

## **Annex II: Diagnostic Tool**

### **What is the purpose of this tool?**

This Diagnostic Tool supports discussions for the implementation of SEEA that are aimed at:

1. Identifying the stakeholders including producers and users of statistics but also other groups that can benefit from improved information,
2. Documenting national priorities for natural resource, development and environmental policies,
3. Identifying key national data sources that can be used for environmental accounting,
4. Understanding what progress has already been made in environmental accounting,
5. Assessing the constraints to understand the feasibility of specific SEEA accounts,
6. Identifying related statistical development activities that could benefit environmental accounting initiatives (and vice versa), and
7. Determining the priorities for action to develop selected SEEA accounts.

It has been designed for use in a one – two hour workshop setting with a small group of statistics producers and users. Perhaps not all questions can be answered in the first meeting. Furthermore, it is likely some of the items will need more detailed discussions and further investigation. It should thus be seen as providing a starting point for engagement and collaboration.

### **What is SEEA?**

Using statistical evidence to support national sustainability goals is an important objective of governance. However, providing that evidence in a way that is suitable, transparent and cost-effective is not a simple undertaking. In response to this need, the international community has produced the System of Environmental-Economic Accounting (SEEA<sup>1</sup>). This is a coherent and integrated measurement framework for linking environment and economic statistics and applying them to decision-making on environmental, natural resource and development issues.

Countries have different priorities. Their governments organize themselves and their statistical systems in different ways. Their capacities to produce and use statistical evidence vary. Therefore, implementing this framework requires a flexible and modular approach.

The objectives of development initiatives are often measured in terms of their short-term contribution to GDP. This important but solitary indicator does not take into account whether the initiatives are drawing down national wealth by depleting natural resources, damaging the health of the population or restricting their access to vital resources such as water and energy. Therefore, even if initiatives contribute to GDP, they may not be sustainable. Since SEEA links economic and environment statistics, and can be linked to information on population and employment, it provides a broad measurement framework to understand the longer-term effects of development initiatives.

SEEA adheres to the principles of the System of National Accounts (SNA), and expands its scope by:

- providing standard terminology, definitions and classifications for environmental-economic accounting,

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<sup>1</sup> See: <https://unstats.un.org/unsd/envaccounting/seea.asp>.

- including measures of the physical stocks of natural capital and their values,
- integrating physical measures of flows of natural inputs and residuals (land, metals and minerals, timber, energy, water, fish, air emissions, water emissions, solid waste) with flows of products, and
- linking these to economic activities (producers and consumers).

Experience has shown that SEEA implementation works best when:

1. Producers and users of statistics collaborate to define their needs and opportunities,
2. Organizations are prepared to change the way they do things to provide better information and to use it effectively,
3. Activities across sectors are well coordinated,
4. There is a clear use of the accounts,
5. Capacity (in terms of resources, knowledgeable staff, and relevant systems) to compile accounts within the country is developed.

## Area 1: Stakeholders and institutional arrangements

### Stakeholders

*Who are the main stakeholders in natural resource, development and environmental policy? This includes not only the **producers** of the data but also the potential **users** of the data and other interests that could benefit from improved information. Groups that may be considered include:*

- Central government agencies
- Environment and natural resource government agencies
- Universities (specify institute or centre)
- NGOs and private industry associations

*It is also important to describe policy development processes, interdepartmental mechanisms, strategies and plans in place to make natural resource, development and environment related decisions.*

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## Area 2: Policy priorities

SEEA can inform a variety of related objectives including:

1. **Improving access to services and resources:** these may include objectives such as reducing costs of water, energy and food; improving equitability or sustainability of resource exploitation; promoting eco-tourism.
2. **Managing supply and demand:** these may include objectives such as managing water and energy; improving resource efficiency; improving the sustainability of production and consumption.
3. **Improving the state of the environment and reducing impacts:** these may include objectives such as reducing emissions and wastes; protecting ecosystems and biodiversity; managing protected areas and endangered species.
4. **Mitigating risks and adapting to extreme events:** these may include objectives such as adapting to climate change; reducing greenhouse gas emissions; compensation for environmental damages.

