



System of
Environmental
Economic
Accounting

Virtual Expert Forum on SEEA Experimental Ecosystem Accounting 2020

Session 2: Valuation and accounting treatments

14-15 July 2020

online

Draft agenda

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[all EDT (NY) times]

7:00-7:45 Introduction and framing of the discussion

Session structure:

- 7:00-7:15: Rules of engagement and icebreaker – Pritom Phookun, meeting facilitator
- 7:15-7:45: Welcome messages chaired by Juha Siikamaki, IUCN
 - Alessandra Alfieri, Chief, Environmental-Economic Accounts Section, UN Statistics Division (UNSD)
 - Elliott Harris, Assistant Secretary-General for Economic Development and Chief Economist, UN Department of Economic and Social Affairs (UN DESA)

7:45-8:20 Overview of progress on the valuation and accounting treatments for the SEEA EEA revision

Session objective: Inform participants of the overall progress on the SEEA EEA revision in the area of valuation and accounting treatments, ensure understanding of the basic content of Chapters 8-11, and outline the outstanding issues emanating from the global consultation.

Session chair: Juha Siikamaki, IUCN

Session structure:

- 7:50-8:05: Presentation on the progress in the research area on valuation and accounting treatments and outstanding methodological issues – Carl Obst, UNSD consultant
- 8:05-8:20: Q&A and general discussion

8:20-10:00 Practical examples and applications of valuation principles

Session objective: Inform participants of practical examples which applied valuation principles of the SEEA EEA for monetary valuation of ecosystem services and ecosystem assets, and give participants the opportunity to ask questions and discuss the approaches used.

Session structure:

- 8:20-8:25: Introduction to the breakout discussions process
- 8:25-9:30: Breakout groups on practical valuation examples. Each group will begin with an introductory presentation, followed by a moderated discussion

#	Case study	Presenter (20 min)	Moderator/notetaker
1	China	Zhiyun Ouyang	Julian Chow
2	European Union	Alessandra La Notte	Bram Edens
3	Netherlands	Lars Hein	Marko Javorsek
4	South Africa	Jane Turpie	Will Speller
5	United Kingdom	Adam Dutton	Alessandra Alfieri

- 9:30-10:00: Summary of examples for all participants. Each presenter makes a 2-minute summary of the example presentation.

Day 2: Wednesday, 15 July 2020

[all EDT (NY) times]

7:00-7:15 Introduction to the day

Reflections from Day 1 and quick intro on the structure of Day 2 – Pritom Phookun

7:15-8:00 Discussion on the links between SEEA EEA and other approaches

Session objective: Inform participants and discuss the linkages between the SEEA EEA and other initiatives, namely the IPBES values assessment and the Dasgupta review on the economics of biodiversity.

Session structure:

- 7:15-7:25: Presentation on the IPBES values assessment and its linkages to the SEEA EEA – Brigitte Baptiste, Ean University, Colombia
- 7:25-7:35: Presentation on the Dasgupta review on the economics of biodiversity and its linkages to the SEEA EEA – Emily McKenzie, HM Treasury, UK
- 7:35-8:00: Discussion and Q&A moderated by Juha Siikamaki, IUCN

8:00-9:50 Discussion on outstanding technical issues

Session objective: Discuss and provide suggestions on how to resolve some of the remaining or emerging issues on valuation.

Session structure:

- 8:00-8:10: Introduction to the issues to be discussed in breakouts – Carl Obst, UNSD consultant
- 8:10-9:10: Breakout group discussions (see topics below)
- 9:10-9:50: Debrief panel discussion chaired by Anton Steurer, Eurostat

Topics for breakout discussions:

1. Carbon

A new approach has been developed for defining ecosystem services related to the regulation of the global climate based around the idea of carbon retention. This discussion will provide a summary of the new approach and work through the approaches to valuation of the ecosystem service.

Questions:

- Do you have comments on the carbon retention proposal, specifically on its relationship with carbon sequestration?

- Where should the boundaries of carbon stocks be drawn (subsoil carbon, carbon in the economy)
- What issues do you see in deriving an annuity / user cost estimate in valuing the flow of the service?
- To what extent should the risk of the release of carbon be factored into the price?

Lead presenter: Bram Edens and Sonia Arora

Chair/moderator: Francois Souldard

Notetaker: Will Speller

2. Recreation

Nature-based recreation services are often valued based on the travel cost method, which includes actual costs made plus opportunity costs of time. However, due to the SEEA EEA definition of ecosystem services as contributions to benefits, there is a need to subtract actual costs when valuing the service (such as fuel expenditures). Two main approaches to dealing with this valuation issue for accounting purposes are being discussed – the use of simulated exchange values and using visitor expenditures as a proxy. This discussion will consider these approaches, consider issues in application and propose a preferred approach.

Questions:

- Are these the most feasible methods to value the service in an accounting context, or are there alternatives?
- Is there a preferred approach?

Lead presenter: Alejandro Caparros

Chair/moderator: Juha Siikamaki

Notetaker: Julian Chow

3. Option, insurance and bequest values in ecosystem accounting

Discussion on the monetary valuation of ecosystems can readily incorporate discussion of option, insurance and bequest values but it is less clear exactly how these values can be linked to the ecosystem accounting approach that focuses on valuation of individual ecosystem services. This discussion will consider possible ways forward including links to the role of biodiversity and concepts of resilience and capacity.

Questions:

- How should the link between individual ecosystem services and the maintenance of options for supplying ecosystem services in the future be considered?
- What is the role of option, insurance and bequest values in valuing individual ecosystem services and assets?

Lead presenter: Steve King
Chair/moderator: Jillian Campbell
Notetaker: Marko Javorsek

4. Asset valuation and accounting entries

The proposed approach to accounting for the monetary value of ecosystem assets is set out in Chapter 10. It includes definitions for the accounting entries of ecosystem enhancement, ecosystem degradation and ecosystem conversions in which links are made between the future flows of ecosystem services and current changes in ecosystem extent and condition. This discussion will consider the nature of these links in an accounting context, in particular considering ways in which the impact of different factors affecting changes in the value of ecosystem assets can be identified in practice.

Questions:

- What factors need to be considered in applying the concepts of NPV in an ecosystem accounting context, especially concerning changes in the value of ecosystem assets?
- In distinguishing the changes in value due to ecosystem enhancement, degradation and conversion, is the approach described in Annex 10.1 appropriate?

Lead presenter: Rocky Harris
Chair/moderator: Mark de Haan
Notetaker: Jessica Chan

5. Framing of values

It is accepted that valuation of the environment is a complex and multi-faceted exercise and that accounting will not provide a complete picture of all environmental values. The aim in this discussion is to advance understanding of how to situate the accounts of the revised SEEA EEA with respect to a broad framing of values, such as proposed in the IPBES work on values assessment.

Questions:

- What approach should be taken to the framing of values for the revised SEEA EEA?
- What is the role of different ecosystem accounts in supporting discussion of values?
- What complementary or alternative presentations of accounting based data can support discussion of ecosystem values (e.g. data on disservices; externalities; welfare values, ecological debt)?

Lead presenter: Carl Obst

Chair/moderator: Peter Harper
Notetaker: Alessandra Alfieri

9:50-10:00 Next steps and closing

Summary of next steps and closing of the session – Alessandra Alfieri, UNSD