



Economic and Social Council

Distr.: General
18 December 2012

Original: English

Statistical Commission

Forty-fourth session

26 February-1 March 2013

Item 3(d) of the provisional agenda*

Items for discussion and decision:
environmental-economic accounting

Report of the Committee of Experts on Environmental-Economic Accounting

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its forty-third session (see E/2012/24, chap. I.A), the Secretary-General has the honour to transmit the report of the Committee of Experts on Environmental-Economic Accounting. The report describes the progress of work of the Committee, with particular focus on the revision of the System of Environmental-Economic Accounting (SEEA). It presents the implementation strategy of the SEEA Central Framework and ongoing efforts to promote the Central Framework in international forums. It presents the SEEA Experimental Ecosystem Accounting and the SEEA Applications and Extensions for consideration. It submits a proposal for the finalization of SEEA for Energy along with the consultation document for its consideration. Points for discussion are provided in paragraph 34 of the report.

Report of the Committee of Experts on Environmental-Economic Accounting

I. Introduction

1. By its decision 43/105 (see E/2012/24, chap. I.B), the Statistical Commission:

(a) Expressed its appreciation for the work done by the Committee of Experts on Environmental-Economic Accounting and recognized the significant contribution of the Chair, the Bureau, the members of the editorial board and the editor, as well as the countries and agencies that had participated in the consultation process;

* E/CN.3/2013/1.



(b) Appreciated the transparent process for developing the System of Environmental-Economic Accounting (SEEA) Central Framework, and in particular the various rounds of global consultation on the outcome papers on the revision issues, the consolidated recommendations on the issues, the individual chapters and, finally, the complete draft of the SEEA Central Framework;

(c) Agreed to adopt the 2012 SEEA Central Framework as the initial version of the international standard for environmental-economic accounts, subject to further revision, acknowledging that further improvements on measurement were necessary on specific issues;

(d) Recognized that, like all international statistical standards, the SEEA Central Framework would undergo revisions taking into consideration lessons learned through implementation and methodological advances, and requested the Committee to establish an update process modelled on the one used for the System of National Accounts;

(e) Requested that the introduction of the SEEA Central Framework make detailed reference to a comprehensive research agenda and the process for updating the standard, and recognized that the SEEA implementation should be considered as a long-term programme, to be implemented flexibly and incrementally, giving full consideration to national circumstances and requirements;

(f) Urged the Committee of Experts to complete the supporting documents of the Central Framework, including revising the introduction as mentioned in subparagraph (e), adding the research agenda, tables populated with illustrative numbers, glossary, annexes and list of references;

(g) Urged the Committee to continue its work on the development of a detailed strategy for the global and regional implementation programme for SEEA, in particular a road map for countries to follow, and encouraged Member States and regional and international organizations to initiate compilation activities in accordance with the Central Framework;

(h) Recognized that the detailed implementation strategy for SEEA should reflect the need for regional and subregional coordination, given the different levels of statistical development, and emphasize an advocacy strategy to engage users, especially those in policy formulation and analysis;

(i) Requested international agencies and other donors to make resources available for technical assistance for the implementation of SEEA and the development of basic economic and environmental statistics in countries, in particular in developing countries;

(j) Took note of the programme of work of the Committee of Experts with regard to the work on the SEEA experimental ecosystem accounts and the SEEA extensions and applications, and requested the Committee to evaluate progress made at its next meeting in June 2012 and their relevance to official statistics with the objective of assessing whether the two documents could be submitted to the next Statistical Commission for further consideration;

(k) Requested the Committee to promote that SEEA be recognized as the statistical framework in the assessment of the relationship between the economy and the environment and to publicize this at major international events, in particular at the United Nations Conference on Sustainable Development, for this purpose;

(1) Took note of the programme of work on SEEA for Energy, and encouraged the Committee to undertake global consultation and consult with the relevant city groups to finalize the draft for adoption by the Statistical Commission in 2013.

