

Other issues for volume 2 of the revised SEEA

Peter Comisari

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Session overview

- This session complements earlier session(s)
- Rationale for volume 2 and criteria for inclusion of issues
- Structure of volume 2
- 'Other issues' for inclusion in volume 2

Volume 2 of the revised SEEA

- Earlier session addresses ecosystem accounting and certain valuation issues
- This session aims to pick up remaining possible issues for inclusion in volume 2

Criteria for inclusion in volume 2

- Volume 2 should:
“cover best practices in the implementation of those accounts that are highly policy relevant but for which there is not yet an agreement on the methodology.” (UNCEEA/2/7)
- Policy relevance
- Lack of agreed methodology
 - Dependent on discussions re volume 1 standard outputs...


Why have a volume 2?

- Largely follows from volume 1 and 3...
- Volume 1 designated to be a statistical standard and volume 3 to showcase applications of the standard
- Volume 2 captures and quarantines those issues not yet sufficiently developed to be part of volume 1
- Assists in the uptake and acceptance of volume 1


Structure of volume 2

- Ideal structure not obvious – partly because issues included are really only linked by being contentious to measure
- Volume 2 will be dominated by issues related to ecosystem accounting
- Broad structure?
 - Non-standard accounts related to ecosystem accounting
 - Other non-standard accounts

Suggested inclusions for volume 2

1. Environmentally damaging subsidies
 2. Catastrophes
 3. Volume measures of relevant assets and flows
 4. Environmentally beneficial activities and minimisation of natural hazards
 5. Valuation of water stocks
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Suggested inclusions for volume 2, *continued...*

6. Water quality accounts
 7. Stocks and flows of soil carbon
 8. Recording of soil (and its valuation)
 9. Bio-economic modelling (particular
relevance for sustainability of fish stocks)
 10. Degradation
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Brief description of issues

- Environmentally-damaging subsidies
 - difficulty in determining criteria for 'environmentally damaging' since all subsidies encourage economic production and this typically leads to damage
 - Possibly record these subsidies according to type of subsidy and by industry receiving the subsidy

Brief description of issues, *continued...*

➤ Catastrophes

- SEEA-2003 gives only a little attention to catastrophes
- Certain catastrophes increasingly seen as consequence of past economic activity
- SEEA asset account have change category 'catastrophic losses'
- Can this be formally linked to previous economic activity?

Brief description of issues, *continued...*

➤ Volume measures

- Time series in current prices typically embodies 'pure' inflation and volume change
- Aggregates in time series can be expressed in volume terms
- Volume measures should remove 'pure' inflation and reflect quality changes
- would appear to relate to measures of degradation (which is essentially about quality change)

Brief description of issues, *continued...*

- Environmentally beneficial activities & minimisation of natural hazards
 - Relates to such things as research, surveillance, structures to combat natural hazards (e.g. forest fire roads, river levees)
 - A complete coverage of environmentally beneficial activities needs to include these activities

Brief description of issues, *continued...*

➤ Valuation of water stocks

- Certain water stocks are now SNA (and SEEA) assets and therefore should appear in balance sheet and asset account with monetary value
- A range of valuation issues need to be overcome and little empirical work has been done in this area

Brief description of issues, *continued...*

➤ Water quality accounts

- Water quality important to use / potential use of water
- Fundamental questions about how to present water quality in accounts and how to show quality changes over time and between different locations



Brief description of issues, *continued...*

➤ Stocks and flows of soil carbon

- Soil is an important carbon storage medium
- Science is fairly clear on: defining soil carbon; fractions of soil carbon; and factors influencing soil carbon
- But uncertainty about effects of different factors on total soil carbon potential
- And major logistical issues in accurate measurement of soil carbon

Brief description of issues, *continued...*

➤ Recording soil and its valuation

- SNA – soil is a component of ‘land’ asset but not separately identifiable
- SEEA – soil is a separate asset from land
- SEEA physical measures of soil e.g. flows related to erosion, etc. Stock measures? Monetary measures?

Brief description of issues, *continued...*

- Bio-economic modelling (e.g. for fish stocks)
 - What is a 'sustainable' harvest of fish?
 - Not necessarily where net natural growth exceeds the harvest...
 - Require ecological understanding of the natural resource in question

Brief description of issues, *continued...*

➤ Degradation

- Volume 2 should discuss concepts, accounts and methodologies related to degradation
- Should it also discuss policy applications of these accounts? (since volume 3 of the revised SEEA will deal only with policy applications of the standard SEEA accounts in volume 1)