



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION  
UNITED NATIONS



System of  
Environmental  
Economic  
Accounting

---

## **Subgroup on Accounting for Biodiversity in the SEEA EEA**

### **Terms of Reference**

Version: 25 March 2020 (final)

## Introduction

In March 2013, the United Nations Statistical Commission endorsed the System of Environmental-Economic Accounting – Experimental Ecosystem Accounting (SEEA EEA) as the basis for commencing testing and further development of this new field of environmental-economic accounting. The SEEA EEA was formally published in 2014 as a joint publication of the United Nations, European Commission, Food and Agriculture Organization of the United Nations, Organisation for Economic Co-operation and Development and the World Bank. The design and ongoing development of the SEEA EEA has brought together experts from a wide range of disciplines across ecology, statistics, economics, accounting, geography and others.

One of the key areas of interest is on the potential for the SEEA to better understand the connection of biodiversity from ecosystem extent and condition to ecosystem services, economic activity and well-being, and vice versa, as well as to support policy and decision making concerning the conservation and enhancement of biodiversity at all levels including ecosystems. While there is widespread agreement that biodiversity is an important and appropriate area of investigation and that the SEEA is a useful framework to measure biodiversity, there exist a variety of perspectives on how the SEEA can better reflect the measurement of biodiversity throughout the framework. It is recognised that a broader discussion to close the gap in understanding between the statistics/accounting, economics and biodiversity community is needed.

The introduction provided in the first SEEA EEA offered the first attempt to link the SEEA and biodiversity measurement. In the context of the revision of the SEEA EEA and the need to better reflect biodiversity in the revised document, this discussion has newly emerged. The basic starting point is common, the Convention on Biological Diversity definition of biodiversity as spanning genetic, species, and ecosystem levels of ecological organisation: i.e. “the variability among living organisms from all sources including, inter alia, terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are part: this includes diversity within species, between species and of ecosystems”. However, the use of terms, understanding of ecology and links to applications requires ongoing engagement to ensure that the SEEA EEA reflects biodiversity in a fashion akin to the biodiversity community views.

Hence, it was recognized that a dedicated subgroup on accounting for biodiversity in the SEEA EEA be established to support further bridging this gap in terminology and understanding between the biodiversity and the environmental-economic accounting communities, spanning membership from both communities.

## Objectives

The objectives of the Subgroup are to support the SEEA EEA revision process, building on the range of conceptual advances and practical experiences in accounting for biodiversity, in the following areas:

- a) **Terminology related to biodiversity:** The Subgroup’s objective will be to help clarifying terminology with respect to the use of terms in the SEEA EEA, particularly/ “biodiversity” and “ecosystems”, also in terms of appropriately reflecting the relevant ecological interactions and levels of ecological organisation.

- b) **Ecosystem extent:** Many countries do not have well developed ecosystem extent maps or an appropriate ecosystem classification. The Subgroup can assist in proposing approaches for incorporating species composition into the ecosystem classification process as part of the extent account
- c) **Ecosystem condition:** The Subgroup's objective will be to suggest ways in which measures of biodiversity (including but not limited to species diversity) should be best integrated into measures of ecosystem condition in the SEEA EEA taking into account issues of scale and practicalities of measurement.
- d) **Ecosystem services:** There has been general agreement in the SEEA EEA community that, except in specific circumstances, biodiversity itself is not an ecosystem service, notwithstanding the fact that biodiversity is accepted to underpin the supply of ecosystem services especially via increasing ecosystem resilience. In addition, there is recognition that there are a range of habitat related services, for example nursery services for fish and for the conservation of threatened species, whose place in the ecosystem accounting framework needs to be carefully articulated. The Subgroup will also assist in clarifying the treatment of these services as well as the role of biodiversity in supporting the capacity of ecosystems to supply services.
- e) **Valuation:** There is general interest in the valuation of biodiversity in both monetary terms and in terms of wider cultural, relational and intrinsic values. However, the interpretation of this interest in ecosystem accounting terms and the appropriate role/scope of SEEA EEA is not yet clear. The Group's objective will be to help interpret the relevant literature, including the links to the valuation of ecosystem services and valuation of ecosystem assets that has already progressed in the SEEA EEA revision process, and propose options for the considering the valuation of biodiversity while recognising the significant challenges involved and the high relevance of biophysical data and metrics.
- f) **Thematic accounts for biodiversity:** Building on original work and incorporating the new developments achieved in accounting for biodiversity, the Subgroup's objective will be to synthesize the material developed and present it in a concise text for the revised SEEA EEA on thematic accounts for biodiversity.
- g) **Promotion of the SEEA EEA accounts in different fora:** Considering that 2020 is a key year for ecosystem and biodiversity, accounting for biodiversity using the SEEA can provide an important support for the design and implementation of resulting frameworks and policy targets. The Group will develop a list of possible entry points for informing various groups of what the accounts for biodiversity can do. Each member of the group will also advocate for the accounts within their respective communities.

The Subgroup may establish a medium-term work programme following the revision of the SEEA EEA, incorporating the discussions at the 2020 IUCN World Conservation Congress and 15th CBD Conference of the Parties. The Subgroup's Terms of Reference would be reconsidered in order to expand the objective related to the development of accounting for biodiversity on a broader level. Specifically, this medium-term work programme would be anticipated to address accounting for the species and genetic dimensions of biodiversity, alongside the accounting for ecosystem dimensions

of biodiversity in the SEEA EEA, consistent with CBD definition of biodiversity, and with the likely goals of the post-2020 biodiversity framework.

### **Governance**

The Group is established under the auspices of the UNCEEA with regular oversight from the SEEA EEA Technical Committee of the UNCEEA and secretariat support from UNSD. As applicable, the Group engages with the IUCN Science & Economic Knowledge Team, as well as other groups engaged in the SEEA revision process as well as in measuring biodiversity, to ensure the integration of biodiversity in the various accounts and connection to the biodiversity community.

The work of the Subgroup will be closely coordinated with the work of the Technical Committee on the SEEA EEA, the London Group on Environmental Accounting, the Forum on SEEA Experimental Ecosystem Accounting and other groups working on ecosystem accounting and related statistics. Experts on different topics may be invited to participate in the meetings of the Committee as guests depending on its agenda.

### **Membership and the chair**

With the aim to seek broad agreement and consensus, the Subgroup would be composed of members from both the biodiversity and environmental-economic accounting communities. Members of the Subgroup would include experts from national governments, international organizations, NGOs and academia who will coordinate and engage as appropriate with institutions in their respective countries, organizations and networks.

The Subgroup would be chaired by one of the members of the Subgroup for an initial period of 12 months to support the revision process, after that the existence of the Subgroup and its TOR will need to be reassessed. The role of the Chairs would be to advance the work programme of the Subgroup as set by the UNCEEA, as well as coordinate with other groups in the space, in particular the SEEA EEA Technical Committee. UNSD will serve as the secretariat of the Subgroup.