



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION  
UNITED NATIONS

SEEA Revision

SEEA Experimental  
Ecosystem Accounting

Comment form

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## Comment form for the Consultation Draft

**Deadline for responses: 15 January, 2013**  
**Send responses to: [seea@un.org](mailto:seea@un.org)**

Your name:	Brian Newson
Your country/organization:	Eurostat
Contact (e.g. email address):	<a href="mailto:Brian.Newson@ec.europa.eu">Brian.Newson@ec.europa.eu</a>

To submit responses please save this document and send it as an attachment to the following e-mail address: [seea@un.org](mailto:seea@un.org).

The comment form has been designed to facilitate the analysis of comments.

In Part I general comments on the structure and content of the draft document are sought. In Part II any other comments, particularly those of a technical nature should be included.

### Relevant documents

Before submitting responses you are encouraged to read

*Cover Note to the Consultation Draft*

*SEEA Experimental Ecosystem Accounting – Consultation Draft*

### Part I: General comments

In the box below please supply any comments on the structure of the document, the balance of material and the coverage of the draft including any thoughts on missing content.

Comments on the style, tone, and readability of the text are also welcome.

**Please reference paragraphs numbers or section numbers as appropriate.**

Overall, the text has improved greatly compared to previous versions and has made good progress in attempting to set out what might be the important elements of future ecosystem accounts. The key issues that came up in the technical discussions are correctly and fairly reflected. Congratulations to the editor!

The text as it now stands is probably close to what can possibly be achieved based on today's knowledge. However the text remains rather imprecise on several critical aspects (terminology chosen, definitions, units, accounting tables in physical units,

monetary valuation...). Testing and experimentation will be necessary before these key issues can be further clarified.

Eurostat welcomes that the text now makes it clear that the SEEA Experimental Ecosystem Accounting is work in progress and its key purpose is to offer as much guidance as possible for experimentation and testing. This is well described in the Cover Note which could almost become the Foreword to the book.

Eurostat also welcomes that the text now clearly sets out issues of organisation of the work and the role of different national institutions in the implementation (cooperation of statistical offices, environment agencies, research institutes etc.). Perhaps we should also address the issue of resource needs for implementation. Para 1.27 and 1.28 address data and organisational issues. The text should make it clearer that a lot of data may be available though dispersed and needs to be organised properly. However there are large areas of other data which are totally missing. The text should make clear that ecosystem accounting requires significant resources in terms of new data, funding and staff.

On monetary valuation the text is wisely quite cautious about the possibilities and problems. Eurostat would like that to be made even clearer to avoid raising unrealistic expectations. When large-scale monetary valuation cannot be made with reasonable reliability, parts of chapter 6 become irrelevant. The starting point should be to get good physical data which is scientifically and statistically sound. This point should be made clear also in chapters 3 and 4.

Much of the value of ecosystem services is not directly priced on markets in our day-to-day economic transactions. Attempts to use surrogate methods for this have proved very unreliable. Such modelling exercises are unlikely to be part of official statistics in the near future. Conversely, it could be made clear that part of the value of ecosystem services is already embedded in the values of flows and stocks recorded in the SNA. The present text is cautious about the possibilities of estimating values for ecosystem services flows and ecosystem assets in a way that is coherent with the SNA. But the text is much less explicit about the huge additional challenge involved in assessing the shares of these estimated values that are already included in the SNA. The text should make clear that these embedded values would need to be identified and re-classified before integration with the national accounts could be attempted. For example, a (possibly considerable) part of provisioning, cultural and regulating ecosystem services is embedded in e.g. land prices and real estate prices and in the flows of rents and of dwelling services.

In conclusion, the SEEA Experimental Ecosystem Accounting is a reasonable first step, but further work and practical testing by a few volunteer countries will be needed before broader implementation could be recommended.

For Eurostat, the critical issues for further improving the present text are

- a) to manage expectations properly. In particular to make sure that the text avoids creating unrealistic expectations of policy makers that statistical offices (or other institutions) could create large scale physical accounts and unrealistic expectations regarding the possibilities and usefulness of monetary valuation. The resources required to establish and maintain physical accounts are very large. Monetary valuation would require addressing substantial challenges.
- b) to make the current text as helpful as possible for its key purpose of guiding testing and experimentation. Several of our subsequent comments are intended to enhance the

text towards being as helpful as possible to those being able to experiment in this area.

## **Part II: Other comments**

In the box below please supply any additional comments including those of a more technical nature.

**Please reference your responses with the relevant paragraph number or section number.**

### **Specific comments**

1. Further clarify purpose and role of the SEEA Experimental Ecosystem Accounting in Chapter 1.

The draft makes it quite clear that further experimentation and testing is required. The following could be made clearer:

- The present situation as regards experience world-wide (which is very limited with some first promising experiments in a few advanced countries). A possible place is section 1.1.
- The actual purpose of the text itself. We suggest to
  - o actually recommend to readers to embark on experiments using the relevant part of the SEEA text as orientation to the extent possible. A possible place is around para 1.11 or section 1.8 (note para 1.11 should refer to section 1.8).
  - o recommend to the readers that reports about such experiments should where possible contain also a critique of the SEEA text to help build the basis for its improvement. A possible place is again around para 1.11 or section 1.8.
- The research agenda is not yet available – it will be an important place to further clarify the purpose of the text.
- Some allusion to the future of the text, i.e. that the testing would help build a basis for a review in a few years.

2. The priced and the unpriced

The draft chapter 5 on valuation methods is now quite well written. There is a problem however with the other chapters in that they have a very relaxed attitude towards what is captured in the SNA and what is not. For example, paras 1.3, 1.46, 5.10 and 6.15 seem to imply that ecosystem services are usually unpriced. Conversely, paras 5.51, 5.54-5.55 and 5.57-5.59 recognise that parts of the ecosystem service values are already captured within the SNA (embedded in other values).

Paras 3.70 and 3.71 (and also 5.57-5.59) seem to suggest that recreational and amenity services are partly captured within the SNA but only when the tourism industry is involved. Here, a reference should be added to the probably more important housing

industry where prices of buildings and (imputed as well as actual) rental payments will contain values of ecosystem services.

It should be made clear not just in chapter 5 but throughout the text that the SNA incorporates values of ecosystems and ecosystem flows in a number of places but generally not in a visible way. Teasing out those values already captured is a major challenge but would be a necessary step towards building useful ecosystem accounts. Places to make this clear could be the paragraphs cited above and in particular the section 6.4.1 (e.g para 6.44).

We feel strongly that para 6.45 which advocates that estimates of low and dubious quality can be useful is not in line with principles of official statistics. This should be clarified in the para..

We also agree with comments by others to the effect that the term 'satellite account' should be used in section 6.4 i.e. it should be made clear that any such experimental adjustments would be satellite accounts.

### 3. Definitions of ecosystems and ecosystem assets

The links between paragraphs 1.40 and 2.1 which define ecosystems, and paras 2.7 and 2.28 which define ecosystem assets could be made clearer. The definitions in paras 1.40 and 2.1 should be fully aligned.

### 4. Statistical units

We accept that in some instances the EAU can be an observation unit and that for both LCEU and EAU data may be compiled. But as often the reporting as well as observation units will be the BSU or some intermediate level between BSU and LCEU/EAU we consider that the use of the term 'unit' for the LCEU and EAU seems to cause too much confusion. We suggest calling the LCEU and EAU not units but simply 'areas', i.e. LCEA and EAA.

### 5. Relation between ecosystem extent and condition and biodiversity

The link between ecosystem assets and biodiversity is not very clear. We support suggestions made by others that this should be clarified.