

## DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS STATISTICS DIVISION UNITED NATIONS

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### Technical Committee on SEEA Ecosystem Accounting (Area B2) Summary of activities

Paper prepared by Technical Committee on SEEA Ecosystem Accounting

(for discussion)

# TECHNICAL COMMITTEE ON SEEA ECOSYSTEM ACCOUNTING (AREA B2)

#### Introduction

- 1. Since the adoption of the System of Environmental-Economic Accounting—Ecosystem Accounting (SEEA Ecosystem Accounting) at the 52nd session of the United Nations Statistical Commission in March 2021, the Technical Committee on SEEA Ecosystem Accounting (Area B2) has been focusing primarily on supporting its implementation. The Technical Committee developed a programme of work for 2023-2025, based on the direction provided by the UNCEEA, which is centred around six main components described in the following section.
- 2. Section 2 reports on the activities of the Technical Committee on SEEA Ecosystem Accounting over the last year based on the programme of work and provides some highlights of major achievements. Section 3 highlights the inclusion of the International Union for Conservation of Nature's (IUCN) Global Ecosystem Typology into the international family of classifications and section 4 presents the efforts to strengthen country and regional representation by including additional members in the Technical Committee. Finally, questions for the Committee are outlined in Section 5.

#### **Update on the programme of work for the Technical Committee**

- 3. Since the last meeting of the UNCEEA in June 2023, the Technical Committee met five times. It implemented the amended Terms of Reference (TOR) as adopted at the UNCEEA meeting in June 2023, agreed on the new members for the Technical Committee, and finalized its work programme for 2023-2025 based on the broad work plan agreed to by the UNCEEA.
- 4. The programme of work of the Technical Committee for 2023-2025 is centred around six main components: (1) development of practical guidance notes for countries for the compilation of SEEA EA; (2) supporting the development of headline indicators for the Kunming-Montreal Global Biodiversity Framework (GBF) that are based on the SEEA Ecosystem Accounting; (3) overseeing the working groups on forest ecosystems and ocean accounting; (4) contributing to the broader SEEA and System of National Accounts (SNA) processes; (5) engaging with relevant initiatives; and (6) promoting the community of practice on ecosystem accounting.

#### Development of practical guidance notes for countries

- 5. It was widely recognized that further methodological guidance is needed to support countries' implementation of the SEEA Ecosystem Accounting in various areas. Development of such notes is a high priority for the Technical Committee, which has prioritized notes related to: (a) operationalizing the IUCN Global Ecosystem Typology, (b) approaches and methods for compiling ecosystem extent accounts, and (c) methods for measuring ecosystem services (including global climate regulation services).
- 6. With respect to (a), this is, for the time being, being taken forward through the IUCN Commission on Ecosystem Management and through the Group on Earth Observation's Global Ecosystems Atlas initiative, with the Technical Committee providing input as appropriate. With respect to (b),



guidance on approaches and methods for ecosystem extent accounts will be developed over the next year with particular focus on supporting the compilation of the GBF headline indicator A.2 "Extent of natural ecosystems."

- 7. With respect to (c), the technical committee is developing a set of systematic checks on underlying assumptions, approaches and methodologies to evaluate models for ecosystem services and their consistency with the SEEA Ecosystem Accounting. An initial proposal has been discussed in the Technical Committee and a draft of the comparative grid will be developed in the in the coming months and presented to the Technical Committee in the second half of 2024, with a view to completion in early 2025.
- 8. In addition, the development of guidelines on applying the agricultural ecosystem types in the IUCN Global Ecosystem Typology is being led by the IUCN in close collaboration with the Technical Committee, with a view to completion in 2024.

