that existentially, our ecological biodiversity is sacrosanct, one would not undervalue degradation by overvaluing depletion. In our accounting matrix, we acknowledge GDP and the function of investment markets and service industries. What we have done was to put the value on what we call the intemperate offsets, thereby treating restoration as a service, and allowing states to transition away from GDP at their own rate, while measurable indicators value restoring our ecological biodiversity towards the intemperate baseline.

While GDP may very well reflect the US and privilege NIPA over other accounting systems, by definition, our national accounts are supposed to mirror a country's economy. For developing countries, GDP has never adequately reflected the productive interactions between peoples and their environment. Hence, our intemperate accounts, establishes an accounting sidetable for developing countries who will benefit from a restoration

economy. It will not take anything away from already existing industries and partners, but our accounting sidetable will adjust GDP towards our intemperate assets, and place well being as a modulator to the country's GDP.

Question 3. Do you have comments on Chapters 3-5 of the draft SEEA Ecosystem Accounting?

Addressing 5.8x, While we understand the need to mainframe and standardize aggregated values, particularly for investors, the weighting of values does not properly account for the relationship that people have with their land and resources. Our ecological data must remain the property of the state/community. It will be far too easy to perpetuate economic disparities through capitalizing data if we standardize the measurements of standards and flows. It will be far too easy to undervalue that which is sacrosanct, and overvalue that which primarily values degrading and depleting industries.

Our intemperate model values the offsets and monetizes the incremental restorative offsets rather than commodify ecological assets, and weighs values according to people and their relationship to their resources. What is standardized are the offsets, and those can be valued to the marketplace.

Question 4. Do you have comments on Chapters 6-7 of the draft SEEA Ecosystem Accounting?

The benefit of the SEEA has been an in depth analysis and description of linking biodiversity and ecosystem services. I would only add that we all have the opportunity to measure, to count, to examine, to protect, to nurture, to analyze, to collect, to describe, to compile, to publish, to monitor and manage our environments. This is a service, and it is how we interact with the environment. Global peoples need to play a greater role in ecosystem services. It is the Peoples interactions that should be accounted for in our national economies.

Question 5. Do you have comments on Chapters 8-11 of the draft SEEA Ecosystem Accounting?

Understanding that there are different strategies for monetizing ecosystem services, the SEEA has an opportunity to promote a system where traditional and customary peoples who have stewarded their lands and environments for generations will benefit as we move towards a restoration economy. It is also important for people to “own” and manage their own ecological data. The environmental data will be a tremendous revenue source for people, especially as markets for environmental data become more defined.

The intemerate accounting framework includes a financial scheme that includes equalization, promoting just, fair and equitable accounts.

Question 6. Do you have comments on Chapters 12-14 of the draft SEEA Ecosystem Accounting?

In 12.30 of this draft, it states that it was considered that there was no market of institutional mechanism by which the restoration costs are confronted with the benefits associated with the change in environmental quality.

I beg to differ, and would cite that the justification of moving weapons systems to being a fixed asset was extremely imaginative, even if it does not make sense in the context of valuing peace. Valuing weapons systems according to the value of national security is a slight of hand that is also, probably very difficult to justify when weighted against the value of our environment, our ecological biodiversity and our general welfare.

The best accounting minds in the UNSD might easily dismiss our intemerate equation because it does not fit into conventional aggregates or standards, but then, those same accounting minds should also put to task the same energy to remove how weapons systems are accounted for.

The best accounting minds should also consider how intemerate accounting-- how a people's accounting framework-- can reverse the impacts of climate change and move the global economy forward in a way tht embraces the spirit of the 1983 World Commission on Environment and Development, and find ways to enhance the global economy rather than to manage it under the same economic system of management that led to the ecological miasma we are currently in.

Thank you for your time and the opportunity to submit this intervention.