2. The present report is organized as follows. Section II summarizes the strategy for implementation of SEEA. Section III presents progress in the publication of the SEEA Central Framework. Sections IV and V provide an update on the progress of work on the SEEA experimental ecosystem accounts and the SEEA Applications and Extensions. Section VI provides an update on the progress of work on the subsystem known as SEEA for Energy. Section VII presents the activities of the Committee in promoting SEEA. Section VIII presents the activities in the implementation of SEEA for Water and section IX presents points for discussion by the Commission. A summary of the activities of the various groups working within the mandate of the Committee has been circulated as a background document.

II. Implementation strategy of the System of Environmental-Economic Accounting Central Framework

3. As requested by the Statistical Commission at its forty-third session, the Committee developed a detailed strategy for the global and regional implementation of the SEEA Central Framework. A proposal for an implementation strategy was discussed at the seventh meeting of the Committee, in June 2012. As a result a task force was established to develop the implementation strategy.¹ The strategy was discussed by the London Group on Environmental Accounting in October 2012; by the Bureau of the Committee at several of its meetings; and at the international seminar entitled “Towards linking ecosystems and ecosystem services to economic and human activity”, held in New York from 27 to 29 November 2012. The proposed implementation strategy is available as a background document.

4. The objectives of the strategy for implementation of the SEEA Central Framework include:

(a) Assisting countries in the adoption of the SEEA Central Framework as the measurement framework for environmental-economic accounts and the strengthening of supporting statistics;

(b) Establishing incrementally the technical capacity for the compilation and regular reporting on a minimum set of environmental-economic accounts with the appropriate scope, detail and quality.

5. At the request of the Commission, the implementation strategy takes into account, as a point of departure, the different levels of development of environmental statistics and economic statistics in various countries and regions and reflects the need for regional and subregional coordination. A key element of the implementation strategy is to allow for a flexible and modular approach so that

¹ Members of the task force on the implementation of the SEEA Central Framework included Geert Bruinooge (Statistics Netherlands, chair), Andrei Tatarinov (Russian Federation Federal States Statistics Services), Joe de Beer (Statistics South Africa), Inger Eklund (Statistics Sweden), Myriam Linster (Organization for Economic Cooperation and Development (OECD)) and Glenn Marie Lange (World Bank).

countries can prioritize the accounts they want to implement over the short to medium term depending on their circumstances and policy demands. While there is no need for countries to implement all accounts simultaneously, it is important to create the necessary conditions for compiling a minimum set of environmental-economic accounts.

6. The flexible and modular approach for SEEA implementation is operationalized in four phases. The focus of the first phase is the establishment of appropriate national institutional arrangements based on agreed policy priorities that determine the scope and detail of the accounts and tables and will drive and support the implementation strategy. Identifying whether there is commitment and potential to sustain the programme over time is an important aim of the first phase. The second phase consists of self-assessment, for which a diagnostic tool will be designed to identify which accounts can be implemented and what basic data sources are needed for that purpose. The third phase involves data quality assessment of the basic data needed for the compilation of the accounts. The fourth phase consists of drafting the strategic development plan for environmental accounting, which contains a prioritization of types of accounts and improvement activities related to the source data.

7. Once priorities have been set, the strategy proposes that countries use an agreed core set of tables and accounts from which indicators may be derived to guide their implementation. These tables and accounts will be developed and submitted for discussion at the next meeting of the Committee, in June 2013, and may in the future also serve as a reference point for regular reporting on a minimum set of environmental-economic accounts.

8. The most important issues of the SEEA implementation process are political motivation and the development of data sources and the related institutional environment. To this end, the activities of the Committee of Experts focus on helping countries to facilitate and stimulate the implementation process by promoting the application of the accounts and derived statistics, training and technical cooperation, development of training material and manuals, cooperation with the research community and advocacy.

