

Minutes of the 15th Meeting of the United Nations Committee of Experts on Environmental-Economic Accounting

Virtual; 6, 8 and 9 July 2020

Area A: Coordination / Area E: Statistical Response on Emerging Policy Issues

The Committee:

1. Agreed on the merger of Areas A and E, given the interlinkages and potential synergies between coordination and communication, while noting that the group's updated terms of reference and workplan should cover the tasks of both groups and concretely lay out the group's role and activities;
2. Voiced broad agreement on the topics for the group's focus and suggested to take stock of current activities and prioritize those areas where there is a clear entry point and/or lack of leadership to create a realistic scope of work for the following year;
3. Underscored the need for greater coordination in a number of areas, including within the UNCEEA, within the statistical and technical community (for example finance and Earth observation), and with the wider user community;
4. Emphasized the importance of national statistical offices (NSOs) engaging in the post-2020 global biodiversity framework, particularly with regards to the monitoring framework. The biodiversity community lacks awareness of the SEEA and how it can be used to monitor the post-2020 global biodiversity agenda. Including the biodiversity community when shaping the group's mainstreaming activities will be key. As much as possible, taking similar steps for climate change and other global policy initiatives was also suggested;
5. In view of the high priority of circular economy in many countries beyond the UNECE, agreed on the importance of the Committee's early engagement in the Conference of European Statisticians' work on circular economy, and recommended to develop formal mechanism of cooperation in order to elevate this work to the global level and ensure coordination and coherence;
6. Requested the group to draft a short document on the potential of the SEEA for sustainable and green finance which could be used to promote the use of the SEEA within line ministries and central banks, and develop a technical workstream possibly in the context of the revision of the SEEA Central Framework (CF);
7. Supported close collaboration with the Conference of European Statisticians' Steering Group on Climate Change-related Statistics on a set of key climate change-related statistics using SEEA, as well as with the IMF on their work on climate-related measures and indicators, as ways to promote implementation of the SEEA for climate change and ensure a coordinated global approach; and
8. Highlighted the importance of ensuring that the SEEA is reflected in the development of the global set of climate change indicators being prepared by the Statistics Division during the global consultation of the indicator set.

Area B1: SEEA Central Framework (Methodological Development for Normative Standards and other Research)

The Committee:

9. Took note of the progress made on selected issues in the SEEA CF research agenda and requested to submit to the Committee an updated status on the list of issues remaining on the research agenda;
10. Noted the work on the SEEA CF, being undertaken by the group established as part of the ISWGNA Subgroup on Well Being and Sustainability with respect to the update of the 2008 SNA;
11. Noted the intention to update the SNA by 2025 and noted that the Balance of Payments Manual (BPM) and the Government Finance Statistics Manual (GFSM) will also be updated by the same date; and
12. Recommended that further consideration be given to update the SEEA CF by 2025 in line with the international standards mentioned in the above, with the format to be discussed in the future.

Area B2: SEEA Experimental Ecosystem Accounting (Methodological Development for Normative Standards and other Research)

The Committee:

Revision process

13. Applauded the progress made on the revision of the SEEA Experimental Ecosystem Accounting (EEA), noting the significant work done to advance ecosystem accounting and to bring together different communities and stakeholders towards greater consensus;
14. Noted the tight timetable to finalize the document in time for the 2021 UN Statistical Commission and offered help in this process;
15. Acknowledged the work done in reaching out to the national accounts community while encouraging further outreach to ensure that there is coherence and integration between the SNA and the revised SEEA EEA; and
16. Acknowledged the user demand in developing an agreed framework to measure ecosystems and the services derived from them, to support policies including the post-2020 biodiversity agenda and the Paris agreement on climate change.

