



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION
UNITED NATIONS



System of
Environmental
Economic
Accounting

Extraordinary Meeting of the UN Committee of Experts on Environmental-Economic Accounting

16 and 18 November 2020

Developing SEEA-Ocean

Developing a SEEA–Ocean

Proposal for consideration by the Extraordinary Meeting of the UN Committee of Experts on Environmental-Economic Accounting (UNCEEA), 16 and 18 November 2020

Summary

- There is an **acute demand for integrated accounting for the ocean** that arises from a growing interest of countries in development of: progress reporting for the ocean economy concerning growth, well-being and sustainability; and a common statistical infrastructure for ocean policy, regulation, spatial management, and reporting.
- Building on the experience of implementing **ocean accounting in several pilot projects**, and on the draft **Technical Guidance on Ocean Accounting for Sustainable Development**, the need to develop agreed concepts, definitions, classifications and methods for ocean accounts has emerged.
- This document puts forward a project proposal that builds on current progress to develop a SEEA Ocean, which will be an agreed methodological document in support of the SEEA Central Framework and the SEEA Ecosystem Accounting, for adoption at the 54th Session of the United Nations Statistical Commission (UNSC) in March 2023. This relatively short timeline would need to be revised depending on financial and human resources available to support the project.

Introduction

At its 49th session in March 2018 the UNSC “requested that oceans statistics be integrated in the work of the revision process of System for Environmental-Economic Accounting (SEEA) Experimental Ecosystem Accounting, and noted the interest of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the United Nations Environment Programme in taking the lead in this work”. At its 51st Session in March 2020, the UNSC commended work led by ESCAP and the Global Ocean Accounts Partnership (GOAP) to develop **Technical Guidance on Ocean Accounting for Sustainable Development**. The Commission acknowledged the progress made through country piloting in the Asia-Pacific region and recognized that the Technical Guidance provides a solid foundation for integrating ocean accounts into the revision process of the SEEA Experimental Ecosystem Accounting. In this context, the Commission also acknowledged the importance of developing compilation materials on ocean accounting to meet increasing country demands.¹

The deliberations of the High-Level for a Sustainable Ocean Economy (HLPO)² and similar international political and policy processes have clearly demonstrated the need for integrated information on oceans that is comparable across countries and produced on a regular basis as part of official statistics. The Technical Guidance on Ocean Accounting provides an important contribution to the development of practical guidance and illustrates current practices for compiling selected ocean accounts based on country experience in the Asia Pacific region and beyond. The need to build on this work to develop a formally agreed methodological document for ocean accounting with agreed definitions,

¹ <https://unstats.un.org/unsd/statcom/51st-session/documents/2020-37-FinalReport-E.pdf>

² Comprised of the serving Heads of Government of Australia, Canada, Chile, Fiji, Ghana, Indonesia, Jamaica, Japan, Kenya, Mexico, Namibia, Norway, Palau, and Portugal supported by the UN Secretary General’s Special Envoy for the Ocean: www.oceanpanel.org

classifications, methods and accounting tables was identified as a priority.

The present paper proposes an approach to develop SEEA Ocean, as the agreed methodology for ocean accounting. The proposal contains a(n) (1) background and rationale for SEEA Ocean, (2) outline governance framework and basis for a research agenda; and (3) questions for discussion for the UNCEEA.

The proposal has been prepared by ESCAP, the Statistics Division, UN Department of Economic and Social Affairs Statistics Division, [World Bank Blue Economy Program](#) (PROBLUE), and the [Global Ocean Accounts Partnership](#) (GOAP) Secretariat hosted by the University of New South Wales (UNSW), Australia. PROBLUE provided funding support for development of the proposal.