9. The background document containing the detailed implementation strategy elaborates on other aspects of the strategy such as the mechanism for coordination, monitoring progress and the strategy for funding arrangements. To facilitate and stimulate the implementation of the Central Framework, the Committee proposes to establish a partnership group consisting of the partners active in this field. The partnership group will further assist in promoting practical instruments of implementation across the regions such as handbooks, compilation guides, textbooks, advocacy and training modules, software tools for the various components of the statistical production process and the use of Statistical Data and Metadata Exchange as a common data transmission system. A trust fund for the implementation will be created. The Committee will act as the overall global coordinating body. The governance and modalities of work of the partnership will be discussed by the Committee in close consultation with relevant international agencies, regional commissions and supra-national organizations.

III. Publication of the System of Environmental-Economic Accounting Central Framework

10. The SEEA Central Framework was finalized taking into consideration the guidance provided by the Commission at its forty-third session. The document was completed by adding a research agenda, a glossary, a list of references and annexes. Moreover, the tables were populated with illustrative numbers. A “white cover” pre-edited version was distributed in print and electronically in May 2012.

11. The Central Framework will be officially published in 2013. The “white cover” pre-edited version has been edited by the Editorial Control Section of the Secretariat of the United Nations (November 2012) and will be reviewed by the Copy Preparation and Proofreading Section. A joint copyright agreement between the United Nations, the European Commission, the Food and Agriculture Organization of the United Nations, the International Monetary Fund, the Organization for Economic Cooperation and Development and the World Bank is to be drafted by the Office of Legal Affairs of the Secretariat and agreed to by copyright holders.

12. The SEEA Central Framework included the research agenda covering outstanding issues. The Committee of Experts will identify the appropriate mechanism to resolve those issues.

IV. System of Environmental-Economic Accounting: Experimental Ecosystem Accounting

13. The SEEA Experimental Ecosystem Accounting has been prepared under the auspices of the Committee and drafted by the SEEA Editor with the assistance of an editorial board consisting of technical experts from the statistical, scientific and economic communities.² An expo sure draft was prepared in October 2012 and the London Group on Environmental Accounting has been consulted as well as experts on ecosystem services and valuation. In particular, the Experimental Ecosystem Accounting was discussed at the following events:

- The third Expert Meeting on Ecosystem Accounts, held in Melbourne, Australia, from 16 to 18 May 2012
- The seventh meeting of the Committee of Experts on Environmental-Economic Accounting, held in Rio de Janeiro, Brazil, from 11 to 13 June 2012
- The eighteenth meeting of the London Group on Environmental Accounting, held in Ottawa from 2 to 4 October 2012

² Members of the editorial board included the following experts: Carl Obst (SEEA Editor, Chair), Michael Vardon (Australian Bureau of Statistics), Warwick McDonald (Bureau of Meteorology, Australia), Michael Bordt (previously with Statistics Canada), Bram Edens (Central Bureau of Statistics, Netherlands), Per Arild Garnasjordet (Statistics Norway), Lars Hein (Wageningen University, Netherlands), Jawed Khan (Office of National Statistics, United Kingdom of Great Britain and Northern Ireland), Jock Martin and Jean-Louis Weber (European Environment Agency), Anton Steurer (Eurostat), Glenn Marie Lange (World Bank). The secretariat of the editorial board was provided by the United Nations Statistics Division.

- The international seminar entitled “Towards linking ecosystems and ecosystem services to economic and human activity”, held in New York from 27 to 29 November 2012.

14. The SEEA Experimental Ecosystem Accounting, a companion document to the Central Framework, has been drafted as part of the project on the revision of SEEA. It does not seek status as a statistical standard; rather, it provides a synthesis of the current state of knowledge on ecosystem accounting. It reflects the view that ecosystem accounting is a new and emerging field of measurement, hence the work is considered experimental. Nonetheless, the Experimental Ecosystem Accounting builds on well-established disciplines including ecosystem science, economics and official statistics, especially national and environmental-economic accounting. It is intended to provide a conceptual framework for a multidisciplinary research programme for those countries that wish to experiment with the compilation of ecosystem accounts.