#### Supporting the development of metadata for the headline indicators for GBF

- 9. The Fifteenth Conference of the Parties to the Convention on Biological Diversity (CBD) adopted the GBF and its monitoring framework in Montreal, Canada in December 2022. Since the adoption of the GBF, an Ad-Hoc Technical Expert Group on Indicators (AHTEG), established under the auspices of the CBD, was tasked with the development of the metadata for the indicators of the monitoring framework together with the custodian agencies of the various indicators. UNSD was a member of the AHTEG.
- 10. Over the last year the Technical Committee focused a substantive amount of time supporting the development of the metadata of the headline indicators of the GBF related to the SEEA Ecosystem Accounting. These are indicator A.2: Extent of natural ecosystems, based on ecosystem extent accounts; and indicator B.1: Services provided by ecosystems, based on ecosystem services accounts; and indicator 9.1: Benefits from the sustainable use of wild species, for which metadata still need to be developed at a later stage. These indicators are likely to provide substantial impetus to the development of ecosystem accounts by countries, as Parties to the CBD are obliged to report on them in early 2026 and at regular intervals thereafter. The Technical Committee discussed both procedural issues and substantive issues related to the metadata development.
- 11. The Technical Committee established two Task Teams (TTs) to assist with the further refinement of the metadata that were drafted initially by the Working Group on Indicators under the Technical Committee in 2022. The TTs were composed of interested members of the Technical Committee, some members of the AHTEG and other relevant experts in the respective fields.
- 12. The TT on A.2 met twice between December 2023 and February 2024 and discussed issues related to the rationale for the indicator, the definition of natural vs "non-natural" ecosystems, definition of ecosystem loss/transformation, and aggregation or selection of the final indicator.
- 13. The TT on B.1 met four times between November 2023 and February 2024 and discussed issues related to the rationale for the indicator, the selection of ecosystem services for inclusion in the indicator, the use of the SEEA EA reference list of ecosystem services, the aggregation of ecosystem service measures into a single indicator including mathematical options for this. Even though many of the issues were resolved in a short period of time, several were left to be discussed and finalized as part of the development of compilation guidelines for the indicator.



- 14. A small testing group was set up under the TT to test different aggregation methods using actual time-series data from ecosystem services accounts in Canada, Netherlands, Norway, UK, Uganda and the European Union, in biophysical and where possible in monetary terms. The testing showed the viability of a geometric mean of trends in ecosystem service provision, but with a recommendation for further testing. Further work is also required to develop a list of recommended ecosystem services for countries to include in the indicator. The TT also initiated work on a review of available models for ecosystem services, initially developed by BC3. This work will further be developed in the coming year and linked with the comparative grid on ecosystem services discussed above.
- 15. The metadata sheets for the headline indicators of the monitoring framework were agreed to by the AHTEG in March 2024 and considered by the Twenty-sixth meeting of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) in May 2024. The next step will be the adoption of the monitoring framework by the Sixteenth Conference of the Parties of the CBD in late 2024. The work of the Technical Committee and its TTs on the two indicators in the coming year will include development of compilation guidelines to support countries in operationalizing the metadata in time for countries to report on these indicators in early 2026. The Task Teams will also give input into the development of templates for countries to use for reporting the indicators, which will be developed by the CBD Secretariat.
- 16. In addition, UNSD is working on finalizing a project proposal to support the development of the GBF indicators based on the SEEA Ecosystem Accounting. The project will include a focus on building capacity in three project countries and supporting the testing, implementation and reporting of the SEEA Ecosystem Accounting based indicators in the project countries.

#### Working groups on forest ecosystems and ocean accounting

- 17. To advance implementation and further methodological development, the Technical Committee established two Working Groups (WGs) in 2021 on forest ecosystems and ocean accounting to contribute to the advancement of the ecosystem accounts based on a review of best practices, methods, models, data, and tools, looking at both biophysical and monetary aspects, as well as examining policy entry points.
- 18. The **WG** on forest ecosystems is co-chaired by Rey Juan Carlos University, Spain and Griffith University, Australia, and has around 23 members from several countries, organizations, and academic institutions. Over the last year, the WG discussed a range of substantive topics, including national data related to forest ecosystems in Canada, Mexico, and the EU; outcomes of the methodological work on integrating ecosystem condition and carbon stock accounts within the SEEA Ecosystem Accounting Framework; and crosswalks between various ecosystem typologies with a specific focus on forest ecosystems.
- 19. The WG also reviewed its work up to now in the four previously established task teams and concluded that identifying strategic areas of work and tangible outputs, instead of task teams, would be more efficient. It proposed work areas and outputs such as finalizing the definition of forest ecosystems for the purposes of ecosystems accounting, reviewing typologies and crosswalks related

<sup>&</sup>lt;sup>1</sup> The metadata sheets are available as part of the CBD/SBSTTA/26/INF/14 report to the 26<sup>th</sup> meeting of the SBSTTA in May 2024.



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to forest ecosystems, or developing case studies on successful application of forest ecosystem accounts.

