

# Minutes of the 17<sup>th</sup> Meeting of the United Nations Committee of Experts on Environmental-Economic Accounting

Virtual: 27-28 June 2022

## Area A: Coordination and Communication

The Committee:

- Reaffirmed the importance of the Working Group's objective of mainstreaming the SEEA into policy and ensuring that the work of the SEEA community is responsive to policy priorities;
- Agreed with the priority areas identified (sustainable finance, circular economy, climate change, biodiversity, nature-based solutions and ecosystem restoration, ocean, and beyond-GDP) and also highlighted the importance of drawing linkages between different priority areas;
- Welcomed the upcoming G-20 Data Gaps Initiative (DGI), noting the need to leverage the work of the Committee on air emissions, energy, taxes and expenditures in filling climate change data gaps, and further noting the role of the Working Group in coordinating participation and input from the SEEA community;
- Acknowledging the importance of the Working Group's priority areas in both developed and developing countries, and noted the usefulness of ensuring, from inception, that regional and/or specific group of countries' outputs are designed to be applied and used globally;
- Welcomed the landscape assessment as an exercise to further engagement, collaboration and coordination while reducing duplication of effort, and agreed to provide input to the Working Group's draft to ensure that the assessment is comprehensive and accurate;
- Stressed the importance of coordination and collaboration between related initiatives and between statistical and policy communities, highlighting the collaboration between the UNECE and OECD in the area of circular economy in this regard;
- Encouraged the Group to identify areas where existing information already compiled can be repackaged to answer specific policy demands, for example how Eurostat has repackaged existing information to address circular economy policy demands; and
- Acknowledged both the relevance of the SEEA to sustainable finance and the complexities involved in contributing to this area, with complexities related to mandates of national statistical offices, differences in scale and purposes between public and private sector accounting, and the types of metrics desired by the finance community.

## Area B1: SEEA Central Framework

The Committee:

- Took note of the progress made by the Technical Committee on the SEEA Central Framework (CF) on the updates of international classifications, update of the 2008 SNA, and finalization of

the technical notes on Environmental Protection Expenditure Accounts (EPEA) and the Environmental Goods and Services Sector (EGSS); and further encouraged the release of the technical notes on EPEA and EGSS in view of advancing the work of the G20 DGI and the UN Expert Group on International Statistical Classifications;

- Commended the collaboration among the environmental-economic accounting, national accounting, balance of payments and statistical classifications communities on the 2008 SNA and classification update processes;
- Emphasized the complementarity of the SNA and SEEA systems and reiterated the importance of creating strong linkages between the two systems to address issues on environmental sustainability;
- Encouraged the Committee to further engage in reviewing the SNA guidance notes related to the environment and the updated SNA chapters on well-being and sustainability;
- Stressed the importance of engaging beyond the statistical community, especially when dealing with issues of wellbeing and sustainability for the SNA update;
- Invited members of the Committee to participate in the task teams set up under the auspices of the UN Expert Group on International Statistical Classifications to contribute to the update of the International Standard Industrial Classification of All Economic Activities (ISIC) and the Central Product Classification (CPC) as well as the upcoming updates of the Standard International Energy Product Classification (SIEC) and Classification of the Functions of Government (COFOG);
- Stressed the importance of the alignment of SIEC and CPC for the energy accounts compilation;
- Agreed with the consultation processes proposed to move forward the adoption of Classification of Environmental Activities as part of the international family of classifications;
- Recommended the finalization of the technical note on material flow accounting, in consultation with the London Group, to provide guidance to account compilers on these areas and proposed the topic of indirect flows to be considered in the research agenda; and
- Noted that the discussion on the possible update of the SEEA CF will take place at the next UNCEEA meeting in 2023, as recommended by the UNCEEA at its meeting in 2021.