15. A draft of the Experimental Ecosystem Accounting was circulated for broad consultation in November 2012 with the objective of obtaining final review of the scope, content and balance of the material and collecting technical comments. Considering the multidisciplinary nature of the material, the institutions engaged in the review of the consultation draft were encouraged to discuss the material with relevant agencies in their country responsible for environmental and economic policies and geo-spatial information, research agencies and academic institutions. The draft document was also directly circulated to selected experts in the scientific and economics communities as well as members of the London Group on Environmental Accounting and participants in the events mentioned in paragraph 13 above. The Editor and the editorial board will analyse the comments received and prepare a new draft for submission to the Statistical Commission as a background document for consideration.

16. An international seminar entitled “Towards linking ecosystems and ecosystem services to economic and human activity” was held in New York from 27 to 29 November 2012. The seminar was jointly organized by the United Nations Statistics Division, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the World Bank and the European Environmental Agency. The objective of the seminar was to have an informed discussion of the SEEA Experimental Ecosystem Accounting and to establish a dialogue and long-term partnership among the different communities. The seminar was important to advance concepts, methods and experimentation in view of the growing demand for information on ecosystem management and ecosystem capital. Over 60 participants from national statistical offices, government agencies (e.g. ministries of environment, finance, etc.) and experts from the scientific and economics communities attended the seminar.

17. Participants in the seminar recognized that the Experimental Ecosystem Accounting is a major step forward in the development of a conceptual framework for measuring ecosystems in support of policy formulation, while acknowledging that the work is still experimental in nature and that a number of issues on data and methods remain to be resolved and further developed. It was recommended that an international research and testing agenda be developed to give guidance to countries ready to undertake experimental work the area. This should be done by engaging multidisciplinary teams of statisticians, national accountants, economists, scientists

and ecology and environmental policy experts. The role of the Committee of Experts on Environmental-Economic Accounting as the central governing body responsible for managing work on ecosystem accounting at the international level through the advance of the SEEA Experimental Ecosystem Accounting was reaffirmed. It was proposed that a standing expert group on ecosystem accounting be established under the auspices of the Committee to advise on technical issues related to future development and testing of the Experimental Ecosystem Accounting. The scope of the research and testing agenda should be related to the relationship between the environment and economic and other human activity.

18. The expert group, to consist of experts from scientific, economic, policy and statistical communities, will complement the work of the London Group on Environmental Accounting, which will be kept abreast of developments.

19. A summary of the proposed research and testing agenda will be presented as a background document. A proposed programme of work, to be elaborated in consultation with the expert group taking into account early initiatives in countries and international initiatives, will be submitted for consideration by the Committee of Experts at its next meeting in June 2013 and reported to the Statistical Commission at its forty-fifth session in February 2014.

V. Applications and Extensions

20. A subgroup of the Committee continued the work to prepare the SEEA Applications and Extensions to present various approaches that could be adopted to meet individual countries' requirements, depending on their policy needs, and identify ways in which SEEA can be used to inform policy analysis. The document has been prepared under the auspices of the Committee of Experts and drafted by the SEEA Editor with the assistance of an editorial board consisting of technical experts from the statistical community.³ Progress in the development of the SEEA Applications and Extensions was discussed at the seventh meeting of the Committee in June 2012.

21. A draft of SEEA Applications and Extensions was circulated for broad consultation with the objective of obtaining a final review of the scope, content and balance of the material and collecting technical comments. Considering the applied nature of the material, the institutions engaged in the review of the consultation draft were encouraged to discuss the material with relevant agencies in their country, including research agencies, and academic institutions. A presentation on the current status of the draft was also made to the London Group on Environmental Accounting at its seventeenth meeting, in October 2012. The Editor and the editorial board will analyse the comments received and prepare a new draft to be submitted to the Statistical Commission as a background document for consideration.

³ Members of the Editorial Board included the following experts: Peter van de Ven (OECD, Chair), Carl Obst (SEEA Editor), Michael Vardon (Australian Bureau of Statistics), Dennis Fixler (Bureau of Economic Analysis, United States of America), Sjøred Schenau (Central Bureau of Statistics, Netherlands), Rocky Harris (Department for Environment, Food and Rural Affairs, United Kingdom), Brian Newson (Eurostat) and Myriam Linster (OECD). The secretariat of the editorial board was provided by the United Nations Statistics Division.

