

## Overview of the SEEA; SEEA tables and accounts

Alessandra Alfieri United Nations Statistics Division

Regional Seminar on Developing an Implementation Strategy for the SEEA Central Framework and Supporting Statistics

12-14 December 2013

Kampala, Uganda

## **Policy settings**

- Post-2015 UN development agenda/SDGs
- Green Growth/Green Economy
- Broader measures of progress/Beyond GDP
- Natural Capital Accounting/ WAVES
- Aichi targets (e.g. Target 2)
- Poverty and environment
- TEEB



## SEEA

- Internationally agreed statistical framework to measure environment and its interactions with economy
- Adopted as international statistical standard by UN Statistical Commission in 2012
- Developed through intergovernmental process
- Published by UN, EU, FAO, IMF, OECD, WB



#### SEEA: A Statistical Standard

- Countries are "encouraged to implement the standard"
- International organizations have obligations to assist countries in implementation
- Implementation strategy adopted by Statistical Commission in March 2013
- Data reporting mechanism will be established



### The Suite of SEEAs

- **1993** Handbook interim publication
- **2003** Updated SEEA handbook manual of best practices
- **2006** UNSC decided to elevate SEEA to an international standard
- **2012** SEEA The Central Framework (international standard)
- 2013 SEEA Experimental Ecosystem Accounting
- 2013 SEEA Applications and Extensions

#### Subsystems:

- SEEA Water (adopted in 2007)
- SEEA Energy
- SEEA Agriculture



Information is vital ...and it needs to be integrated

- The economy impacts on the environment and the environment impacts on the economy
- To understand these linkages we need to integrate environmental and economic information
- This is the explicit purpose of the SEEA





## **Integrated statistics**

- Linking policy needs and statistics
- Understanding the institutional arrangements
- Integrated statistical production process/chain and services
- Consistency between basic data, accounts and tables and indicators





#### **Problem: Information silos**

- Data developed to answer one particular question or problem
- Difficult to figure out if all information is included
- Not always easy to see the whole picture, or how it relates to other things





#### Solution: Integrated information

- Holistic picture
- Consistency of information and identification of data gaps
- Interconnections between economy, environment and society



# Linking environmental and socio-economic data is essential for policymakers

- Enables analysis of the impact of economic policies on the environment and vice versa
- Provides a quantitative basis for policy design
- Identifies the socio-economic drivers, pressures, impacts and responses affecting the environment
- Supports greater precision for environmental regulations and resource management strategies
- Provides indicators that express the relationships between the environment and the economy
- Support relevant perspectives on the dimensions of economic development, environmental sustainability and social equity



#### **The SEEA Policy Quadrants**









#### **Quadrant I: Improving access**

I. Improving access to services and resources

# Key information in this quadrant (household sector related):

- Costs associated with the provision of services to households
- Investments in network infrastructure
- Employment and compensation in household production units
- Household consumption and disposable income
- Poverty and inequality



**II.** Managing supply

and demand

#### **Quadrant II: The economy and the environment**

#### Key information in this quadrant:

- Efficiency of production
  - Decoupling
  - Multifactor productivity
- Efficiency of consumption
  - Embedded emissions
  - Footprint indicators
- Costs of production and payments by users (e.g. fees, taxes, rents, permits, etc.)
- Employment and compensation
- Financing (who pays for investments and current costs)
- Depletion estimates
- Solid waste and emissions
- Environmental protection and resource management expenditures



#### **Quadrant III: Ecosystems**

# III. Improving the state of the ecosystems

#### Key information in this quadrant:

- Ecosystem extent
- Ecosystem conditions
  - Water cycle
  - Carbon cycle
  - Nutrient cycle
  - Primary productivity
- Biodiversity
- Regulatory services provided by ecosystems



#### **Quadrant IV: Extreme Events**

IV. Mitigating and adapting to extreme events

#### Key information in this quadrant:

- Natural disasters
- Investments for mitigation
- Investments for adaptation



## The SEEA Central Framework Accounts

- 1. Flow accounts: supply and use tables for products, natural inputs and residuals (e.g. waste, wastewater) generated by economic activities.
  - physical (e.g. m<sup>2</sup> of water) and/or monetary values (e.g. permits to access water, cost of wastewater treatment, etc.)
- 2. Stock accounts for environmental assets: natural resources and land
  - physical (e.g. fish stocks and changes in stocks) and/or monetary values (e.g. value of natural capital, depletion)
- **3.** Activity / purpose accounts that explicitly identify environmental transactions already existing in the SNA.
  - e.g. Environmental Protection Expenditure (EPE) accounts, environmental taxes and subsidies
- 4. Combined physical and monetary accounts that bring together physical and monetary information for derivation indicators, including depletion adjusted aggregates



#### **SEEA Conceptual Framework**







## SEEA Experimental Ecosystem Accounting

- Complements SEEA Central Framework
- Integrated statistical framework for accounting for ecosystem assets and associated services
- Important first step in development of statistical framework for ecosystem accounting



## SEEA Experimental Ecosystem Accounting

- Focus on monitoring environmental impact rather than environmental pressures
- Determine appropriate areas ecosystem assets
- Find indicators of condition (e.g. carbon balances, water flows, biodiversity) and assess change over time
- Find indicators of ecosystem services
  - Provisioning, regulating, cultural
- Examine relationship between flows of ecosystem services and changing condition (essentially analysis in volume terms)