20. The **WG** on ocean accounting is chaired by Australian Bureau of Statistics and has around 30 members from the environmental accounting, scientific and environmental economics communities from countries, international organizations, non-governmental organizations and academia. The WG, with the support of the Global Ocean Accounts Partnership (GOAP), has agreed to tackle substantive topics in seven background papers to be developed over the 2023-2025 period, including papers on: (1) global stocktake of SEEA implementation concerning the ocean (completed and reviewed by the Technical Committee); (2) data structures (underway); (3) accounting for coastal and marine ecosystem services (advanced); (4) monetary valuation of ecosystems for the ocean domain; (5) high-impact, actionable indicators from ocean accounts; (6) accounting for biodiversity for marine and coastal ecosystems; and (7) other thematic ocean accounts. Since the last UNCEEA meeting, the WG on ocean accounting discussed the content and process for these papers.

#### Contributions to the broader SEEA and System of National Accounts (SNA) processes

21. Under the fourth work programme component, the Technical Committee will aim to support the SEEA Central Framework update, in particular the alignment between Ecosystem Accounting and Central Framework as the key issue for the update. Members of the Technical Committee will participate in those SEEA Central Framework update task teams that have a link to SEEA Ecosystem Accounting. The Technical Committee will also support the broader SNA update and the SNA group on the valuation of natural capital, the update of the statistical classifications, in particular the Classification of the Functions of Government (COFOG), or any such group that has impact on the SEEA Ecosystem Accounting.

#### Engagements with related initiatives

22. The Technical Committee will aim to continue regular engagement with related groups and initiatives that are relevant to SEEA Ecosystem Accounting, in particular the IUCN, global ecosystem mapping initiatives, such as the Global Ecosystem Atlas of the Group on Earth Observations (GEO) and the PEOPLE-EA project of the European Space Agency (ESA), and private sector initiatives. This will be achieved through meetings of the Chair and UNSD with these initiatives, as needed, and also overlapping membership with their advisory or steering committees, if applicable.

#### Community of practice on ecosystem accounting

23. Lastly, the community of practice on ecosystem accounting is an aspirational goal to facilitate a closer network of experts on ecosystem accounting and, if possible, to organize events where this community could meet, in particularly organize a Forum of Experts on Ecosystem Accounting in the near future, if funding for the Forum could be identified.

### Inclusion of the IUCN Global Ecosystem Typology in the family of international classifications

24. The IUCN Global Ecosystem Typology is the reference classification for ecosystem types in SEEA Ecosystem Accounting, and as such underpins the full suite of ecosystem accounts. To support the implementation of SEEA Ecosystem Accounting, UNSD has been working with IUCN and the



Committee of Experts on International Statistical Classifications (CEISC) to include the IUCN Global Ecosystem Typology in the international family of classifications.

- 25. The CEISC reviewed the classification and its development process and evaluated it against the approval process. In the light of this review, the CEISC endorsed the IUCN Global Ecosystem Typology and recommended it for approval by the Statistical Commission as an international standard, noting that the classification is primarily for analytical purposes rather than purely statistical. The Statistical Commission at its 55<sup>th</sup> session in March 2024 endorsed the IUCN Global Ecosystem Typology as international statistical classifications and recommended that it be included in the international family of classifications.
- 26. SEEA Ecosystem Accounting recommends that for the purposes of global comparison and consistency, countries should crosswalk their national classifications of ecosystem types to Level 3 of the IUCN Global Ecosystem Typology (typically a more aggregated level than national classifications), while still using national classifications for national reporting and application of accounts. In addition, the Global Ecosystem Typology was recommended by the AHTEG on the GBF indicators to be used across all the ecosystem-related headline indicators in the GBF. The IUCN, as the custodian of the IUCN Global Ecosystem Typology, is in the process of developing guidelines to facilitate such crosswalks. The Technical Committee will give input into these guidelines in the coming year.

#### **Membership of the Technical Committee**

27. To strengthen country and regional representation in the Technical Committee, its members agreed to invite additional country members to join the Technical Committee. Subsequently, nominations for new members from Brazil, Colombia, and Ghana were requested.

#### **Questions to the Committee**

- 28. The Committee is invited to:
  - 1) Express its views on the progress of work of the Technical Committee and its Working Groups and Task Teams, as outlined above.
  - 2) Advice on the proposed process of development of the GBF indicator metadata and the continuation of work in Task Teams to support operationalization of the indicators.