VI. System of Environmental-Economic Accounting for Energy

22. In finalizing the System of Environmental-Economic Accounting for Energy (SEEA-Energy), the United Nations Statistics Division continued to work in close cooperation with the expert group on energy accounts, the London Group on Environmental Accounting, the Oslo Group on Energy Statistics and the Eurostat Task Force on Energy Accounts.

23. Since the forty-third session of the Commission, the draft of SEEA-Energy was updated on the basis of the suggestions of the expert group meeting on energy accounts held from 5 to 7 October 2011 in New York. Updated drafts were circulated for comment and review among a subgroup of the expert group on energy accounts in February 2012 and August 2012. The draft was also presented to the London Group on Environmental Accounting for consultation during its seventeenth meeting in October 2012. In the process, the outstanding issues identified by the expert group and members of the London Group were resolved; the text and tables were streamlined to achieve better internal consistency; and full consistency with the SEEA Central Framework was ensured. In the final draft, improved descriptions of the relationship between SEEA-Energy, the SEEA Central Framework and the System of National Accounts were incorporated. Further clarification on the valuation of mineral and energy resources was added. More elaborate discussion of the treatment of energy from renewable resources and a more comprehensive presentation on emissions were included.

24. Following a consultation with the expert group on energy accounts, a global consultation on the full draft of SEEA-Energy, consisting of seven chapters and annexes, will be launched. The consultation will involve national statistical offices, and regional and international organizations to ensure relevance, applicability and feasibility of implementation for SEEA-Energy. The comments received during the consultation will then be incorporated in the final draft during the first quarter of 2013 and submitted to the expert group for final review before submission to the Committee of Experts on Environmental-Economic Accounting. Upon recommendation by the Committee, the Bureau of the Committee will submit the final SEEA-Energy to the Bureau of the Statistical Commission for adoption.

VII. Promotion of the System of Environmental-Economic Accounting

A. Side events at the United Nations Conference on Sustainable Development

25. During the United Nations Conference on Sustainable Development, the Committee of Experts on Environmental-Economic Accounting joined with the United Nations Statistics Division on organizing two side events to promote SEEA as the statistical framework for assessing the environment and its relationship with the economy.

26. The first event, entitled “Implementing the SEEA in countries: lessons learned”, was held on 14 June 2012 as a sustainable development learning event and was co-sponsored by Australia, Brazil, Italy, the Netherlands and South Africa. At this event, representatives from statistical offices shared their experience on the

implementation of SEEA, elaborating on the institutional arrangements put in place, mapping and assessing existing information available at the various institutions, promoting the accounts and, more generally, explaining what has worked and what has not worked in their national practice. Participants also discussed how to manage the high policy demand in countries for ecosystem accounts and implementation at the subnational level. After introductory remarks by the Chair of the Committee of Experts, panellists from Brazil, Canada, Colombia, Italy, the Netherlands and the Russian Federation engaged in interactive discussion with participants.

27. The second event, entitled “SEEA: the monitoring framework for green economy and sustainable development”, was held on 14 June 2012 and co-sponsored by Australia and Brazil. The main purpose of the event was to raise awareness about SEEA as a multipurpose system that organizes and integrates environmental, economic and socio-demographic statistics to address policy questions, particularly those related to the green economy and sustainable development. Panellists from a number of organizations that have included SEEA as part of their programme on the green economy and sustainable development presented their experience on how they use SEEA concepts and accounts to answer policy questions on those issues. Participants followed with great interest the presentations on the Beyond GDP initiative of Eurostat, the World Bank’s Wealth Accounting and the Valuation of Ecosystem Services partnership, the Poverty-Environment initiative of UNDP, the UNEP Green Economy programme and the OECD Green Growth programme and the progress made by the European Environment Agency on water accounts and their usefulness in support to the implementation of the Water Framework Directive of the European Union.