Background and rationale for SEEA Ocean

Background

The development of the *Technical Guidance on Ocean Accounting for Sustainable Development* was the result of extensive discussions on ocean accounting and testing throughout 2018 and 2019. It is worth noting the following initiatives:

- **UN Development Account project, *Strengthening Statistical Capacities to Achieve SDG14 in selected Member Countries*** implemented by ESCAP, which resulted in the testing of ocean accounting methodologies in China, Malaysia, Samoa, Thailand, and Vietnam, and in the organizations of regional workshops to build capacity and a global dialogue to discuss issues concerning the compilation and use of ocean accounts.
- **High-Level Panel for a Sustainable Ocean Economy**, comprised of 14 serving world leaders, whose deliberations are informed by a commissioned ‘Blue Paper’ and associated consultation process focusing on *National Accounting for the Ocean and Ocean Economy*.³
- **National and subnational ocean accounting pilot projects** including ‘Blue Economy Assessments’ in Africa and the Americas, supported by a range of governmental, inter-governmental and non-governmental institutions.

Rationale

There is an acute demand for integrated accounting for the ocean that arises from growing interest of countries in development of:

- **Reporting of progress of the ocean economy towards growth, well-being and sustainability** — underpinned by a comprehensive sequence of ocean accounts enabling countries to monitor three critical trends: (1) changes in ocean wealth, including produced assets (e.g. ports) and non-produced individual assets-(e.g. fish and other natural resources in the ocean) and ecosystem assets (e.g. mangroves, coral reefs); (2) ocean-related income for different groups of people—e.g. income from fisheries for local communities; (3) ocean-based economic production—e.g. GDP from ocean-related sectors; (4) expenditures and other economic instruments for the management and protection of ocean and their impacts on the condition of ocean ecosystems; (5) ecosystem services generated by the oceans.
- **A common statistical infrastructure for ocean policy and reporting** — Many ocean policy

³ <https://www.oceanpanel.org/blue-papers/national-accounting-ocean-and-ocean-economy>

shortcomings arise from isolated information—e.g. coastal development decisions that don't consider impacts on fisheries, or marine protection decisions that don't consider impacts on local livelihoods. Interest in ocean accounting arises from its potential to function as a common integrated statistical framework that informs diverse policy questions, related to: (1) Ocean development, e.g. GDP in the shipping sector and associated GHG emissions; value-added in fisheries exports and employment versus stock health; (2) Marine spatial planning and protection—e.g. changes in biodiversity or flows of ecosystem services like carbon storage or flood risk regulation; (3) International reporting, e.g. integrated progress reports for the SDGs, Paris Agreement, CBD, and other commitments, with reduced reliance on ad-hoc studies or consultants.

These demands are likely to drive the adoption of ad-hoc and fragmented approaches by different countries and organizations, unless a statistical framework is agreed on and common international guidance is developed for compilation and use of ocean accounts. The *Technical Guidance on Ocean Accounting for Sustainable Development* provides examples of current practices to compile ocean accounts and serves as an important input to the development of standard concepts, methods, definitions and classifications to be presented in the 'SEEA Ocean'. The SEEA Ocean will provide a degree of quality assurance that reinforces (1) the long-term legitimacy of policy-relevant indicators derived from ocean accounts, (2) comparability of ocean statistics and lessons learned across countries, and (3) integration of ocean data and statistics with economic and other environmental statistics

The SEEA Ocean will be an agreed statistical framework in support of the SEEA Central Framework and the SEEA Ecosystem Accounting. It will cover activities and expenditures related to ocean (e.g. construction of boats and ports, etc.), pressures on the ocean from economic activities (e.g. extraction of natural resources such as fish or mineral and energy resources; water emissions into the ocean, discharge of waste such as plastic, etc.); ocean related wealth including from produced assets and ecosystem assets; ecosystem services (e.g. fish, recreation, etc.); and the condition of the ocean. The SEEA Ocean would thus be an elaboration of both the SEEA Central Framework and the SEEA Experimental Ecosystem Accounting, involving further disaggregation of the existing classifications including but not limited to the Classification of Economic Activities, the Global Ecosystem Typology, and ecosystem services list.

