

AREA B1 - SEEA CENTRAL FRAMEWORK

Progress report
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Questions for the UNCEEA:

- 1) Does the UNCEEA agree with the process of finalization of the paper EW MFA paper by ISTAT?
- 2) Does the UNCEEA agree with the proposed process for finalisation of research issues (see Section 3) and in particular for the paper on integrated presentation, which represents a major change to the standard.
- 3) Does the UNCEEA agree to reprioritise the research issues based on the new list of criteria and the consequences this has for the work plan (see Section 4) ?
- 4) Should the SEEA CF be revised in 5-6 years' time or not, and if yes, what steps should be undertaken to initiate this process (see Section 5) ?

1 INTRODUCTION

In 2012 the System of Environmental Economic Accounting Central Framework (SEEA CF) was adopted as an international standard by the United Nations Statistical Commission. Since 2012, work has started in various areas based on the issues identified during the drafting of the SEEA and other issues that have arose in subsequent years.

In order to move the SEEA CF research agenda forward, a revised complete list of issues has been developed, which also provides a deeper overview outline of those issues identified. In June 2016, the updated research agenda for the SEEA CF was discussed and approved by the UNCEEA. This resulted in an a new detailed timeline to solve the topics in the SEEA CF research agenda in 2017-2019.

This note describes the progress made on the SEEA CF research agenda from June 2017-June 2018, a process for finalising research topics and a new prioritisation for the research agenda. Finally the question is raised if some first plans for a future revision of the SEEA CF should be made.

2 PROGRESS MADE ON THE SEEA CF RESEARCH AGENDA DURING THE LAST YEAR (JUNE 2017-JUNE 2018)

The table below provides an overview of the current status of the SEEA CF research agenda.

	Topic lead	First issue paper	Discussed in LG/expert meeting	Discussed in SEEA CF TC	Accepted by UNCEEA	Comments
A: Conceptual issues						
1. Development of classifications --> 1a: environmental activities --> 1b: residuals	Eurostat ???	At LG meeting 2018				A1a together with A2
2. Definition of resource management and structure of	Eurostat	At LG meeting 2018				
3. Integrated framework for environmental activity accounts	Eurostat	At LG meeting 2016	X	X		
4. Losses	???					starts in 2019
5. Linkages and overlaps between SEEA CF and SEEA EEA	???					starts in 2019
6. Fossil fuel subsidies by industry as part of climate change related statistics	Statistics Sweden	At LG meeting 2018				
7. LULUCF and SEEA	FAO	At LG meeting 2017	X			
B: Implementation issues						
1. Implementation issues related to classifications						See A1
2. Approaches to the measurement of adapted goods	Eurostat					starts in 2019
3. Economy wide material flow accounts	Istat	At LG meeting 2017	X	X		
4. Input output techniques	OECD, Eurostat					starts in 2019
5. Global DSDs for data exchange for SDMX	Eurostat	At LG meeting 2017	X	X		
6. Recording of fishery related activities in the PSUTs and asset accounts	???	At LG meeting 2016	X			
7. Resource material equivalents	???	At LG meeting 2017	X			

Changes with respect to last year:

- Three outcome papers have been prepared and are ready for approval by UNCEEA: 1) integrated framework for environmental activity accounts (Eurostat), 2) Economy wide material flow accounts (ISTAT), and 3) Global DSDs for data exchange for SDMX (Eurostat).
- Two topics were dropped from the research agenda: 1) classification of land; and 2) development of consistent valuation techniques. As these topics are already closely linked to the SEEA EEA research agenda, the SEEA CF TC proposed to ask the SEEA EEA Technical Committee to include these two topics in its research agenda:
- Based on discussions during the London group meeting in Costa Rica and the SEEA CF TC two new topics were added to the research agenda: 1) air emissions from Land use, land-use change, and forestry (LULUCF) and 2) raw material equivalents (RME) in MFA. FAO is the lead agency for LULUCF and SEEA, for RME this is still unclear.

Work to be initiated in 2018:

- This year work will commence on a) the revision of the classification for environmental activities (CEA)/ definition of resource management, and b) fossil fuel subsidies. First

issue papers will be presented during the LG meeting in Dublin (first week of October 2018).

Topic leads

- For five research topics there are still no topic leads: classification of residuals, losses, the linkages and overlaps between SEEA CF and SEEA EEA, recording fishery related activities, and resource material equivalents.

Overall conclusion: of the 14 research issues 3 issues have been submitted to the UNCEEA for approval, for 3 issues work will start this year (2018), for 3 issues work will start next year (2019), for 5 issues it is not clear when work will start because there is no topic lead.

3 PROPOSED PROCESS FOR FINALISING SEEA CF RESEARCH TOPICS

This year the first topics of the SEEA CF research agenda can be finalised. Below the proposed steps in finalising these topics are described.

1. For each research topic a short (ca. 10 pages) issue paper will be written by the topic lead that a) explains the issue and b) proposes a solution / way forward. When the topic is very 'broad', more than one issue paper may be written which will be accompanied by one cover note summarising the main conclusions and proposals. It should be noted that although the issue papers will aim to consider the implications of proposed solutions to other parts of the SEEA, it may not be possible to identify all the implications or take them into account comprehensively without looking at the whole system.
2. In the preparation phase, the issue papers will be presented and discussed during a LG meeting and/or other expert group meetings depending on the nature of the issue under discussion. An electronic consultation may also be used if found appropriate. Based on these discussions and consultations the initial issue paper may be revised.
3. Once the topic lead considers that the paper is ready, it will be submitted to the SEEA CF Technical Committee for its final technical review. The SEEA TC will provide comments during a teleconference and/or in written form. The topic lead will adjust the issue paper based on these comments.
4. Next, the issue paper will be submitted to the UNCEEA Bureau who will put in on the agenda of the UNCEEA for approval. Issue papers may be circulated electronically to the UNCEEA in between in-person meetings after consultation with the Bureau.
5. After agreement by the UNCEEA, the paper may be sent out for global consultation. As a global consultation is a time consuming process, only research topics that propose significant changes to the SEEA CF will be considered for global consultation. Thus, issues that are dealing with clarification only or that deal with minor issues will not be sent out

for global consultation. The UNCEEA decides whether a paper is sent out for global consultation or not.

