SEEA Experimental Ecosystem Accounting

Revision 2020: progress and next steps

Paper prepared for the UNCEEA meeting, June 2018

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1. Background

- 1. The United Nations Statistical Commission (UNSC) endorsed the SEEA Experimental Ecosystem Accounting (SEEA EEA) at its forty-fourth session in March 2013. The SEEA EEA it was published jointly by the UN, European Commission, FAO, OECD and World Bank in 2014. It proposed a research agenda within the overall spirit of the document to provide a basis for testing and experimentation.
- 2. At its forty-eighth session in March 2017, the UNSC endorsed the program of work for the Committee of Experts on Environmental-Economic Accounting (UNCEEA). This work program included, as Area B.2, the methodological development for normative standards and other research for the SEEA EEA.
- 3. At its June 2017 meeting, UNCEEA discussed a number of ecosystem accounting related topics including the revision of the SEEA EEA, the SEEA EEA Technical Recommendations, progress on two multi-national ecosystem accounting initiatives and the development of SDG indicator 15.3.1.
- 4. Since then, significant progress in ecosystem accounting was made. In its report for the forty-ninth session of the UNSC in March 2018, UNCEEA could report progress including the establishment of the SEEA Experimental Ecosystem Accounting Technical Committee, the identification of research areas and main issues, the attempts to secure funding for the revision, ongoing projects and planned events.

2. Progress since the last meeting of the UNCEEA and next steps

- 5. Following endorsement of the broad approach towards the revision of the SEEA EEA in June 2017, steady progress has been made. Key advances include:
 - The SEEA EEA Technical Committee (SEEA EEA TC) was established and had its first meeting in July 2017, followed by 5 more meetings so far;
 - the "Technical Recommendations in support of the System of Environmental-Economic Accounting 2012–Experimental Ecosystem Accounting" was finalised and – following approval by the SEEA EEA TC and the UNCEEA – was published in December 2017 as a white cover publication subject to official editing.
 - Thanks to Eurostat, the Office for National Statistics and DEFRA of the UK, the Australian Bureau of Statistics and the Department of Energy and Environment of the Australian Government, sufficient funding was raised to begin the revision work;
 - an Editor for the revision process was appointed;
 - a broad consultation on the issues for revision was launched in February 2018 (Revision issues note available as background document) and received wide spread support;

- the experts to lead the four primary research areas as well as associated small working groups (4-5 people) were identified;
- two expert workshops have been organised one on ecosystem valuation hosted by the German federal office for nature protection (BfN) in Bonn in April 2018 (draft report provided as a supporting document) and the Forum of Experts on Ecosystem Accounting was held in New York 18-20 June 2018.
- 6. The consultation on the revision issues gave broad endorsement of the areas on with research and discussion will focus, namely spatial units, ecosystem condition, ecosystem services and valuation and accounting treatments. Of particular note was the strong message to include marine ecosystems within the focus of ecosystem accounting. Planning for the Forum of Experts further indicates that the scope of the revision issues is appropriate but has also highlighted that many details and perspectives remain to be teased out. These issues will be discussed in detail at the Forum of Experts on Ecosystem Accounting held in New York on 18-20 June 2018. An oral report on the outcomes will be provided to the UNCEEA.
- 7. An updated Revision Planning note is provided as a supporting document. The core logic of the approach remains. The substantive addition to this note is a preliminary timeline of key tasks and outputs. Beyond the Forum of Experts in June 2018, the expected key milestones are:
 - The Forum of Experts meetings planned for April 2019 and April 2020 which will bring together developments across the four research areas and resolve technical aspects;
 - Consultation and involvement of the London Group, including discussions at its meetings in October 2018 and 2019;
 - Rounds of global consultation on draft chapters from May 2019 to October 2020;
 - Final draft of SEEA Ecosystem Accounting (SEEA EA) by December 2020 for submission to the UNSC for adoption at its in April 2021 meeting.
- 8. Also in support of the revision process, documents have been developed which provide:
 - a preliminary outline of SEEA EA for UNCEEA discussion and input
 - a draft statement of the intended main area of focus and purpose for ecosystem accounting which has the aim to clarify and align expectations about the design and application of SEEA EA.
- 9. A large number of ecosystem accounting projects are underway including many at national level. An update on the EU funded, UNSD / UN Environment project Natural Capital Accounting and Valuation of Ecosystem Services is provided in a supporting document.
- 10. Discussion over the past 12 months in the context of the revision and in the context of the many initiatives that are testing the SEEA EEA reveals a wide range of agencies and organisations with interest in the revision process and relevant expertise. The intention is to grow these relationships, in many cases building on the positive involvement of a range of experts from these organisations at the Forum of Experts. Annex 2 discusses these intentions and plans. Of emerging interest in the statistical arena is the potential to link more directly with planned conceptual developments of the System of National Accounts.
- 11. The UNCEEA will also be consulted on newly developed SDG indicators for freshwater (SDG indicators 6.3.2 and 6.6.1), see separate document.

12. Finally, as part of the discussions towards a revision of the System of National Accounts (SNA) and related handbooks, it has been proposed to ensure close links between the SEEA research agendas and the research agenda for the SNA revision.

3. Issues for decision / discussion

- 13. This note has provided a very brief summary of the very significant progress made in the revision process for the SEEA EEA since UNCEEA endorsed the approach to be taken at its June 2017.
- 14. Key challenges ahead include maintaining the momentum, to further enhance the outreach and broaden the engagement. Another major challenge is to secure the continued funding of the revision process where even small contributions are highly valued. UNCEEA is requested to:
 - Take note of the progress made, including the report from the meeting in April 2018 in Bonn and the oral presentation of the results of the Forum of Experts meeting in New York in June 2018
 - Discuss and endorse the updated management approach and timetable as outlined in the Revision Planning note;
 - Provide finance and in-kind contributions in support of the revision process;
 - Comment on the first draft outline for the revised SEEA EEA and advise
 - whether it would be tentatively acceptable for the title of the document to be "SEEA Ecosystem Accounting" (i.e. dropping "Experimental");
 - whether the proposed structure featuring Part A: core framework to be proposed possibly as a statistical standard and Part B: Complementary accounts is appropriate for the SEEA Ecosystem Accounting;
 - on the merits of incorporating extensions and policy applications of ecosystem accounting in a revised SEEA Applications and Extensions.
 - Endorse the draft statement on the intended main focus and purpose for ecosystem accounting
 - Endorse the SDG indicators for freshwater (6.3.2 and 6.6.1) and support the inclusion of testing and research items on freshwater indicators within the SEEA EEA revision process;
 - Advise on how best to maintain a strong link between the SEEA and the SNA research agendas.

List of background documents mentioned in the text (linked to online documents):

- <u>Revision issues note</u>
- Revision planning note
- Report of expert meeting in Bonn in April 2018
- Preliminary outline of new SEEA EA
- Draft statement of the intended main area of focus and purpose
- Update on the EU funded UNSD / UN Environment project Natural Capital Accounting and Valuation of Ecosystem Services
- <u>SDG indicator 6.3.2</u> and <u>indicator 6.6.1</u> methodology documents