



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION
UNITED NATIONS



System of
Environmental
Economic
Accounting

System of Environmental-Economic Accounting 2012 – Experimental Ecosystem Accounting Revision

First Global Consultation on:

Chapter 8: Principles of valuation for Ecosystem Accounting

Chapter 9: Accounting for ecosystem services in monetary terms

Chapter 10: Accounting for ecosystem assets in monetary terms

**Chapter 11: Integrated and extended accounting for ecosystem services and
assets**

Comments Form

Deadline for responses: 6 July 2020

Send responses to: seea@un.org

Name:	
Organization & country:	UNSD

The comment form has been designed to facilitate the analysis of comments. There are twelve 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 the following e-mail address: seea@un.org.

All documents can be also found on the SEEA EEA Revision website at:
<https://seea.un.org/content/seea-experimental-ecosystem-accounting-revision>

In case you have any questions or have issues with accessing the documents, please contact us at seea@un.org

Questions related to Chapter 8

Question 1: Do you have comments on the principles proposed to underpin monetary valuation for the revised SEEA EEA, including the use of exchange values and net present value approaches?

We agree that when it comes to monetary valuation, the valuation principle should be exchange value to ensure consistency with the SNA. Chapter 9 describes the various choices of valuation methods for different ecosystem services that can be applied to obtain the exchange value. The text could acknowledge that some of the proposed valuation methods are new to the National Accountants' toolbox and provide approximations to exchange values.

We would also recommend to develop a bridge table in Chapter 12 to explain the differences with values obtained from other valuation approaches (e.g. welfare based).

Question 2. Do you have any suggestions for topics to include in Annex 8.1?

The suggested outline seems comprehensive.

Question 3. Do you have any other comments on Chapter 8?

We agree with the valuation principles outlined in Chapter 8.

Questions related to Chapter 9

Question 4. Do you have comments on the range of valuation methods proposed for use in estimating exchange values of ecosystem services?

The scope of the discussed valuation methods is clear, given the objectives of the document. We also note that more detailed guidance will be developed in an accompanying valuation guidelines.

Figure 9.1 could be improved or deleted as it provides the impression that all the methods presented can be used to approximate exchange values. It would be useful to clarify what method can be used to approximate exchange values and in what situations as clearly indicated that the travel cost methods can be used to construct the demand curve. Further explanation is needed on the inclusion of state preference values in the text considering that it clearly states that it includes consumer surplus.

Question 5. Do you have any other comments on Chapter 9?

A closer look at the terminology is needed. In particular we recommend to use the same terms as SNA when using SNA concepts (e.g. use Supply and Use Tables rather than Supply and Use Accounts). In addition, when extending SNA concepts such as gross value added and gross output it would be useful to further qualify them adding for example the word ecosystem.

In Table 9.1, the classification used in the table looks strange. It takes the first item of the second digit in every class, leaving out important classes. Some more thought should be put into it, although the purpose is purely illustrative.

Questions related to Chapter 10

Question 6. Do you have comments on the definitions of entries for the ecosystem monetary asset account including ecosystem enhancement, ecosystem degradation and ecosystem conversions?

We agree with the choice to define degradation and enhancement with respect to changes in condition of ecosystems, as this ensures there is a conceptual connection with the condition account. Likewise, the choice to have separate entries for ecosystem conversions ensures alignment with the ecosystem extent account. We also support the choice for using these terms as key headings in the asset account rather than as of which items under additions and reductions.

Terminology could be tightened in concerning the use of the terms increase/decrease and improvement/declined as well as adding reference to the accounting period. The definition of ecosystem conversion should be looked up again as it is not very clear.

Also, more systematically, the harmonization with related accounting definitions for the change in asset value should be considered like the CFC as compared to degradation of ecosystem asset. The CFC includes various elements in the definition: a) a decline in

current value, b) during the course of the accounting period, c) stock of asset, d) ownership and use of the asset by the producer, e) reason of decline due to ...

- **Consumption of fixed capital** is the decline, during the course of the accounting period, in the current value of the stock of fixed assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage(SNA 2008 para 6.240)

Similarly, the relationship between and consistency of the definitions of degradation and depletion of (individual) natural resources in the SEEA CF and the provisioning services of ecosystem assets in the SEEA EEA should be more clearly set out:

- **Depletion, in physical terms**, is the decrease in the quantity of the stock of a natural resource over an accounting period that is due to the extraction of the natural resource by economic units occurring at a level greater than that of regeneration (SEEA CF, para 5.90)

Question 7. Do you have comments on the recommendations concerning the selection of discount rates for use in NPV calculations in ecosystem accounting?

We agree with allowing the use of social discount rates for ecosystem services that are of a more public nature.

Question 8. Do you have comments on Annex 10.1 describing the derivation and decomposition of NPV?

No

Question 9. Do you have any other comments on Chapter 10?

No

Questions related to Chapter 11

Question 10. Do you have comments on the proposed structure of the extended balance sheet that integrates the monetary values of ecosystem and economic assets?

Overall a big step forward to have an integrated balance sheet. By having ETs as main headings with land (as defined in SEEA as mere provisioning of space) we avoid double counting and follow an approach that is logical from an ecosystem accounting perspective. There may be a need to further explain (in the text):

- the treatment of land improvement (in the SNA)
- the reallocation of amenity values found through hedonic prices, that will now be captured in housing prices;
- we would prefer to have an entry for renewable energy resources in the balance sheet

A further consideration should be given to the possible inclusion of the atmosphere in the table.

Question 11. Do you have comments on the approaches to assigning the ownership of ecosystem assets that underpins the structure of the extended sequence of institutional sector accounts?

We support the choice of what was known in the discussions as Model C, given the measurement focus of the adjusted sequence of accounts of obtaining integrated measures with existing SNA aggregates.

We would recommend however to develop an alternative allocation of degradation costs as a supplementary table, for those with a policy interest in applying a polluter pays principle.

Question 12. Do you have any other comments on Chapter 11?

No