## Area B2: SEEA Ecosystem Accounting

The Committee:

- Applauded the adoption of the SEEA Ecosystem Accounting (EA) Implementation Strategy at the 53rd session of the United Nations Statistical Commission in March 2022;
- Congratulated Mandy Driver (SANBI, South Africa) on her election as the chair of the Technical Committee on the SEEA EA in April 2022, and thanked Anton Steurer (Eurostat) for successfully leading the Technical Committee in the previous years;
- Noted the importance of linking SEEA EA implementation with policy demand and policy initiatives, such as the post-2020 global biodiversity framework (GBF) under the Convention on Biological Diversity (CBD), including through facilitating engagement between national statistical offices (NSOs) and CBD focal points at the national level, and through implementation of the

accounts and developing case studies. The Committee also stressed the need for outreach activities beyond the statistical community, including related to policy uses, while also managing the expectations of users;

- Agreed that the work of the Technical Committee should focus on the implementation of the SEEA EA as outlined in the implementation strategy and address methodological issues as per the research agenda;
- Applauded the work of the Working Groups on Forest Ecosystems and Oceans and stressed the importance of linkages between the two Working Groups due to interdependencies of these ecosystems, for example, ecosystem services related to carbon sequestration, coastal protection, or pesticide run-off from forest ecosystems to oceans; and further stressed the importance of ensuring a focus on marine and coastal ecosystems as part of accounting for oceans;
- Noted the urgency of advancing the work on ocean accounting, especially in light of the ongoing Ocean Conference;
- Noted the centrality of the ecosystem condition account, including understanding its link to the ecosystem services account and also recommended that the Technical Committee continue discussion on condition accounts, in particular on developing indices for measuring condition, noting that this is one of the topic being addressed by the Working Groups;
- Suggested accounting for urban areas as a priority for further focus, depending on resources;
- Highlighted the need for further discussion by the Technical Committee on issues of monetary valuation and monetary aggregates, with the aim to address the outstanding aspects, as requested by the United Nations Statistical Commission in March 2021, and noted that principles of valuation, including related to ecosystem accounts, are currently being discussed by a subgroup of the Well Being and Sustainability Task Team of the SNA update and that valuation forms part of the work of the working groups on forest ecosystem and ocean accounts;
- Noted the request for the interim version of the report “Monetary Valuation of Ecosystem Services and Assets for Ecosystem Accounting” to be made available and welcomed the further contributions from experts to contribute to future versions;
- Noted broader issues that could be useful for the Technical Committee to discuss, including the capitals approach, clarifying the relationship between natural capital accounting, environmental accounting and ecosystem accounting, and better understanding the beyond GDP initiative and how it relates to ecosystem accounting;
- Suggested the development of an inventory of methodologies used in developing ecosystem accounts and how these methods are being used in different cases in practice;
- Suggested the development of an inventory of requests for assistance and ongoing partnerships in developing ecosystem accounting, and noted that this could be done in collaboration with the work of Area D;
- Noted the importance of further exploring the relationship between land accounts and ecosystem accounts, including the correspondences and differences between ecosystem types and land cover classes; and
- Encouraged the Committee to work in close collaboration with the ecological community, environmental economic community and geospatial community in advancing its programme of work.

## Area C - Development of Global Databases for SEEA

The Committee:

- Congratulated the Working Group on the good progress made in developing global databases and more granular and timely data for the priority accounts of air emissions, land, energy and material flow, as well as the plans for their continued improvement;
- Welcomed the plans for pilot work for the priority account of water, which use a pragmatic approach based on existing questionnaires, with the outcomes being presented to the Committee in 2023;
- Welcomed the development of the air emission, material flow and energy global data templates, and thanked countries which participated in the pilots for the air emission and energy global data reporting templates;
- Further noted the initial positive feedback on the global data reporting templates for air emission and energy accounts, and the plan for their finalization and use for the G20 DGI;
- Welcomed the offer from the European Environment Agency to participate in work on land accounts and provide a regional perspective, in order to complement the input provided by existing international organizations in the Working Group;
- Acknowledged the high policy demand for data on expenditures, particularly climate change and biodiversity expenditures, and agreed to explore how to best address this, particularly in the context of the G20 DGI, COFOG revision, revision of the Classification of Environmental Activities and other international initiatives; and
- Suggested the Working Group explore the possibility of expanding its focus to waste accounts, given their applicability to circular economy, while keeping in mind resource constraints.

