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The process of drafting SEEA Energy

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<u>Committee of Experts on Environmental-Economic Accounting</u>

## <u>Process of drafting the System of Environmental-Economic Accounting for Energy</u> (SEEA-Energy)

## A. Introduction

- 1. The System of Environmental-Economic Accounting for Energy (SEEA-Energy) is a subsystem of the SEEA Central Framework. It complements the SEEA Central Framework by elaborating and detailing the conceptual presentation for organizing information related to energy and its role in the economy. At the same time SEEA-Energy aims to be a low-cost extension of energy statistics and balances as described by the International Recommendations for Energy Statistics (IRES) by including the information collected on the basis of IRES into a framework coherent with the national accounts. SEEA-Energy and IRES are therefore two complementary and coordinated documents.
- 2. The drafting of the SEEA-Energy has been undertaken under the management and control of the United Nations Committee of Experts on Environmental Economic Accounting (UNCEEA). It started in June 2008 when the UNCEEA at its third meeting approved the scope and coverage of the SEEA-Energy. The draft chapters of the SEEA-Energy were developed in accordance with the content and outline as approved by the UNCEEA and reviewed by the expert group on energy accounts. Progress of work in drafting the SEEA-Energy was reported annually to UNCEEA at its 4<sup>th</sup> through7th meetings. The expert group on energy accounts reviewed the draft in October 2011. At its 7<sup>th</sup> meeting in June 2012, the UNCEEA expressed strong support for holding a global consultation on the draft chapters of SEEA-Energy. It stressed that SEEA-Energy needs to be fully aligned with the SEEA Central Framework and be consistent to the extent possible with IRES.
- 3. The drafting of the SEEA-Energy proceeded in close coordination with the drafting of the SEEA Central Framework. The issues discussed during the revision of the SEEA Central Framework were actually addressed as part of the drafting of the SEEA-Energy and the early drafts of the SEEA-Energy provided textual inputs to the SEEA Central Framework. Because of the need to ensure full consistency between the SEEA Central Framework and the SEEA Energy text, it was decided that the completion of the SEEA-Energy should wait until after the adoption of the SEEA Central Framework in 2012. Furthermore, resource constraints at UNSD further delayed the finalization of the document.

## B. Drafting of the SEEA-Energy

- 4. In 2008 UNSD initiated the drafting of the chapters of the SEEA-Energy, including addressing issues related to energy in the issue list for the SEEA revision.
- 5. The expert group on energy accounts, consisting of experts on energy statistics and environmental-economic accounts from countries and international agencies met to discuss the draft chapters of the SEEA-Energy on 5-7 October 2011 at the United Nations Headquarters in New York. The expert group agreed on a number of outstanding issues and proposals including (a) the reordering of the chapters to consider physical and monetary flows first, then physical and monetary assets; and (b) the presentation of tables in a form familiar to both energy statisticians

and accountants. The last recommendation implied that more tables needed to be included in the SEEA-Energy as opposed to the SEEA Central Framework to elaborate on the step-by-step compilation of the accounts from basic statistics as well as from energy balances. Furthermore, the Expert Group stressed the importance that SEEA-Energy be fully aligned in concepts with the SEEA Central Framework and coherent with IRES.

- 6. The participation of the expert group in the drafting of SEEA Energy continued in 2012 through multiple rounds of consultation. Revised drafts were sent for comment and review to the expert group in February, September and December. During each round of consultation, the draft was revised to reflect the comments of the expert group. In particular the text was updated to be fully consistent with the SEEA Central Framework and coherent with IRES, including updated tables and terminology. The discussion of treatment of energy from renewable sources was revised as was the discussion on valuation of mineral and energy resources. The draft was also updated to include other editorial changes and clarifications as discussed by the expert group on energy accounts.
- 7. At the beginning of 2013, the expert group on energy accounts recommended to circulate the SEEA-Energy for global consultation and upon recommendation of the Bureau of the UNCEEA, UNSD launched the consultation on 15 January 2013 through 19 February 2013. Forty eight countries and international agencies provided comments. The comments received were largely editorial. A number of substantive issues were also raised including issues related to own use of energy, the scope of energy assets accounts, and losses and residuals. UNSD prepared a summary of the outcome of the global consultation which was circulated to the Expert Group on Energy Accounts. The Expert Group on Energy Accounts reviewed the draft of SEEA-Energy in 2014 and completed the draft in late 2015.
- 8. The Statistical Commission agreed with the finalization process for SEEA for Energy at its forty-fifth session in 2014. In particular it was agreed that upon recommendation by the UNCEEA, the Bureau of the UNCEEA will submit the final SEEA-Energy to the Bureau of the Statistical Commission for adoption. Upon final review, the UNCEEA is submitting SEEA-Energy to the full Statistical Commission for adoption as an international statistical standard.
- 9. SEEA-Energy and this note describing the process of its finalization are presented as background documents.