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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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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?

Major achievement has been made for setting up main areas of ecosystem accounting as a basis for accounting framework and global standard. The SEEA Ecosystem Accounting is a big step in a direction to bring environmental economists and environmental accountants and statisticians together on a common ground.

Some parts of the manual are however less clear than others (for example 8-11 are less clear). What still needs to be done:

1. Standard needs to be accompanied by the new technical recommendations, containing more examples etc.
    -the proportion between the theory and practice is out of balance.
    -there is a need for more examples.
2. Testing is important. Probably a lot of advancement would take place after the results of the testing of theoretical concepts became available. The next revision would become feasible after testing.
3. Certain separation or the detachment from the valuation principles of national accounts is evident ad probably unavoidable. We think that the wealth created by ecosystem non-market values does not enter the economy in real terms and requires the introduction of new or parallel accounting methods which should be also be the subject of parallel accounts which stand separately from the national accounts.
4. There is also a need to clarify how the service values could be added up or how the results achieved by different methods could be combined.
5. National Statistical Offices and other users of the manual need a guidance on the hierarchy and meaning of the valuation methods for the valuation methods ecosystem services.

Comments by sets of chapters

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

Unfortunately currently we have not been able to get through SEEA EA revised chapters/material on a level of understanding fully the semantics and give constructive feedback and remarks. We could try to send our further comments by December 14th.

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

Annex 3.2: IUCN Global Ecosystem Typology still misses the class "other" for for undefined categories.

Please clarify the scope of application of the IUCN GET classification for SEEA EEA. Is the reference classification meant for scaling up to an international level? Level 3 is probably not the right level for national level policy.
Please describe how the information from multiple countries can be scaled up to larger areas and whole world.

Thank you for already accepting some of our proposals for example regarding the creation of the core table delineating the extent accounts by economic units.

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

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

The chapter on valuation both reduces and generates problems.

Valuation chapters could be considered as an initial effort as semantics behind the figures is still not clear. But as the need for monetary figures is high, the uncertainty needs to be diminished.

There is a need to clarify how the service values could be added up or how the results achieved by different methods could be combined.
We would like to combine the results considering the full spectrum of values in order to compile the supply of the ecosystem services.

Unfortunately currently we have not been able to get through SEEA EA revised chapters/material on a level to get an understanding on the semantics and the feasibility of adding up the service values results achieved by different methods. We would be able to send our comments on monetary valuation chapters by December 14th.

In general we question whether the ecosystem service value which is based on Market Price method adequately contains the contribution of the ecosystem? And if not, could the Stated Preferences methods complement and develop further the results derived by Market Price based methods?

We think that the wealth created by ecosystem non-market values does not enter the economy in real terms and requires the introduction of new or parallel accounting methods which should be also be the subject of parallel accounts which stand separately from the national accounts.

We work together with the economic researchers of Tallinn Technical University. We have come to a common ground that all ecosystem services that increase welfare of individuals have value despite their participation in the market. However, the valuation methods differ.

We have elaborated this in the London group research article: "Two Languages or Two Narratives: Comparison of the Selected Market
Price and Revealed Preferences Valuation Methods to the Stated
Preferences Method": https://drive.google.com/file/d/1Ys-AH4HxYNANqrEJyzxeq73tEyAxJ3j9/view

Let us know if you are interested to receive additional comments and arguments in this line. We could be able to provide these in coming weeks.

We are also eager to analyze the scope of valuation of ecosystem services topic further and devote a London Group thematic article on this topic again as there are still specific comments we would like to make.

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

URBAN THEMATIC ACCOUNTS

URBAN THEMATIC ACCOUNTS have a more difficult interpretation of extent and condition when compared to ecosystem accounts more broadly. This might be admitted in the chapter.

Please make a reference to the valuation chapter regarding the valuation methods. Add the reference to the welfare values as nature of the ecosystem services on urban areas ask for extensions outside/above the concept of exchange values (cost of human health and effects on welfare) in urban accounts.

The issue of condition and assets in urban thematic accounts is important to describe as well.

Chapter 13.99 says that for the applications at municipal levels, urban ecosystem accounts needs to combine landscape and asset approach. How will the urban ecosystem extent be created: landscape or asset or hybrid approach? It is important to clarify what is an elementary spatial unit for ecosystem service supply quantification and valuation. It seems that for the valuation of some services, models use landscape classes while others use assets. How to construct total service supply?

We support the creation of the urban thematic accounts development group in the future and Statistics Estonia is interested to contribute to the urban thematic accounts in future discussions as we currently work on the topic.

INDICATOR CHAPTERS:

1. Definitions of indicators in macroeconomic terms tell us how our economy is doing. In the same manner we need indicators which would say how the ecosystems are doing. The semantics of the indicators is still poor. GEP gross ecosystem product needs critical insight and if its quality will be improved this could become one of the prevailing indicators.
2. Regarding the definition of Gross Ecosystem Product (GEP) "The economic value added of all ecosystem services generated" it would be better to use: "total economic value of all ecosystem products and services entering the economy".
3. Table 14.4, the definitions of the indicators are missing and methodology is not described in text.
4. Table 14.4, "Value of ecosystem services linked to industry value added". The rules for calculating the indicators should be agreed / the results depend on the calculation methodology. In the case of the resource rent method, the value of the service is part of the national accounts, part of the added value and in general terms ecosystem

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contribution could be found by deducting of the costs from it. However, then the contribution of the ecosystem would be probably underestimated due to the chosen method. However, the result of the rental price method (which includes) cannot obviously be related to the value added of the industry. The rental price also includes the profit for future periods. And the rent price method is applicable only to certain activities and services (forestry, agriculture and, for example, education)

5. Table 14.5, indicator: "The economic value added of all ecosystem services generated (Gross Ecosystem Product)", comment: the term "value added" is probably not right here to use.

6. New type of indicators will arise: hectare values of ecosystem services. The idea behind the theoretical development of ecosystem services concepts has been to eventually include the service values in the price of land. The question is how to bridge environmental accounts data on spatial scale. Major future developments in data and techniques are needed.

7. Describing the policy context for indicators is needed. A lot of care is needed in the interpretation of the indicators and raising the awareness is needed.

8. When choosing the indicators, it should be kept in mind that sometimes we just need to see the change, not absolute values.

9. We need more intuitive indicators. Dependency on ecosystem and resources is one aspect to cover. In addition we have to understand that in addition to gross value added we also have "a gross value loss. Indicators like cost of degradation could be considered to describe it.

10. We stand for designing a complementary set of indicators based on the welfare values that could be useful and complementary to the indicators based on exchange values.

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