

Natural Capital Accounting and Valuation of Ecosystem Services (NCAVES) – Progress of implementation

Introduction

The objective of this background document is to provide an update on the progress of implementation of the NCAVES project, with a focus on the status of development of methodological guidelines.

The project was extended for an additional 12 months to December 2021 due to the Covid-19 pandemic. We plan to finalize to the extent possible all technical reports related to: (1) piloting ecosystem accounts in physical and monetary terms in the 5 project countries; (2) scenario analysis; (3) the workstreams on indicators and business accounts; (4) the 3 guidance documents, by the end of December 2020. It is envisaged that the focus on the project activities in 2021 will be on giving some final touches to the documents and mainstreaming, communication and advocacy of the project results at the national (through national fora in case these are not possible to organize in 2020) and global level (e.g. side-event during CBD CoP 15).

Status of development of a set of methodological guidelines

Three methodological guidelines are being developed, namely:

- Guidelines for biophysical modelling for ecosystem accounting
- Guidelines on the valuation of ecosystem services and ecosystem assets
- Guidelines on the use of ecosystem accounts in policy scenario analysis, in the context of the SEEA-EEA

The guidelines for biophysical modelling for ecosystem accounting are specifically designed for statistical agencies interested in compiling ecosystem accounts. They provide an overview of biophysical modelling techniques and the main modelling platforms and tools available, as well as an overview of available global data sets. They also contain chapters on modelling terrestrial ecosystem extent, condition and ecosystem services. A tiered approach will allow users to build their models in accordance with their needs, data availability and technical expertise. An editorial board has been established, chaired by Conservation International. Selected chapters (e.g. on extent and condition) have been shared to the respective working groups supporting the SEEA EEA revision process for comments. A first full draft was discussed by the Editorial Board in the first half of 2020. A revised draft is currently under development and will be discussed by the SEEA EEA Technical Committee in the 2nd half of 2020. Hereafter, a draft white version will be made public for use and further user feedback.

It is planned to update the guidelines after the SEEA EEA is finalized and taking user feedback into account and release them as a UN publication. Hereto, a global consultation will be started in March 2021 (after UN Statistical Commission). A final version will then be prepared for adoption by UNCEEA in June 2021 and further submitted to the UN Statistical Commission in March 2022.

The guidelines on the valuation of ecosystem services and ecosystem assets are intended to provide practical guidance on the most common valuation methods. They will also discuss, for each ecosystem service, the methods best suited for valuation in an accounting context and provide practical examples to illustrate how to apply the valuation methods. The guidelines will also cover methods for the valuation of assets, including discount rates, estimating future values and price changes. A first draft of the document was circulated to a review group and discussed during a technical workshop held online in March 2020¹. They also served as input in the work of Working Group 5 of the SEEA-EEA revision process working on valuation. Collaboration is also taking place with the EU MAIA project, which will contribute a chapter to the guidelines on benefit transfer. It is expected that a revised draft will be ready in Q3 2020, for discussion by the SEEA EEA TC. A similar process for finalisation is envisaged as for the biophysical guidelines.

The guidelines on scenario analysis focus on describing what types of analyses are possible when using the revised SEEA Experimental Ecosystem Accounting and what types of policy questions can be answered when using the accounts in modelling exercises. The guidelines also provide an overview of the different types of models that are being used in scenario analysis. The intended audience of these guidelines goes beyond the statistical community and will include model developers and policymakers. An expert process was set up in April 2020, where a first draft has been circulated to a group of 15 experts to solicit feedback. Ongoing effort is currently undertaken by the Editor to update the draft, with a focus on developing examples of the use of ecosystem accounts in scenario analysis for policy making, drawing on country work undertaken as part of the project, as well as other examples. It is expected a revised draft will be ready in Q3 2020, for wider circulation. On the basis of the comments received and in consultation with the UNCEEA and considering the novelty of the topic, it will be decided whether the guidelines will be published as a technical report of the NCAVES or as a UN publication in support of the SEEA EEA after the submission of the SEEA EEA to the UN Statistical Commission.²

Short summary of implementation progress at the country level

Significant progress has been made in all 5 project countries with piloting the accounts. A number of accounts have been released to date, with a large number of reports expected to

¹ See: <https://seea.un.org/events/technical-meeting-valuation-and-accounting-revised-seea-eea>

² The publication would in case of a technical report still have the SEEA and UN and UNEP logo, but have the usual disclaimer, as the UN (and/or other agencies) would not be considered as the publisher.

be published over the coming months either as country publications (published by the NSO and/or other national entities) or as technical reports (released by the project).

Project countries have also actively contributed to the testing of the extent and condition account proposals put forward in the revision process. In all countries work is also progressing with regard to applying the accounts in scenario analysis. The final results are expected towards the end of 2020.

Work is also ongoing exploring the derivation of aggregates and indicators from the accounts that have been compiled by the countries. A webinar was held in June that also discussed the emerging post 2020 biodiversity strategy monitoring framework. In case of China, two meetings on aligning GEP (gross ecosystem product) with the SEEA EEA have taken place³ and convergence between the two approaches has emerged.⁴

A final project report will be written to summarize the results achieved for each participating NCAVES country. These reports will be available in English.

In all countries work is also ongoing in developing a forward-looking strategic document that will provide a roadmap for institutionalizing the accounts and for further work. These documents are planned to be further discussed at a stakeholder / outreach event together with the final project report, to contribute to further uptake and mainstreaming of NCA at the country level, building on the project outcomes.

³ The meeting reports and related documents are accessible at <https://seea.un.org/Expert%20Meeting%20on%20Aligning%20SEEA%20and%20GEP>

⁴ See paper recently published on GEP and making strong references to the SEEA EEA <https://www.pnas.org/content/early/2020/06/02/1911439117>