Adoption of the Revised SEEA-EEA

17. Noted the meaning of UN statistical standards, with countries deciding on their implementation and which parts to implement. If countries implement the standards, they should follow the agreed methodology, and if they differ, they should explain the reasons for any substantial deviations. These experiences may serve as input into future revisions of these international standards, which are usually dictated by changes in societal developments and further improvements and refinements of the conceptual framework, methodologies, and source data. International standards must be maintained and revised as needed. Some countries expressed concerns that

the word 'standard' may suggest a requirement to adhere to it, even if that is formally not the case;

18. Noting that the implementation of the SEEA requires input from different stakeholders, and emphasizing the importance of the role of the NSOs as data stewards, it was suggested that a paper on the role of NSOs for the compilation of the SEEA-EEA be prepared, taking into consideration the different institutional frameworks of countries;
19. Noted that many of the chapters were not yet available for consultation, and therefore it was premature to conclude on the title of the document and its status;
20. Discussed the pro and cons on having the SEEA EEA as an international statistical standard or similar language. Statistical standards will result in greater uptake from users, including international processes, such as the CBD and UNFCCC, finance and planning ministries, etc., and financial resources being allocated for its implementation. It would also do justice to the huge efforts put into the revision. Concerns were also expressed that others may come up with less sophisticated and rigorous systems if we do not move forward quickly in upgrading the guidance to an international standard. However, it was also suggested that we should first be sure that the work is mature enough to be a standard, and that the conceptual framework and classifications are consistent with current statistical practice and expertise;
21. Regarding the term 'experimental' in the title, views varied. While the revision process constitutes clear progress, some considered that the term should be kept in the title as a warning to users. Other members – including from countries that already publish ecosystem accounts – underlined the negative connotations of the term and its detrimental impact on their work. Alternative terms such as 'provisional' or 'initial' received wider support as a way to appeal to both arguments;
22. Agreed that the physical ecosystem accounts have been tested and could qualify for the adoption as an international standard (or provisional standard, with the right wording to be identified at a later stage);
23. Noted different views concerning the valuation chapters, with some members supporting their inclusion as part of the core chapters of the document and others raising conceptual concerns on the applicability of the approach in the national accounts context and expressing that valuation was still experimental. Various options were discussed, including changing the language in the valuation chapters to reflect the more experimental status or moving the valuation chapters to an annex. One member suggested that an alternative approach to valuation be taken;
24. Stressed that the SEEA EEA is a conceptual document which should also take into consideration the feasibility of implementation. However, specific implementation issues including the quality of the estimates published should be addressed, depending on countries' situations. Published data may be of poor quality due to source data issues and/or lack of resources. Published accounts could be labelled as "experimental" and the users should be made aware of the conceptual basis of the accounts as well as the estimates used and possible interpretation of the figures;
25. Encouraged members of the Committee to reach out to their key stakeholders and to engage in the revision process, expressing their concerns and proactively suggesting possible solutions. Possible options would be to include text at the beginning of the

- document outlining precautions with regard to the presentation of results to users and the interpretation of the results, in particular for monetary estimates; and
26. Agreed to re-visit—possibly in the form of a webinar—the question of the status of the document and how it should be presented to the UN Statistical Commission, once all chapters of the SEEA EEA have been released and the results of the Global Consultation are known.

Implementation and use of ecosystem accounting

27. Agreed on the importance of finalizing the guidelines for implementing ecosystem accounting, including the drafting of guidelines on biophysical modeling, valuation and scenario analysis, which will undergo global consultation after the UN Statistical Commission in 2021;
28. Highlighted the potential of Earth observation data for global datasets and jumpstarting the accounts, as highlighted by the efforts presented by the ARIES platform in developing a platform to produce global ecosystem accounts; as well as the plans to develop accounts-ready data in collaboration with the Earth Observation for Ecosystem Accounting group (EO4EA), the European Space Agency (ESA) and other partners; and
29. Stressed the multiple uses of ecosystem accounting, including for SDG monitoring and the post-2020 Global Biodiversity Framework, and underscored the importance of outreach to better understand stakeholder needs when promoting the use of the accounts.