6. After approval by the UNCEEA/ global consultation the outcome papers is published as an outcome paper on the SEEA website as a clarification or amendment of the SEEA CF. For this purpose a webpage will be created on see.un.org similar as for the SNA news and notes (see <https://unstats.un.org/unsd/nationalaccount/snaneews.asp>). These outcome papers will serve as the basis for a revision of the SEEA Central Framework in due course.

4 PRIORITIZATION OF THE WORKPLAN

In 2016, the UNCEEA decided that the following criteria for prioritization should be applied for organising the work plan:

- (International) implementation priorities
- Critical for SDG's
- Work already underway

In order to further advance and bring more focus to the work, we propose to add the following two criteria:

- Critical for climate change statistics
- Agency is willing to lead the work (topic lead)

Applying these criteria to the list of research issues provides the following results.

	international implementation priority	relevant for SDGs	Relvant for climate change	Work underway	Topic lead	Priority
A: Conceptual issues						
1. Development of classifications						
--> 1a: environmental activities	X		X	X	X	high
--> 1b: residuals	X	X				medium
2. Definition of resource management and structure of the resource management expenditure accounts	X		X	X	X	high
3. Integrated framework for environmental activity	X		X	X	X	high
4. Losses						low
5. Linkages and overlaps between SEEA CF and SEEA EEA		X		X		medium
6. Fossil fuel subsidies by industry as part of climate		X	X	X	X	high
7. LULUCF and SEEA			X	X	X	high
B: Implementation issues						
1. Implementation issues related to classifications						
2. Approaches to the measurement of adapted goods	X			X	X	medium
3. Economy wide material flow accounts	X	X		X	X	high
4. Input output techniques			X		X	medium
5. Global DSDs for data exchange for SDMX	X	X	X	X	X	high
6. Recording of fishery related activities in the PSUTs and asset accounts						low
7. Resource material equivalents	X			X		medium

Next, the issues can be prioritised based on the number of scores with regard to these criteria: low priority (0-1), medium priority (2-3), or high priority (4-5). This is assuming that all criteria have the same weight. Also, the scoring of some criteria (for example international implementation priority) may be subject to discussion.

If we apply these criteria, the most important consequences for the work plan would be :

- 1) Issues A4 (losses) and B6 (fishery issues) have low priority and should (for the coming two (?) years) be removed from the list of research issues.
- 2) For issues A1 (residuals), A5 (linkages with SEEA EEA), B7 (resource material equivalents), which are all medium priority, either a lead topic needs to be identified or these issues also should be given a low priority and removed (for now) from the research agenda.

5 FUTURE REVISION OF THE SEEA CF

International statistical standards are revised on a regular basis based on new global developments, new user demands and new statistical insights. The SEEA CF must also be regularly reviewed to assess its ongoing relevance as the environment and the economy change, as understanding of the links between the environment and the economy develops, and as policy and analytical requirements evolve. In addition, as implementation of the SEEA CF advances across the world, the range of experience gained offers new insights that should be considered in the conceptualization of the environmental and economic accounts. Furthermore, new developments in the System of National Account (SNA) need to be considered as these may have implication on the SEEA which is fully consistent with the SEEA. The SEEA CF was adopted as an international standard by the United Nations Statistical Commission in 2012. A key question is thus when it would be opportune to start a revision process for the SEEA CF.

Since 2012 the global implementation of the SEEA CF has gained momentum. This has resulted in new user demands from different use communities (e.g. BIOFIN, TRACKFIN, climate change, SDGs), new conceptual and implementation issues and new statistical insights. Also advancement has been made on several interim classifications that are included in the SEEA CF (although here a lot still needs to be done). Furthermore, several other SEEA manuals and guidelines have been published or are about to be published, such as the SEEA energy, SEEA AFF, SEEA TSA etc. These manuals provide some new insights that also may have to be reflected in the SEEA CF.

The SEEA CF research agenda plays a key role for investigating and determining the appropriate changes to the SEEA CF. Once more of these issues are resolved it becomes more appropriate to include them in a revised SEEA CF. Some of the advances in the research agenda have implications throughout the system and cannot be implemented piecemeal (e.g. Integrated framework). One of the reasons progress on the research agenda is slow is that there is no clear target or deadline for the overall process. Setting a date for a revision may help to focus international efforts on advancing the research agenda.

Furthermore, in 2020 the revised SEEA EA will be published. The new SEEA EA will provide many new insights which also have an impact on the SEEA CF. To make sure that SEEA CF and SEEA EA are fully aligned a revision of the SEEA CF is needed. On the long term, it may also be considered to merge SEEA CF and SEEA EA (or part of the SEEA EA) into one document. Finally, the SNA will also be revised in the coming years (although its timetable is not yet clear). Further alignment between SEEA and the SNA revision process should also be taken into consideration.

Key questions for the UNCEEA thus are a) should the SEEA CF be revised in 5-6 years' time or not, and if yes b) what steps should be undertaken to initiate this process ?