List of issues and prioritization for the SEEA Central Framework update

<u>Note:</u> This draft was produced by the Technical Committee on the SEEA Central Framework and then reviewed by the Bureau of the UNCEEA at its January and February 2024 meetings. This version incorporates the feedback received from the Bureau and was circulated to the UNCEEA in April 2024, along with the draft project management framework and list of issues.

Introduction

Twelve years ago, in March 2012, the United Nations Statistical Commission (UNSC) adopted the System of Environmental-Economic Accounting – Central Framework (SEEA CF). Since its adoption, global implementation of the SEEA CF has gained broad momentum. According to the 2023 Global Assessment on Environmental-Economic Accounting and Supporting Statistics, 89 countries have compiled SEEA CF accounts.

The pressures facing the environment have multiplied since the adoption of the SEEA CF. As a result, the data needs of policy makers have also increased significantly and evolved since then. Policy makers are more and more looking to create policies for climate change mitigation and adaptation, sustainable finance, biodiversity, circular economy, etc. The user community of the SEEA is also growing to include communities such as the biodiversity community, central banks and ministries of finance and the private sector.

The UNCEEA has recognized that, like all statistical standards, the SEEA CF should be kept up to date to meet user needs and reflect the latest relevant classifications and statistical standards. The Committee has discussed the question of updating the SEEA CF at its meetings in 2019, 2021 and most recently in 2023. In 2021, the Committee "stressed the importance of updating the SEEA CF to maintain its relevance for policy and consistency with other macroeconomic standards".¹ However, the Committee agreed to postpone the discussion on the update of the SEEA CF to 2023, to ensure its coherence with the ongoing update of the System of National Accounts 2008 (2008 SNA) and other macroeconomic standards and international classifications.

¹ See https://seea.un.org/sites/seea.un.org/files/unceea16 all final.pdf

2023 UNCEEA meeting and 2024 UN Statistical Commission

In 2023, the Technical Committee on the SEEA CF prepared a draft list of issues as a basis for discussion on the possible update of the SEEA CF. The UNCEEA:

- Agreed to an update of the SEEA Central Framework with a focused scope while
 requesting the SEEA CF Technical Committee to further elaborate the criteria for
 prioritization of the issues, further evaluate the costs and benefits of addressing the
 issues, and develop a timeline for addressing each issue;
- Noted concerns on resources and the capacity of national statistical offices and international organizations, and requested the Bureau to identify resources to support the SEEA update; and
- Noted that a proposal for the SEEA CF update should be developed for consideration by the UN Statistical Commission in March 2024 and thus would need to be finalized before November 2023.

At the 55th Session of the UN Statistical Commission in March 2024, the Commission endorsed the proposed update of the SEEA Central Framework (English draft report subject to editing now available).

The current document details the development of the list of issues and a description/framework how the list of issues was prioritized.

Development of list of issues

The list of issues was first drafted in the lead up to the June 2023 UNCEEA meeting and updated based on discussions of the SEEA CF TC in the second half of 2023 and early 2024. The list of issues was also reviewed by the UNCEEA Bureau in early 2024. The issue list contains both issues that may require substantial work, but also issues that can (relatively) easily be incorporated into the text of the SEEA CF without a significant amount of additional research. For example, work on some issues has already been finalized by members of the SEEA CF TC and simply needs to be reflected in the text.

It is foreseen that the update of the SEEA CF will focus primarily on Chapter 4- Environmental Activity Accounts and Related Flows, and meeting new policy demands in this space, as well as ensuring coherence with the updated SNA, as appropriate. Focus will also be given to chapter 3 on physical flow accounts and chapter 5 on physical asset accounts. The list of issues can be found in the accompanying excel workbook.

Prioritization of the issues

A prioritization of issues is required, as the available resources (both financial and in-kind) are not limitless. Thus, it is not expected that the SEEA CF TC will be able to solve all these issues in

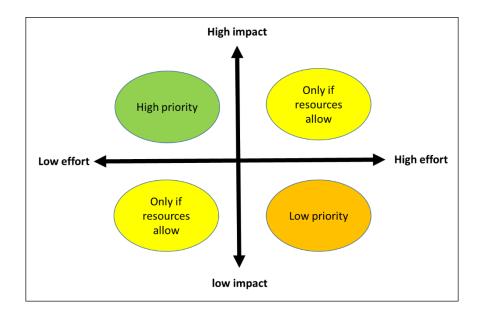
a period of 3-4 years. Instead, the prioritization of the list of issues should be thought of as a general guide in which to approach or structure the revision. The number of issues that is actually tackled will ultimately be dictated by what resources the Committee can secure, and the final list of issues to be resolved should be presented to the UNSC in 2025.

There are several ways to decide on the prioritization of the issues. The SEEA CF agreed on the following criteria for prioritization:

- **Policy impact.** The SEEA needs to be policy relevant, so how relevant is this issue to meet policy demand?
- Conceptual impact. How important is addressing this issue with respect to solving an important conceptual issue and ensuring alignment with the SEEA EA and the forthcoming 2025 SNA?
- **Complexity**. How complex is the issue, and can it be resolved within the 3-to-4-year timeframe?
- **Time requirement.** For each identified issue, how much time and capacity will be required to address this issue?

Based in these criteria all issues can been grouped into four categories (see also figure below):

- 1. **Issues with a high impact, which require a relatively low effort/time:** these issues should be given the <u>highest priority</u>.
- 2. **Issues with a high impact, which require relatively much effort/time:** here we need be <u>very selective</u> what we can manage and make clear choices what we can take up based on available resources.
- 3. **Issues with a low impact, which require a relatively low effort/time:** Although issues may take relatively little time to resolve, we need to be <u>selective</u> and only take up issues that take very little (or no additional) time to solve.
- 4. **Issues with a low impact, which require relatively much effort/time:** these issues should be given the <u>lowest priority</u>.



In addition, it was suggested to add an **additional category of issues which are considered** "musts" with an update of the SEEA CF. These are issues that are fundamental to the SEEA CF, and include, for example, issues of alignment with the updated SNA. They also include issues that have high policy demand or issues for which work has already been done and needs to be reflected in the updated SEEA CF. These are given a priority ranking of "0".

The priority ranking, along with further explanation of the issues is included in an accompanying excel workbook.

Next steps

The SEEA CF TC has updated the list of issues/prioritization based on the Bureau's feedback and is providing these updated versions to the UNCEEA for approval. Once the list of issues is approved by the UNCEEA, it will undergo global consultation with national statistical offices and user communities during Q2/Q3 2024. The SEEA CF TC will finalize the list of issues in Q4 based on the global consultation and resources secured. The UNCEEA will present the final list of issues and project management framework to the UN Statistical Commission in March 2025.

While the final list of issues will not be presented to the UN Statistical Commission until 2025, work can already begin in two areas. Firstly, the SEEA CF TC can begin technical work on high priority issues where funding is not needed. This will be done in close cooperation with the London Group on Environmental Accounting, which will address some of the issues during its annual meeting in 2024 Q3. In addition, the SEEA CF TC will work closely with the Data Gaps Initiative and OECD Expert Group on Natural Capital on joint issues.

Finally, the Bureau can already work to secure funding for the update. As mentioned above, the full scope of the revision will be dictated by what resources are secured. Thus, it is intended that the final list of issues presented to the 2025 UNSC realistically reflects what will be achieved during the update of the SEEA CF.

Questions for the UNCEEA

o Do you agree with the list of issues and groupings? Do you agree that the list can be sent for global consultation?