Area C: Development of Global Databases for SEEA

Priority accounts

The Committee:

30. Welcomed the progress made in the establishment of global databases for SEEA priority accounts, while stressing the need to speed up progress;
31. Re-affirmed support for the procedures and responsibilities outlined for the compilation of priority accounts for global databases, stressing that available country data are to be used to the extent possible, that any estimation methodology are to be put forward to the Technical Committee, and that countries are to be involved in the validation of estimates, following the processes used for the SDG data flows;¹
32. Agreed on the importance of developing templates for data collection which are consistent with the global SEEA DSDs and follow the proposed tiered approach, and noted the importance of regional commissions in supporting data collection efforts;
33. Noted the potential for global databases on environmental taxes and subsidies, given the interest in this area and existing data collection and dissemination efforts;

¹ As in Annex 1 of <https://unstats.un.org/unsd/statcom/50th-session/documents/2019-2-IAEG-SDG-E.pdf>

34. *Material flow*: Welcomed the data dissemination model taken for material flow accounts, whereby global estimates are provided where national data is not available, taking place in parallel with supporting country capacity building;
35. *Land*: Emphasized the importance of harnessing the power of Earth observation in creating global SEEA-complaint land use and land cover datasets, stressed the need for an agreed methodology and involvement of all relevant groups and stakeholders (such as ESA, EO4EA and Land Degradation Neutrality (LDN) initiatives), and noted the potential for ARIES to bring together existing land cover datasets and approaches;
36. *Water*: Welcomed the efforts to harmonize the various water questionnaires and improve data availability and quality in countries, and noted that it would be useful to possibly revise SEEA Water, to ensure consistency between SEEA Water and the SEEA CF, thus avoiding confusion amongst users;
37. *Air emissions*: Welcomed the steps to finalize the methodologies and results for estimated air emissions from air transport, using ICAO data, and supported the ongoing work on maritime transport, including investigations into using AIS data; and
38. *Energy*: Welcomed the steps taken to transmit and disseminate energy data between international organizations using SDMX and country testing of the estimation tool.

Dissemination

The Committee:

39. Supported the progress made in disseminating SEEA global datasets on seea.un.org, beginning with SDMX transmission for energy and air emissions accounts between international organizations;
40. Welcomed the steps taken to explore .Stat as a user-friendly and customizable dissemination platform, and requested Committee members to provide IT and technical support to UNSD where possible;
41. Emphasized the need for user-friendly dissemination, including the dissemination of technically sound and policy-relevant headline indicators and aggregates, starting from the indicators that have already been internationally agreed (e.g. SDG indicators, green growth/green economy indicators, post 2020 biodiversity framework indicators, etc.) accompanied by non-technical “explainers” which provide simple explanations of the data disseminated; and
42. Recommended to take the excellent work Eurostat and OECD have done in dissemination for non-technical audiences as a starting point for disseminating SEEA data, indicators and aggregates targeted towards policy analysis and decision makers.

Material Flow Manual

The Committee:

43. Congratulated UN Environment, the International Resource Panel, OECD, Eurostat and UNSD on the official launch of *The use of natural resources in the economy - A Global Manual on Economy Wide Material Flow Accounting*, emphasizing the important role of the document in providing guidance to countries to compile material flow

accounts in support of the SDGs, circular economy and other sustainability initiatives.

Area D: Implementation and Statistical Capacity Building

Global Assessment

The Committee:

44. Supported requesting NSOs to play a coordinating role in responding to the Global Assessment and to send the Assessment to other institutions involved in SEEA compilation, noting that this could be an opportunity to strengthen national collaboration and coordination when it comes to the implementation of SEEA. At the same time, the Committee noted that countries may have different institutional arrangements, and as such, provision should be made for different circumstances; and
45. Agreed to the proposed frequency of administering of the Global Assessment, whereby the full questionnaire would be administered every three years and a shorter questionnaire would be administered in the intermediate years in order to capture the rapidly changing situation.

Focal Points

The Committee:

46. Suggested to take a flexible approach for the designation of focal points, with the Secretariat sending a letter to NSOs asking them to designate a focal point(s), and allowing NSOs to coordinate which institution should represent the country as focal point(s) or alternate focal point(s). Where it is already known that SEEA implementation is coordinated by a non-NSO institution, these institutions should be copied when the letter is sent;
47. Emphasized that the role of the focal points will be to address requests and questions related to the SEEA, distribute them to the relevant people in the country and ensure follow up;
48. Agreed to send a concept note along with the letter to NSOs, including examples of areas or requests they may be asked to coordinate;
49. Stressed that NSOs should be kept abreast of updates and requests, even if the focal point(s) are from a line ministry;
50. Underscored the key role of the UNSD and particularly the UN regional commissions in maintaining the database of focal points, given their close contact with countries;
51. Noted that senior managers may be better suited as focal points to increase awareness of the SEEA and establish a network of institutions, with secondary, more technical, focal points for data collection and other compilation activities; and
52. Noted the importance for the SEEA focal point(s) to coordinate activities with the SDG focal point so as to leverage the SDG contacts with relevant institutions.