*Does your country already have a deliberate approach to determining the most important and systemic issues requiring consideration, particularly around natural resource, development and environment related issues? If so, summarize the approach and the current outcomes here. If not, perhaps you could draft a statement here based on your understanding of your national development strategy.*

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### Area 3: Information and knowledge

#### Data sources

*What are the main data sources related to the policy priorities and what is their availability?*

Depending on the priority, this could include:

- Emissions inventories (air, water, greenhouse gases, solid wastes, hazardous wastes)
- Water statistics (abstraction and use)
- Energy statistics (supply and use)
- Waste statistics (generation and disposition)
- Natural resource statistics
- Land and geospatial statistics (incl land cover; land use statistics)
- Other Environment statistics (for example, air quality; water quality; access to water, sanitation and energy; participation in multilateral environmental agreements and environmental conventions)
- National accounts (natural resource inputs; expenditures on environmental protection ; environmental taxes)
- International trade statistics (transborder flows of natural resources, environmental goods and services, solid wastes)
- Business statistics (expenditures on environmental protection; environmental goods and services sector)
- Government finance statistics (expenditures on environmental protection; environmental taxes and subsidies)
- Other economic statistics (e.g., administrative data, specific household or business surveys)
- Other statistics (e.g. population census, employment data)

*Describe any key documents or research initiatives that are related to the priority sources identified. Provide as much detail as possible for example in terms of when data have been released, their frequency, data owner/producer.*

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### Area 4: Existing accounts and previous studies

#### Existing accounts

*Are any environmental-economic accounts already being produced? Have any been prototyped in the past? Consider the possibility of work having been completed in academic institutions.*

The most common SEEA accounts include:

- Flow accounts
  - Supply and use for water (physical and monetary)
  - Supply and use for energy (physical and monetary)
  - Air emissions (physical)
  - Water emissions (physical)
  - Waste (physical)
  - Environmental protection expenditure accounts (EPEA) (monetary)
  - Resource use and management accounts (RUMEA) (monetary)
  - Environmental goods and services sector (EGSS) (monetary)
  - Environmentally-related payments to and by government (monetary)
- Asset accounts

- Mineral and energy resources (physical and monetary)
- Land cover (physical and monetary)
- Soil resources (physical)
- Timber resources (physical and monetary)
- Aquatic resources (fish and crustaceans) (physical and monetary)
- Water resources (physical)
- Experimental ecosystem accounts
  - Extent and quality of specific ecosystems such as forests, wetlands, grasslands, coastal zones, etc. (physical)
  - Physical flows of ecosystem services (physical)
  - Carbon stocks (physical)
  - Biodiversity (physical)

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### Area 5: Constraints

What are the constraints to implementation? Some accounts may have few constraints and are ready to test. Others may require a combination of capacity building (training, guidance documents), data development (establishing or improving sources of data) and institutional coordination (establishing or changing mechanisms, establishing funding sources).

Type of account:

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Constraints:

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### Area 6: Opportunities

What opportunities are there in terms of policy or measurement initiatives / projects that can be used to promote the SEEA or which SEEA implementation can take advantage of?

Include a description of any national development planning processes that may be an opportunity for promoting SEEA and seeking resources.

Identify related international statistical initiatives such as support for the development of the NSS (e.g. the development of National Statistics Development Strategies, SNA implementation, FDES, FAO Agricultural Statistics program, etc).

Identify related international policy initiatives that may provide additional support for the task of implementation of SEEA (e.g. Post-2015 development agenda, Convention on Biological Diversity) Consider also opportunities for highlighting work / potential at national and international forums and the potential to share resources across countries.

Account:

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Opportunity:

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Account:

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Opportunity:

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**Area 7: Recommendations for priority accounts**

*Given the policy priorities, availability of knowledge and stakeholder interest, which SEEA accounts are of the highest priority for implementation?*

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**Area 8: Next steps**

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