PROPOSED STANDARD TABLES FOR VOLUME 1 OF THE REVISED SEEA

Peter Comisari

London Group meeting, Wiesbaden
30 Nov – 4 Dec 2009

Session overview

- Outline background and other considerations for standard accounts in volume 1 of the SEEA Rev
- For each ‘block’ of standard tables:
  - invite discussion on principles, issues etc
  - suggestions, directions for table content, structure etc.
  - but we cannot redraft the tables in this room

Standard tables for the SEEA Rev

- the SEEA Rev requires an effective, functioning set of integrated environmental economic accounts, i.e.
  - tables that effectively inform contemporary policymaking involving the economy and the environment
  - proposed statistical outputs must be realistically achievable by a substantial number of national statistical agencies

Where did these proposed standard tables come from?

- A number of influences / sources:
  - SEEA-2003
  - Other relevant handbooks
  - London Group / UNCEEA discussions
  - Discussions outside of formal processes
  - Annotated outline of volume 1 SEEA Rev to UNCEEA meeting in June 2009
- Standard tables are a synthesis of above inputs

The SEEA Rev as a standard

- After the SEEA Rev elevated to statistical standard:
  - extensive implementation program
  - ongoing data collection and data quality assessment framework
    - data quality assessment framework will assess conceptual compliance and the extent of countries' implementation of the standard

SEEA standard tables, SEEA sub-modules and compilation guides

- SEEA-2003 was produced prior to the various SEEA sub-modules:
  - SEEA-Water (interim international standard)
  - SEEA-Energy (in progress)
  - SEEA-MFA (proposed)
- The SEEA Rev will draw from these sub-modules but will not attempt the same level of product-specific detail or specialised analysis

How much detail?

- We should expect subsequent revisions of the SEEA to extend and refine the body of ‘standard’ information contained
  - As integrated Environmental Economic accounting grows in use and influence...
- There are dangers in including excessive detail in the first edition of the SEEA standard

Some details missing at present…

- For some of the proposed tables, industry and product detail is not yet developed
  - in some cases, we are waiting on developments in classifications
- There are no codes in place for data items in proposed tables
  - but this is needed
  - where possible, consistent with SNA (though SEEA will have many more codes)

Supplementary tables for the SEEA Rev?

- Supplementary tables could present additional detail or alternative viewpoint, compared to the standard SEEA tables
  - to guide users on possible extensions to standard SEEA presentations
- Used in the SEEA-Water
- Appropriate in the SEEA Rev?

One or two asset boundaries?

- SEEA-2003 effectively has two asset boundaries—one for (SNA) economic assets, and a second for those SEEA assets not considered SNA assets
- SEEA therefore applies different accounting treatments for similar processes, depending on whether the asset is an ‘SNA asset’ or not
- Subject of discussion in Wiesbaden…
- If we choose to change this situation (to a single asset boundary) there are implications for monetary accounts in the SEEA Rev

Standard tables related to climate change?

- SEEA Rev standard tables will mostly have been produced over a period of time using well established methodologies
- but this is not true for those tables designed to inform policy related to emission trading schemes (ETS)
  - very recently produced
  - in a small number of countries…

Standard tables related to climate change? *continued…*

- but overwhelming policy importance attached to ETS – climate change
- special ability of integrated environmental economic accounts to inform this policy area
- decoupling is central to our strategies to avoid potentially catastrophic climate change
  - decoupling can *only* be informed using integrated environmental and economic information systems
  - therefore, SEEA Rev needs standard tables related to evaluation of ETS - climate change

Standard SEEA Rev tables support indicators

- Standard tables must support a number of ‘simple to understand’ indicators
  - as agreed at London Group in Brussels
- standard tables presented here *do* support this range of indicators
  - One of the excel files presents a checklist
- Indicators will be described in volume 3 of the SEEA Rev

SEEA standard tables are a work-in-progress

- proposed SEEA standard tables are an opening statement on content and form of tables
  - to provoke discussion
  - tables compiled prior to drafting of chapters of the SEEA Rev
  - and prior to the final resolution of a number of identified SEEA update issues
  - tables will be further developed and refined as SEEA revision progresses

Broad groupings of proposed standard tables

- Follows Attachment 2 of paper LG/15/25…
- Flow accounts; physical, monetary and hybrid (17 tables)
- Emissions accounts (11)
- Environmentally-related transactions accounts (5)
- Asset accounts (11)