#### **Core SEEA Ecosystem Accounting Model**





#### **Core SEEA Ecosystem Accounting Model**





#### **Core SEEA Ecosystem Accounting Model**







#### **Ecosystem services**

Ecosystem services are services that benefit humanity, and can be of direct or indirect use. Broad examples include:

- Provisioning services (nutrition, medicine, fur, uncultivated food)
- Regulating services (climate regulation, flood control, water filtration, air filtration, de-pollution)
- Cultural services (science, spiritual, ceremonial, recreation, aesthetic)





## SEEA Experimental Ecosystem Accounting

- UN Statistical Commission
  - Encouraged countries to test framework
  - Requested creation of mechanism to advance research agenda
  - 4 research streams:
    - Ecosystem conditions and services
    - Geospatial
    - Valuation
    - Policy applications



#### **Reference Material**

Briefing notes: Briefing note on SEEA Central Framework: <u>http://unstats.un.org/unsd/envaccounting/Brochure.pdf</u>

Briefing note on SEEA Experimental Ecosystem Accounting: http://unstats.un.org/unsd/envaccounting/workshops/int\_seminar/note.pdf

Briefing note on SEEA Water and International Recommendations for Water Statistics (IRWS) http://unstats.un.org/unsd/envaccounting/WWAP\_UNSD\_WaterMF.pdf

Methodological publications:

SEEA Central Framework: http://unstats.un.org/unsd/envaccounting/White\_cover.pdf

SEEA Experimental Ecosystem Accounting: http://unstats.un.org/unsd/statcom/doc13/BG-SEEA-Ecosystem.pdf

SEEA Applications and Extensions: http://unstats.un.org/unsd/statcom/doc13/BG-SEEA-AE.pdf

Library – searchable library of publications (e.g. country case studies, methodological publications, etc.) <u>http://unstats.un.org/unsd/envaccounting/ceea/archive/</u>

Research agenda accompanying SEEA-Experimental Ecosystem Accounting <u>http://unstats.un.org/unsd/statcom/doc13/BG-SEEA-ResearchAgenda.pdf</u>

Contact E-mail: seea@un.org



## **SEEA tables and accounts**



### SEEA Tables and Accounts

- Stocks and flows
- Coherent and internally consistent
- Integrated and comprehensive
- Time series
- Apply to both physical and monetary data
- Links to SNA
  - Accounting principles
  - Consistent classification, definitions, measurement boundaries
  - Consistent aggregates, indicators
  - Mainstreaming

#### Types of accounts

- Physical flow accounting
  - Energy, water, emissions, waste
- Accounting for environmental activities
- Natural resource accounting
  - Stocks, natural growth, extraction and depletion
- Land accounting
  - Changes in land use and land cover
- Ecosystem accounting









## THE ENVIRONMENT-ECONOMIC LINK





	Industries	Households	Accumulation	Rest of the world	Environment	Total
Supply table				wond		-
Natural inputs					Flows from the environment	Total supply of natural inputs
Products	Output			Imports		Total supply of products
Residuals	Î					Total supply of residuals
Use table		_				
Natural inputs	Extraction of natural inputs	◀	-			Total use of natural inputs
Products	Intermediate consumption	Household final consumption	Gross capital formation	Exports		Total use of products
Residuals						Total use of residuals



	Industries	Households	Accumulation	Rest of the world	Environment	Total
Supply table						
Natural inputs					Flows from the environment	Total supply of natural inputs
Products	Output			Imports		Total supply of products
Residuals	Residuals generated by industry	Residuals generated by final household consumption	Residuals from scrapping and demolition of produced assets			Total supply of residuals
Use table		1				
Natural inputs	Extraction of natural inputs					Total use of natural inputs
Products	Intermediate consumption	Househo d final consumption	Gross capital formation	Exports		Total use of products
Residuals	Collection & treatment of waste and other residuals		Accumulation of waste in controlled landfill sites		Residual flows direct to environment	Total use of residuals



## Types of physical accounts

- Energy
- Water
- Air emissions (including GHG emissions)
- Solid waste
- Emissions to water
- Nutrients



Opening stock of environmental assets	
Additions to stock	
Growth in stock	
Discoveries of new stock	
Upward reappraisals	
Reclassifications	
Total additions of stock	
Reductions of stock	
Extractions	
Normal loss of stock	
Catastrophic losses	
Downward reappraisals	
Reclassifications	
Total reductions in stock	
Revaluation of the stock*	
Closing stock of environmental assets	



## Types of environmental asset accounts

- Mineral and energy resources
- Timber natural and cultivated
- Aquatic natural/wild fish and aquaculture
- Other biological resources
- Water resources
- Land land cover and land use, forest accounts
- Soil resources



# Accounts for environmental activities and transactions

- Environmental activities
  - Environmental protection
  - Resource management
- Environmental Protection Expenditure Account
- Environmental Goods and Services Sector (EGSS) statistics
- Environmental taxes and subsidies

## **Combined presentation**

- Comparison between monetary and physical information possible through use of
  - Common and aligned structures
  - Aligned measurement boundaries
  - Consistent classifications (especially industry)
- Many possibilities
  - Thematic approach for energy, water, emissions, forests
  - "Production function" approach for individual activities – e.g. agriculture
- Organisation of data in combined presentation allows simple derivation of indicators



## **"SECTOR" AND ACTIVITY VIEWS**

#### **Agriculture / Fishing / Tourism**

Output (\$)	
Value added (\$)	
Employment (number)	
Assets (\$ / number)	
Land use (hectares)	
Water use (m3)	
Energy use (joules)	
Carbon emissions (tonnes)	
Solid waste (tonnes)	