Implementation

The Committee:

53. Requested that the Global Assessment provides a variety of information in addition to the number of countries implementing the SEEA, as requested for reporting on the SDG indicators, including accounts compiled, whether the compilation of the accounts is structurally financed, interest in compiling the accounts, etc. This information will be relevant to understand the degree of implementation, and to design an implementation programme;
54. Welcomed the idea of a tiered approach to implementation, while emphasizing the importance of providing precise definitions of each tier;
55. Suggested to coordinate with the SNA Communication Task Team when defining implementation, while noting that the SEEA differs from the SNA and other macroeconomic standards, being a relatively new standard that countries are still in the process of adopting and implementing. For example, using the number of countries reporting to international agencies as a benchmark may not be appropriate for the SEEA; and
56. Requested Area D to provide precise definitions of each tier, to be circulated to the UNCEEA for consultation, and consequently reflected in the Global Assessment and SDG indicator 15.9.1. The Committee further noted that any changes to the SDG indicator should be submitted to the Inter-Agency and Expert Group on SDG Indicators, following the appropriate process.

Community of Practice

The Committee:

57. Welcomed the establishment of the Africa Community of Practice for Natural Capital Accounting and stressed the importance of regional collaboration and capacity building in SEEA implementation; and
58. Took note of the care needed when applying the term “natural capital accounting” versus the SEEA.

The SEEA and Business Accounting

The Committee:

59. Agreed on the creation of a subgroup under the UNCEEA focusing on business accounting and the SEEA, and highlighted the potential for alignment to provide benefits to both NSOs and the private sector, including businesses, the financial community and ratings agencies;
60. Supported close collaboration and coordination of the group with existing groups and initiatives, both within the statistical community (the UN Committee of Experts on Business and Trade Statistics and others), as well as outside of the statistical community (the Combining Forces Initiative of the Capitals Coalition, ISAR and others);
61. Highlighted the contribution the SEEA could provide towards the development of standards such as E-GAAP, and noted the importance of being able to provide aggregates from the SEEA that can be applied at the business-level; and

62. Noted the need to engage with the footprint and planetary boundaries community, given companies' interests in understanding impacts of and risks posed by their supply chains.

Programme of Work

The Committee:

63. Agreed that a new programme of work should be developed for 2021-2025 based on the discussions held for each area of work, and that this programme of work would be brought to the UN Statistical Commission in 2021;
64. Noted the proposal of one member of the Committee to call a meeting with civil society and the scientific community. At the same time, it was noted that there is already heavy engagement with civil society and the scientific community in the existing areas of work, most notably Area B2, through the revision of the SEEA EEA. It was stressed that any proposal to add a subgroup on the topic would need to indicate clear objectives and outputs; and
65. Took note not to lose sight of the SEEA Applications and Extensions and to ensure that it remains up-to-date given the revision of the SEEA EEA, SNA and eventual revision of the SEEA CF.

Working methods

The Committee:

66. Agreed on an inclusive approach to UNCEEA membership and the formation of an enlarged and strengthened Bureau with greater decision-making responsibilities between UNCEEA meetings;
67. Emphasized the need for transparency and clear communication between the Bureau and the whole UNCEEA on issues discussed and decisions made by the Bureau;
68. Agreed to hold an interim meeting between annual Committee meetings, probably virtual. Noting the various proposals on the nature of this interim meeting, the Committee requested the Bureau to draft a proposal for the nature and scope of the interim meeting;
69. Supported engagement with users and requested the Bureau to develop a proposal on the most appropriate way to do so, either inviting users to the UNCEEA as observers, having a specific meeting, or using the additional meeting of the UNCEEA;
70. Stressed the management nature of the Committee, emphasizing that the Committee was not a technical committee, and that meetings were meant to set priorities and make strategic decisions; and
71. Agreed to work towards more equal regional and gender representation of its members.