## Area D - Implementation and Statistical Capacity Building

The Committee:

- Agreed with the priorities and tasks set forward, including on coordination of capacity building and implementation activities, updating the implementation guide and diagnostic tool, and conducting a global assessment “light” in 2022;
- Congratulated Sokol Vako (UN Statistical Institute for Asia and the Pacific) and Christine Magu (Kenya National Bureau of Statistics) on their election as co-chairs of the Working Group on Implementation and Statistical Capacity Building;
- Welcomed the increase in SEEA EA implementation activities while stressing the importance of continued implementation of the SEEA CF, in particular compilation of physical flow accounts;
- Suggested collecting information not only on activities by international/regional partners but also on bilateral capacity building and implementation activities, while recognizing the difficulty of collecting this data. The Committee suggested obtaining this information through the

networks of the UN regional commissions and the benchmark global assessments done every three years;

- Noted the importance of publishing detailed metadata/methodological notes along with the publication of the accounts and suggested collecting such information on methodologies used in SEEA implementation, which may be of interest for other parties and countries embarking on the SEEA implementation;
- Welcomed the proposed update of the implementation guide and diagnostic tool and suggested to consult with other related UNCEEA areas, especially B1 and B2, throughout the drafting process as appropriate. The Committee further requested that the implementation guide and diagnostic tool emphasize the need for linking the compilation of accounts to specific policy needs;
- Stressed the importance of linking capacity development and implementation activities to policy demands and visibility of accounts at the national level. The Committee also highlighted areas of interest related to beyond GDP, biodiversity, circular economy and ocean accounting; and
- Applauded the work done on e-Learning, in particular the new e-Learning course for the SEEA EA and the newly developed training on material flow accounts developed by the UN Statistical Institute for Asia and the Pacific, UN Environment Programme and other partners. The Committee further noted that the SEEA website was an excellent repository for obtaining information on capacity building, e-Learning and other activities.

## Area E – Business Accounting

The Committee:

- Welcomed the Working Group’s programme of work and agreed on the overall objectives and activities identified therein;
- Welcomed the progress made by the Working Group since its inception, including an initial assessment of major initiatives and groups with which the statistical community could engage, collaboration with the business community, and the development of SEEA documents and material for the business community;
- Agreed with the Working Group’s proposal to focus on engaging with the International Sustainability Standards Board standards, Task Force for Nature-related Financial Disclosures Framework and European Sustainability Reporting Standards and welcomed the areas encompassed by these initiatives (such as the development of guidelines, metrics and targets, standards, and a common terminology/taxonomy/vocabulary, among others), which are concordant with the Working Group’s objectives. The Committee also welcomed the use of open consultations as a way to promote inclusion and diversity within these initiatives;
- Offered to collaborate with the Task Force for Nature-related Financial Disclosures to see if/how the framework could go beyond ecosystems and species to also incorporate other natural resources; and
- Encouraged the Working Group to explore engaging the International Public Sector Accounting Standards Board (IPSASB), particularly given IPSASB’s current project on natural resources.

## Biodiversity and the SEEA

The Committee:

- Took note of the progress made and the way forward planned by the Secretariat of the CBD towards the adoption of the post-2020 GBF at the fifteenth meeting of the Conference of the Parties to the CBD;
- Welcomed the progress of the Committee in mainstreaming the use of the SEEA in the GBF and supported the Committee's work in ensuring that the SEEA is recognized as the underlying methodological basis for the compilation of the relevant headline indicators of the GBF monitoring framework;
- Reiterated the integral role played by NSOs in the development and operationalization of the GBF monitoring framework at the country level;
- Noted that CBD parties are often not familiar with the SEEA and the benefits of using a statistical standard to underpin the indicators, and that further engagement is needed to communicate the value of a statistical standard;
- Noted that in many countries there are not existing relationships between the NSO and the CBD focal point and called for their further engagement to strengthen the collaboration process. The Committee further requested UNSD and CBD to develop a strategy to improve the dialogue between the communities to facilitate a better understanding of the SEEA; and
- Noted that in addition to those Goals and Targets where SEEA is recognized as the underlying methodological basis in the proposed GBF monitoring framework, the SEEA could also potentially be used as the basis for indicators for Targets 15 (dealing with mainstreaming biodiversity in business and production sectors) and 18 (dealing with subsidies and harmful incentives).

## Closing

The Committee:

- Noted that the Chair of the UNCEEA, Bert Kroese Deputy Director General of Statistics Netherlands, will be taking up a new position with the IMF, and as such would need to step down from his position as chair of the Committee;
- Expressed its gratitude to Mr. Kroese for his important contributions as Chair, including leading the work that culminated with the adoption of the SEEA EA by the UN Statistical Commission and increased uptake of the SEEA in the statistical and policy communities; and
- Was informed of the appointment of Greg Peterson, Assistant Chief Statistician of Statistics Canada and lead of Area A on Coordination and Communication, as the Interim Chair of the Committee.