

DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS STATISTICS DIVISION UNITED NATIONS



System of Environmental Economic Accounting

System of Environmental-Economic Accounting Ecosystem Accounting

Global Consultation on the complete document: Comments Form

Deadline for responses: 30 November 2020 Send responses to: <u>seea@un.org</u>

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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: <u>https://seea.un.org/content/global-consultation-complete-draft</u>

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?

The treatment of the "appreciation of ecosystems and species services" can and should be more aligned with the treatment of other services that require no direct targeted personal action to gain benefits from it.

The urgency and relevance of biodiversity conservation for society is too high to be treated as an additional voluntary "complementary valuation". There are ways to integrate this service physically and monetary into the regular ecosystem accounts consistent with the principles of ecosystem accounting and consistent with the treatment of other services.

The current arguments for a special treatment of this service are not comprehensible and inconsistent with the treatment of other services.

Only a full integration into the regular accounts would give comprehensive information about the complete bundles of services provided by ecosystems and thus give orientation in different kind of land-use conflicts, particularly between land development and further intensification of land-use on the one hand and nature conservation on the other hand.

A "complementary valuation" of the change of ecosystem extent and condition with the help of restoration cannot serve this purpose. It should only be considered as a second best solution if the institutional conditions and existing data for inclusion in the regular ecosystem accounts are not in place or not sufficient.

For scientific background see the attached paper.

For questions, clarifications and further discussion For questions, clarifications and further discussions we are at your disposal with great interest

Comments by sets of chapters

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

Click here and start typing (The length of your response is not limited by this text box.)



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

Table 5.7: Indicative ecosystem characteristics for selected ecosystem types:

"Species richness" is not sufficient to represent the compositional state of ecosystems in a way that is compatible with the idea of CBD and Nature Conservation. Ecosystems with a low contribution to overall biodiversity can have a high species richness (but more or less all abundant, example: brownfields). Ecosystems with a low species richness can have a very high contribution to overall biodiversity because the few existing species are all of high rareness (example: raised bog)

So better introduce "naturalness" of species composition in most rows of Table 5.7

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

The treatment of the "appreciation of ecosystems and species services" can and should be more aligned with the treatment of other services that require no direct targeted personal action to gain benefits from it.

The urgency and relevance of biodiversity conservation for society is too high to be treated as an additional voluntary "complementary valuation". There are ways to integrate this service physically and monetary into the regular ecosystem accounts consistent with the principles of ecosystem accounting and consistent with the treatment of other services.

The current arguments for a special treatment of this service are not comprehensible and inconsistent with the treatment of other services.

Only a full integration into the regular accounts would give comprehensive information about the complete bundles of services provided by ecosystems and thus give orientation in different kind of land-use conflicts, particularly between land development and further intensification of land-use on the one hand and nature conservation on the other hand.

A "complementary valuation" of the change of ecosystem extent and condition with the help of restoration cannot serve this purpose. It should only be considered as a second best solution if the institutional conditions and existing data for inclusion in the regular ecosystem accounts are not in place or not sufficient.

We therefore propose to make at least the following changes to Chapter 6 in order to ensure that the subject of a complete physical assessment and monetary valuation of biodiversity conservation / appreciation of ecosystems and species services is dealt with in a manner commensurate with its national and international importance:

6.2.2 Benefits
6.15 Benefits are the goods and services that are ultimately used and enjoyed or appreciated by people and society. The use of the term benefit in ecosystem



accounting derives from, but is applied more broadly than, the SNA definition of an economic benefit, namely "an economic benefit is defined as denoting a gain or positive utility arising from an action" (2008 SNA, 3.19) where an action or activity concerns production, consumption or accumulation and utility concerns the satisfaction of a human need or an improvement in well-being.⁴³ Thus, in ecosystem accounting, a benefit will reflect a gain or positive contribution to well-being arising from the consumption of ecosystem services <u>or from an</u> <u>appreciation of ecosystem services</u>.