Brief description of proposed standard tables

- Flow accounts; physical, monetary and hybrid (for water, energy and materials)
  - Tables 1 to 17
  - Supply and use accounts
  - Tables not identical for each of water, energy and materials
  - But physical accounts for water (etc.) must correspond to monetary accounts for water (etc.) to support hybrid accounts

Flow accounts; physical, monetary and hybrid, *continued…*

- Water tables based on SEEA-Water standard tables
- Energy tables based on SEEA-E proposed standard tables
  - require finalisation of energy products classification

Flow accounts; physical, monetary and hybrid, *continued…*

- Q. Should we explicitly show flows to / from the environment?
  - in most cases, the source / destination of the resource is obvious
  - but it is important to know how much resource has been extracted from environment and how much actually enters the economy (since losses are potentially significant)

Flow accounts; physical, monetary and hybrid, *continued…*

- Q. Which Physical supply and use tables for material products are preferred?
  - Tables 1 and 2
  - Tables 1 and 2 – alternative

  - First set of tables identify environment as an entity receiving/providing flows
  - Second set adopts approach of proposed energy supply and use tables

Hybrid flow accounts

- Critically important and must be a core feature of environmental-economic accounts
- But are ‘standard’ hybrid accounts desirable, or even possible?
  - because specific policy concerns vary greatly across countries

Hybrid flow accounts, *continued…*

- Suggest that we place as much relevant material as concisely as possible into hybrid accounts
- Then use volume 3 of SEEA Rev to showcase the development of a wide range of potential hybrid analyses
  - i.e. countries will develop their own specific on-going hybrid accounts
- *Q. Does LG agree with this broad approach?*

Emissions accounts (tables number 17 to 28)

- Emissions to other economic units, and to the environment
- Various emissions shown; to air, water etc.
- Tables adaptable to country requirements – types of emissions, industries etc. reflect country-specific policy concerns

Emissions accounts, *continued…*

- Important to link CO2 IPCC (Kyoto protocol) to SEEA – table 23
- Separate presentation Emission boundary (bridge table) Ole Gravgård - London Group at Wiesbaden
  - crucial information for informing emissions policy etc .

Emissions accounts, *continued…*

- Table 25 - stocks and flows of carbon is suggested for SEEA Rev standard tables
  - simple asset account presentation
  - as for ETS evaluation, little experience in this field of measurement
  - *Q. Is this table realistically achievable? Is a partially complete table useful?*

Emissions accounts, *continued…*

- Table 26 – Linking CO2 emissions and the economy
- *Q. Is this body of information useful to inform assessment of emission trading schemes?*
- Tables 27 and 28 should now be based on those described in LG/15/18/2

Environmentally-related transactions accounts (tables 29 to 33)

- Standard accounts on EGSS, EPE, NRM
- Based on Eurostat's *Handbook on Environmental Goods and Services*
- But these are too detailed for countries outside of Europe…
  - remove details on ancillary, market / non-market status, institutional sector
  - EGSS not shown by connected, adapted, end-of-pipe technology etc.

Environmentally-related transactions accounts

- Ignore / delete table 30 (EGSS etc by environmental domain)

Environmentally-related transactions accounts

- Table 33 contains 4 'blocks' of information:
  (1) Taxes and subsidies - broken into 'environmental' and then 'non-environmental' groupings. The latter is only shown to indicate the size of environmental taxes/subsidies;
  (2) EPE and NRM expenditures (same aggregate from bottom line of table 31) - again, providing a reference point for size of environmental taxes and subsidies;
  (3) Rent payments; and
  (4) Other relevant transfers.

Environmentally-related transactions accounts

- Table 33 is not complete
- Assumes use of CEA classification, as appropriate…
- *Q. Environment taxes: too detailed??*
- *Q. What additional detail required on environmental subsidies?*

Asset accounts (tables number 34 to 39

- Asset accounts record stock position for various assets, and relevant flows causing changes to stock positions
- Scope is land; mineral & energy resources; water and biological resources (produced and non-produced)

Asset accounts

- For ‘biological resources’ specific examples are for forests / timber and fish
- Note that for forests / timber propose use of Asset accounts from LG/15/13 (with modifications as suggested at LG Wiesbaden)