B. Briefing note on the System of Environmental-Economic Accounting Central Framework

28. A briefing note on SEEA was prepared for broad dissemination during the United Nations Conference on Sustainable Development, with the intention of promoting the new standard as the measurement framework in support of sustainable development and green economy policy. The briefing note explains the importance and benefits of organizing the environmental information in an accounting system linked to the economic accounts. It also provides examples of how SEEA informs various policy frameworks related to sustainable development and serves a variety of monitoring purposes. It includes examples from Australia, China, the Philippines, the Netherlands, South Africa and the European Union. It describes the subsystems of SEEA, namely the System of Environmental-Economic Accounting for Water (SEEA-Water) and SEEA-Energy, providing examples of the kinds of questions that can be answered by using these accounting tools.

C. Briefing note on the Experimental Ecosystem Accounting

29. A briefing note on the SEEA Experimental Ecosystem Accounting was prepared for the international seminar held in New York in November 2012 (see para. 16 above). The briefing note gives an overview of ecosystem accounting and its key concepts. Examples of current projects on ecosystem accounting in Australia, Canada, Europe and the United Kingdom are included in the note. Also included are case studies on biodiversity and ecosystem modelling that rely on data collected in a manner consistent with the SEEA Experimental Ecosystem Accounting.

VIII. Implementation of the System of Environmental-Economic Accounting for Water

30. The strategy for the implementation of SEEA-Water was presented to the Statistical Commission at its thirty-ninth session, in 2008. The strategy aims at integrating SEEA-Water into the national policy framework of integrated water resources management within national statistical systems. It puts great emphasis on linking the implementation of water accounts to users' demand as well as more broadly into national economic policies. The Statistics Division is working in close collaboration with countries and international agencies in developing synergies and supporting statistical initiatives to improve water statistics programmes.

31. The implementation strategy has focused on the development and strengthening of the processes for the collection and compilation of basic data, integration of data in the SEEA-Water framework for analysis and interpretation and the derivation of policy relevant indicators. Considerable efforts have been made to understand the data development processes in countries, definitions, classifications, as well as data availability and quality. Furthermore, developing partnerships with the various data producers and users has been critical for the success of the sustainability of the implementation.

32. As part of the implementation strategy, several workshops have been organized in countries in partnership with the United Nations regional commissions and other organizations. In 2012, three workshops were organized with participants from the national statistics offices and the ministries or agencies in charge of water. The first one was organized in Beirut in partnership with the Economic and Social Commission for Western Asia and the European Environment Agency (EEA) for four countries in the region.⁴ The second workshop was organized in Rabat, Morocco, in partnership with the Economic Commission for Africa (ECA) and EEA for five African countries.⁵ A third workshop was organized in Lima in partnership with the Economic Commission for Latin America and the Caribbean for five countries in the region.⁶

33. Considering the high demand for supporting materials on the implementation of water accounts and statistics, the Statistics Division is developing compilation guidelines. The guidelines should provide experts from national statistical offices and water ministries or agencies as well as other stakeholders in countries with a tool to assist them in the collection and compilation of water statistics, their integration into the accounting framework and derivation of indicators as part of the development of a monitoring system for water policies. In 2012 an editorial board was established to assist in preparing the guidelines. Preliminary drafts of some chapters have been produced and the complete draft of the guidelines is expected to be ready for broad consultation in the fourth quarter of 2013.

⁴ Countries participating in the workshop included Egypt, Jordan, Lebanon and Palestine.

⁵ Countries participating in the workshop included Algeria, Mauritania, Mauritius, Morocco and Tunisia.

⁶ Countries participating in the workshop included Chile, Colombia, Costa Rica, Ecuador and Peru.

IX. Points for discussion

34. **The Commission is invited to:**

- (a) **Express its views on the progress of work of the Committee;**
 - (b) **Endorse the implementation strategy for the SEEA Central Framework;**
 - (c) **Consider the SEEA Experimental Ecosystem Accounting as the synthesis of current knowledge regarding ecosystem accounting;**
 - (d) **Express its views on the research agenda on ecosystem accounting;**
 - (e) **Consider the SEEA Applications and Extensions;**
 - (f) **Consider the process of finalization of SEEA-Energy.**
-