The treatment of non-use values

6.56 From an economic perspective, the relationship between people and the environment is commonly characterised as comprising both use and non-use values (Pearce, 1992). The incorporation of use values, i.e., values arising where the benefit to people is revealed through their <u>direct</u>, <u>personal</u> interaction with the environment (e.g., harvesting food, hiking in forests, benefitting from cleaner air), into an accounting framework is relatively straightforward in concept and is the focus of measurement in the SEEA EA.

6.59 Original paragraph:

Unlike flows of ecosystem services, there is no direct or indirect interaction with the environment associated with non-use values, and, while non-use values may be associated with environmental knowledge or information, it is not considered, from an accounting perspective, that a transaction has taken place consistent with the definition of an ecosystem service. Further, non-use values do not satisfy the definition of a benefit which requires them to be something ultimately used and enjoyed by people.

6.59 proposed text:

Unlike many other flows of ecosystem services, where direct personal action and interaction with the environment is required to gain a benefit, the benefit of nonuse values is, at a minimum, composed of an interaction consisting of environmental knowledge or information. This applies, however, also to other ecosystem services like global climate regulation services. Other services that need no active interaction are for example amenity values of urban green or the air filtering effect of vegetation. The current (climate) benefit of carbon capturing forests arises from the expectation that it contributes to the societal goal that global warming should not exceed limits that would lead to severe economic, social and political problems in the future. Mandatory carbon markets are one political instrument to reach this aim. One method to calculate an exchange value for the additional carbon sequestered by carbon capturing forests is the carbon price formed on such markets.

6.60 Original paragraph:

However, since this type of connection to the environment may be of considerable importance, a separate class of cultural services has been included in the reference list ecosystem and species appreciation – to allow compilers to record data that can be directly associated with non-use values. Further, since estimates of non-use values in monetary terms may be of particular policy interest, they may be presented in complementary valuations as discussed in Chapter 12.



6.60 proposed text:

Another service where a corresponding type of connection to the environment is of considerable importance, is the value that people attach to the mere existence of species and habitats (in the sense of the Convention on Biological Diversity) without any further personal use. In this case, the benefit is the continuous existence of species and habitats. The actions taken by society to secure these benefits are, for instance, public conservation measures. Further examples are, no-net loss or off-setting regulations for economic activities, like land development, that oblige investors to mitigate and compensate damage to species and habitats. The latter can also include restoration measures on different sites and for species and habitats that may not be of the same kind but, at least, of the same value. Therefore, a separate class of cultural services has been included in the reference list ecosystem and species appreciation – to allow compilers to record data that can be directly associated with these kind of non-use values.

6.60b additional text:

To assess the flow and worth of appreciation of ecosystems and species services from different kind of ecosystem assets, certain metrics need to be applied. These metrics, available in certain countries, compile comparisons between different kinds of species and habitats in biodiversity conservation following a nonet loss perspective. This allows the calculation of the change of the ecosystem service flow from different kind of ecosystem assets in an accounting period. Prices from biodiversity off-set / compensation markets that deliver a unit increase of these metrics, can be used as an estimate for the monetary valuation of the appreciation of ecosystems and species services (see 9.3.3). In cases where such prices are not available due to the absence of markets, it should be examined whether the cost of public conservation measures per unit of such an appreciation metric could be used as an estimate for exchange values (see 9.3.5 and 9.3.6). Economic values derived with these methods can be a strong tool to allow comparison between the bundles of ecosystem services from different ecosystem asset. This method can therefore give orientation in different kind of land-use conflicts, particularly between land development and further intensification of land-use on the one hand and nature conservation on the other hand.

6.60c additional text, taking over some wording from original paragraph 6.60: Where no metrics of appreciation of ecosystems and species services exist, estimates of non-use values in monetary terms should, at least, be presented in complementary valuations as discussed in Chapter 12.

In addition:

"Final" should be added in Table 6.3 (Reference list) in row "appreciation of ecosystems and species services" / column "Use"



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

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

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