



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION
UNITED NATIONS



System of
Environmental
Economic
Accounting

System of Environmental-Economic Accounting 2012 – Experimental Ecosystem Accounting Revision

First Global Consultation on:

Chapter 8: Principles of valuation for Ecosystem Accounting

Chapter 9: Accounting for ecosystem services in monetary terms

Chapter 10: Accounting for ecosystem assets in monetary terms

**Chapter 11: Integrated and extended accounting for ecosystem services and
assets**

Comments Form

Deadline for responses: 6 July 2020

Send responses to: seea@un.org

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Organization & country:	BPS - Statistics Indonesia

The comment form has been designed to facilitate the analysis of comments. There are twelve 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 the following e-mail address: seea@un.org.

All documents can be also found on the SEEA EEA Revision website at:

<https://seea.un.org/content/seea-experimental-ecosystem-accounting-revision>

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

Questions related to Chapter 8

Question 1: Do you have comments on the principles proposed to underpin monetary valuation for the revised SEEA EEA, including the use of exchange values and net present value approaches?

1. We agree on the use of exchange value and net present value approaches for the monetary valuation in ecosystem accounting as they are consistent with SNA as well as SEEA Central Framework. The same approach is important so that we could combine the information of ecosystem degradation derived from SEEA EEA with the information of natural resources depletion derived from SEEA Central Framework into the national accounting framework.
2. In addition to the revealed preference method which is used in the valuation of use value of ecosystem services, the stated preference method is commonly used in the valuation of non-use value of ecosystem services where the market is not observable. It should be stated clearly whether the stated preference method is applicable or is recommended in the ecosystem accounting framework.

Question 2. Do you have any suggestions for topics to include in Annex 8.1?

Annex 8.1 includes the valuation of individual goods and services in economic theory. Related to the point 8.8, the valuation described in Annex 8.1 should cover all valuation methods that are commonly used to obtain Total Economic Value of the ecosystem, including all types of use values and non-use values.

Question 3. Do you have any other comments on Chapter 8?

1. Point "8.2.4 Volume and price measures" require more explanation.
2. Chapter 8 has described the importances of monetary valuation in point 8.2. One of them is to derive aggregates such as degradation adjusted measures of national income (e.g. degradation-adjusted GDP) as the main feature of SEEA EEA. SEEA Central Framework has highlighted the importance of such aggregates in addition to depletion-adjusted measures. We think it is also necessary to discuss how to combine both degradation and depletion measures as a combined adjustment to the balancing item in the national accounting framework.

Questions related to Chapter 9

Question 4. Do you have comments on the range of valuation methods proposed for use in estimating exchange values of ecosystem services?

1. The theoretical descriptions are clear enough. However, it is better to provide practical examples and calculation steps for each technique for imputing exchange values for ecosystem services, especially for ES without information about market prices.
2. It needs more explanations related to meta-regression-value-transfer concepts.

Question 5. Do you have any other comments on Chapter 9?

1. The SUA term is not familiar, prefer to use the SUT term according to SNA 2008 [point 9.8].
2. In Table 9.1, there are blank columns because the list of ES is still indicative. Moreover, the items in each cell are not clear-printed, the table should be displayed in landscape format.
3. Table 9.2 provides an overview of the technique that can be applied to different ES. It is ambiguous to use the symbol of X; it can be considered to use ✓ instead of X symbol.

Questions related to Chapter 10

Question 6. Do you have comments on the definitions of entries for the ecosystem monetary asset account including ecosystem enhancement, ecosystem degradation and ecosystem conversions?

In point 10.27, after giving the definition, it is better to provide an example when the reappraisals should be recorded from the updated ecosystem assets.

Question 7. Do you have comments on the recommendations concerning the selection of discount rates for use in NPV calculations in ecosystem accounting?

In applying discount rates (point 10.66), is there any practical example of the declining discount rates implementation, where the declining rates is more preferable than the constant rate? Such an example will be helpful to support the explanation.

Question 8. Do you have comments on Annex 10.1 describing the derivation and decomposition of NPV?

1. In Table 10.2: Input data and NPV calculations for three ecosystem services, rows "t1" column 3, ES 1 - value, the description in the cell is not written clearly. The width of the column should be adjusted to make it clearer.
2. In Table 10.5: Attributing volume effects based on cause, row 7 column 4, the description in the cell is not written clearly. The width of the column should also be adjusted to make it clearer.

Question 9. Do you have any other comments on Chapter 10?

No other comments on ch. 10

Questions related to Chapter 11

Question 10. Do you have comments on the proposed structure of the extended balance sheet that integrates the monetary values of ecosystem and economic assets?

The structure of the extended balance sheet should also include 7 individual environmental assets which have been compiled based on chapter of assets accounts in SEEA CF (mineral and energy resources, land, soil resources, timber resources, aquatic resources, other biological resources, and water resources).

Therefore, the proposed structure of the extended balance sheet (Table 11.2) should record separate rows for environmental assets and ecosystem assets, to avoid double-count of the existing individual environmental asset and its related ecosystem types/realms; instead of "of which" entries/rows which is confusing for some readers.

Question 11. Do you have comments on the approaches to assigning the ownership of ecosystem assets that underpins the structure of the extended sequence of institutional sector accounts?

To summarize the approaches in assigning the ownership of ecosystem assets:

- if ecosystem assets generate SNA benefits (provisioning services): ecosystem assets ownership belong to the institutional units that uses them
- if the ecosystem assets generate non-SNA benefits (regulating and maintenance services and cultural services): ecosystem assets ownership belong to a new sub-sector within the general government called ecosystem trustee.

However, the numerical example explained in para 11.64 does not mention ecosystem degradation figures of 10 and 5 under columns of farmer and ecosystem trustee in table 11.3.

Question 12. Do you have any other comments on Chapter 11?

Consistency in terminology:

- It is better to use "ecosystem" instead of "ecosystem assets" in the extended structure of SUA in table 11.4, this will lead to less confusion in incorporating assets in the recording of flows transaction in the SUA context. table 11.1 also depicts extended SUA structure but the terminology used is ecosystem types (realms), unlike table 11.4. please use consistent terminology throughout the chapters or the book itself.
- It is better to use "Supply and Use Tables (SUT)" instead of "Supply and Use Account (SUA)", to keep consistent with SNA and SEEA CF which use the terms SUT and PSUT in flows account (chapter 3 SEEA CF).