Governance process and research agenda

Governance framework

The Technical Committees on the SEEA Central Framework and the SEEA Ecosystem Accounting, operating under the UNCEEA and its Bureau have the responsibility to ensure that the methodologies of the SEEA Central Framework and Ecosystem Accounting are applied in supporting methodological and thematic accounts that are being developed in support of the standard. In this context, considering that the scope of the SEEA Ocean spans both the SEEA Central Framework and the SEEA Ecosystem Accounting, it is proposed that a working group be established that would report progress to both Technical Committees as appropriate.

Taking into consideration the need to engage and build on the expertise from experts beyond the statistical community, in particular those in the ocean scientific community and geospatial community, it is proposed that a working group consisting of environmental accountants/statisticians and a variety of ocean-relevant experts be established with the task to develop a program of work and

provide technical guidance and support to the development of the SEEA Ocean. This working group will be assisted by technical drafting groups and other groups that will support advancing the agenda on ocean accounts. The technical drafting groups will be responsible to draft issue papers and propose solutions to advance the research agenda.

An editor for the SEEA Ocean would be appointed to bring the contributions from the various groups into a coherent draft and manage together with the Secretariat the process of development of the SEEA Ocean. Two co-chairs would be appointed one representing the statistical community and the other representing the ocean community. UNSD could provide the Secretariat of the Working work depending on resources.

In addition to developing methodology, it is proposed that the working group with the assistance of the technical drafting groups will develop guidance for testing and experimentation to ensure that the proposed methodologies can be applied in countries and providing input as well as providing input to the methodologies proposed. Additional supporting documents, such as practical guidelines on the implementation of ocean accounting as well as policy briefs would be co-developed in collaboration with relevant stakeholders to support countries' uptake.

Research agenda

The agenda proposed is based generally on the approach used to develop **SEEA Water**, an integrated approach to water monitoring, bringing together a wide range of water related statistics across sectors into one coherent information system. The SEEA Water is the conceptual framework and set of accounts which presents hydrological information alongside economic information in a consistent way⁴. Water accounts are one of many types of accounts covered by the SEEA Central Framework. Importantly for SEEA Ocean, SEEA Water is an internationally agreed methodological document for water accounts in support of the SEEA Central Framework. The two documents use the same accounting concepts, with SEEA Water elaborating on their application to water statistics, thus providing an additional resource to those compiling water accounts.⁴ Water is also an important component of ecosystem accounting. Water is a characteristic of ecosystem asset condition and represents an important ecosystem service (i.e. as a water provisioning service).⁴

The Technical Guidance on Ocean Accounting for Sustainable Development will provide the input for the development of an initial list of issues to be included in the research agenda for the SEEA Ocean. Such a list will be consolidated and grouped into broad topics and circulated for broad consultation among the environment statistics/accounting community as well as scientists and economists with expertise in ocean information and policies.

On the basis of the input received several technical groups will be formed and tasked with the responsibility for drafting issues papers that would identify the state of the art on the issue, and would suggest possible ways forward towards agreed definitions, concepts and methods.

Meetings, workshops and fora to review progress made and to engage the broader ocean community will take place regularly. In addition, the Forum of Experts on Ecosystem Accounting and the London Group could also serve as vehicles to inform, engage and obtain inputs from the statistical and ocean communities.

The **Global Ocean Accounts Partnership**, currently comprised of 18 member institutions, including 8 governments and co-chaired by ESCAP and Canada will play an important role in the development and

⁴ <https://seea.un.org/content/seea-water#:~:text=The%20System%20of%20Environmental%2DEconomic,into%20one%20coherent%20information%20system.>

implementation of SEEA Ocean as well as in the engagement with the policy community.

Proper financing to ensure the timely finalization of the SEEA Ocean should be sought.

Issues for decision or discussion

The Committee is invited to provide its view on:

- 1) The proposal for the development of SEEA Ocean as an agreed methodological document in support of the SEEA Central Framework and the SEEA Ecosystem Accounting;
- 2) The suggested governance framework for the SEEA Ocean development process;
- 3) Possible sources for financing the SEEA Ocean;
- 4) Express interest in participating in the development of the research agenda and addressing relevant issues.