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| UNLOGO DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRSSTATISTICS DIVISIONUNITED NATIONS |  |
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**System of Environmental-Economic Accounting—Ecosystem Accounting**

***Global Consultation on the complete document:***

***Comments Form***

**Deadline for responses: 30 November 2020**

**Send responses to:** **seea@un.org**

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| Organization & country: | International Monetary Fund |
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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: <https://seea.un.org/content/global-consultation-complete-draft>

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?**

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| The IMF is supportive of adopting the SEEA-EA as an international accounting standard. The IMF is supportive of including chapters on valuation in the standard. Data on ecosystems (including their estimated monetary values) is becoming macro-critical and there is some urgency in their development. Delaying the adoption of this standard (including the chapters on valuation) would delay country implementation and therefore delay the use of these data in policy development. While it is understood that much of the data will need to be qualified, the implementation of the concepts, methods and overall accounting framework outlined in the SEEA-EA will result in data which are fit for use and will assist the Fund and its member organizations in better understanding and accounting for the interaction between the economy and the environment.  |

**Comments by sets of chapters**

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

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| It might be appropriate include a section which outlines the various policy uses of ecosystem accounts. It is mentioned briefly in p 1.6 but does not provide any examples. Potential examples include: * using EA data to establish financial mechanisms to protect ecosystems.
* using EA data to establish tax rates
* using EA data to estimate Balance Sheet liabilities and risk

See SNA p1.27 to 1.35 as an example of the type of addition that may be appropriate.The delineation of the accounts is clear and easy to follow. In a few figures the extent account and condition account are referred to as stock accounts (e.g Figure 2.2). These accounts include both stocks and flows. In fact, the accounts are set up to show the change in stock from one period to another. A more precise terminology that could be employed may be Stock-flow-stock accounts. |

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

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| These chapters are highly technical (and rightly so given the nature of the subject). One addition that would assist with the interpretation is to increase the use of examples. For example, Table 3.2 lists the Realms and Biomes. If a third column was added that provides examples of some of the more well-known biomes that reader would have a better understanding of the subject.Adding these types of examples throughout these chapters (either in the text of in summary tables) would be extremely useful. |

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

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| We suggest avoiding the term SNA benefits. This term is used to define which of ecosystem benefits fall within the SNA production boundary and which fall outside of the production boundary. The term SNA benefit will not have much meaning beyond the statistical community. Many users of these data will not be familiar with the SNA and even if the term national account benefits is used this will have limited meaning. The term may find its way into data tables, documentation and other communication vehicles and may cause mis-interpretation, mis-use of reduced use of the data.A more appropriate term may be economic benefits. While this may not be entirely precise given some economic benefits fall outside the SNA production boundary it is mostly correct. Delineating ecosystem benefits between economic benefits and non-economic benefits would seem to be more intuitive for data users. The link to the SNA production boundary could be footnoted or placed in a box.In order to assist with the understanding of how ecosystem services are used, examples of use could be added to Table 6.3. Currently we only identify whether the use is final or intermediate (or both). It would be helpful to provide examples of both the economic and non-economic benefits of the ecosystem service.  |

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

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| There has been a lot of discussion regarding the inclusion of these chapters in the statistical standard. We recommend that these chapters are retained as part of the standard and that they receive that same ‘status’ as the chapters outlining the extent, condition and service physical accounts. We understand that the level of maturity of the concepts and methods in the valuation chapters may not be the same as those that have been developed with respect to extent, conditions and service flows – but they do represent our latest understanding and the best methods given available data sources. Much will be learned over the next number of years and adjustments and updates will be required. If these chapters are not part of the standard this important work will not take place, or it will be limited which will further slow progress in this area.These monetary accounts are critical to the Fund’s work in this area. As we start thinking about potential markets for ecosystem services and requiring companies to disclose activity and risks, we will need a way to value these service flows and assets. One of the criticisms of the chapters relates to the number of methods that compilers can use to value ecosystem services. Chapter 9 indicates an “ordered” recommended preference. In order to make this point more clearly it would be beneficial to enumerate the methods rather than “bullet point’ the methods (p 9.18). Similarly, when the methods are outlined it may be a good idea to indicate preference through enumeration. For example, p9.24 could start (1) **Directly observed values**. The most direct method…. It would also be a good idea to add some text that states that the less desired methods have greater variance and that compilers need to clearly communicate the valuation method they used to users (this is noted in Chapter 10 but does not appear to be noted in Chapter 9). |

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

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| There is a need to introduce chapters 12-14. These represent extensions to the core framework and are aimed to provide users with additional information. It should be noted that since the implementation could vary widely from country to country the resulting data is mainly intended for use within a given national / temporal context. This seems very much in line with the SNA notion of satellite accounting where the SNA notes that: A great strength of the SNA is that its articulation is sufficiently robust that a great deal of flexibility can be applied in its implementation while still remaining integrated, economically complete and internally consistent. The purpose of this chapter is to illustrate some of the ways in which this flexibility can be applied. (P29.1). A similar type of statement could be applied to chapters 12-14. |