

Statistical Commission

Forty-first session

23-26 February 2010

Item 3 (h) of the provisional agenda

Items for discussion and decision: environmental accounting

Background document

Available in English only

**Project Management Framework
Revision of the SEEA**

Prepared by the Bureau of the United Nations Committee of Experts on
Environmental-Economic Accounting

Project Management Framework Revision of the SEEA

A. Introduction

1. The United Nations Statistical Commission at its thirty-eighth session in February 2007 requested the UNCEEA to develop and submit a project management framework (PMF) for the revision of the SEEA¹. In response to this request, the UNCEEA discussed in several occasions² the PMF. This paper is an update of the previous versions of the PMF and reflects the updated mandate and governance of the UNCEEA. It also outlines the current situation on the management of the project as well as the role and responsibilities of the various groups involved in the revision process. It details the elements and phases of the revision process of the SEEA in order to ensure smooth and transparent process that has a broad support in the international statistical community and beyond.

2. The paper is organized as follows: Section B of this paper discusses the guiding principles for the SEEA revision and criteria for inclusion of issues in the issue list. Section C discusses the governance arrangements for the Project and in particular the roles and responsibilities of the Bureau, the Editor and the Editorial Board. Section D discusses the decision-making process and coordination among the different groups involved. Section E outlines the work programme, including deliverables, timetable and finance.

B. Issues for review

3. The criteria for including the issues in the issue list for the revision of the SEEA include the following:

- (a) There should be no fundamental changes in the scope of the SEEA, however further development and standardization of classifications may be warranted (e.g. classifications of physical flows);
- (b) A broad base demand exists by users;
- (c) A significant number of country experiences exists and consensus on its resolution is expected;
- (d) Any recommendation should be assessed for coherence with the *2008 System of National Accounts (2008 SNA)* and coherence with other macroeconomic statistical

¹ Statistical Commission Report on the thirty-eighth session (27 February – 2 March 2007). Economic and Social Council, Official Records 2007 Supplement No. 4. 38/107.

² Paper UNCEEA/2/5 available at http://unstats.un.org/unsd/envaccounting/ceea/meetings/UNCEEA_2_5.pdf; Report of the Committee of Experts on Environmental-Economic Accounting to the Statistical Commission (E/CN.3/2008/25); Paper UNCEEA/3/11 available at http://unstats.un.org/unsd/envaccounting/ceea/meetings/UNCEEA_3_11.pdf

standards such as the *Balance of Payments and International Investment Position Manual* (BPM 6), the *Government Finance Statistics Manual*, *International Standard Classification of all Economic Activities Rev.4* and the *Central Product Classification version 2*, etc. Similar considerations on coherence should also apply to the business accounting standards;

- (e) Any recommendation should take into account the feasibility of implementation and not compromise international comparability.

4. In addition, for those issues for which no methodological consensus is expected, the following criterion should be added:

- (f) Policy relevance has been demonstrated and country practices are well advanced to warrant further elaboration.

5. A list of issues has been prepared as a result of broad consultation with various city groups and other technical expert groups. The agreed list is included in Annex I.

C. Governance arrangements for the revision of the SEEA

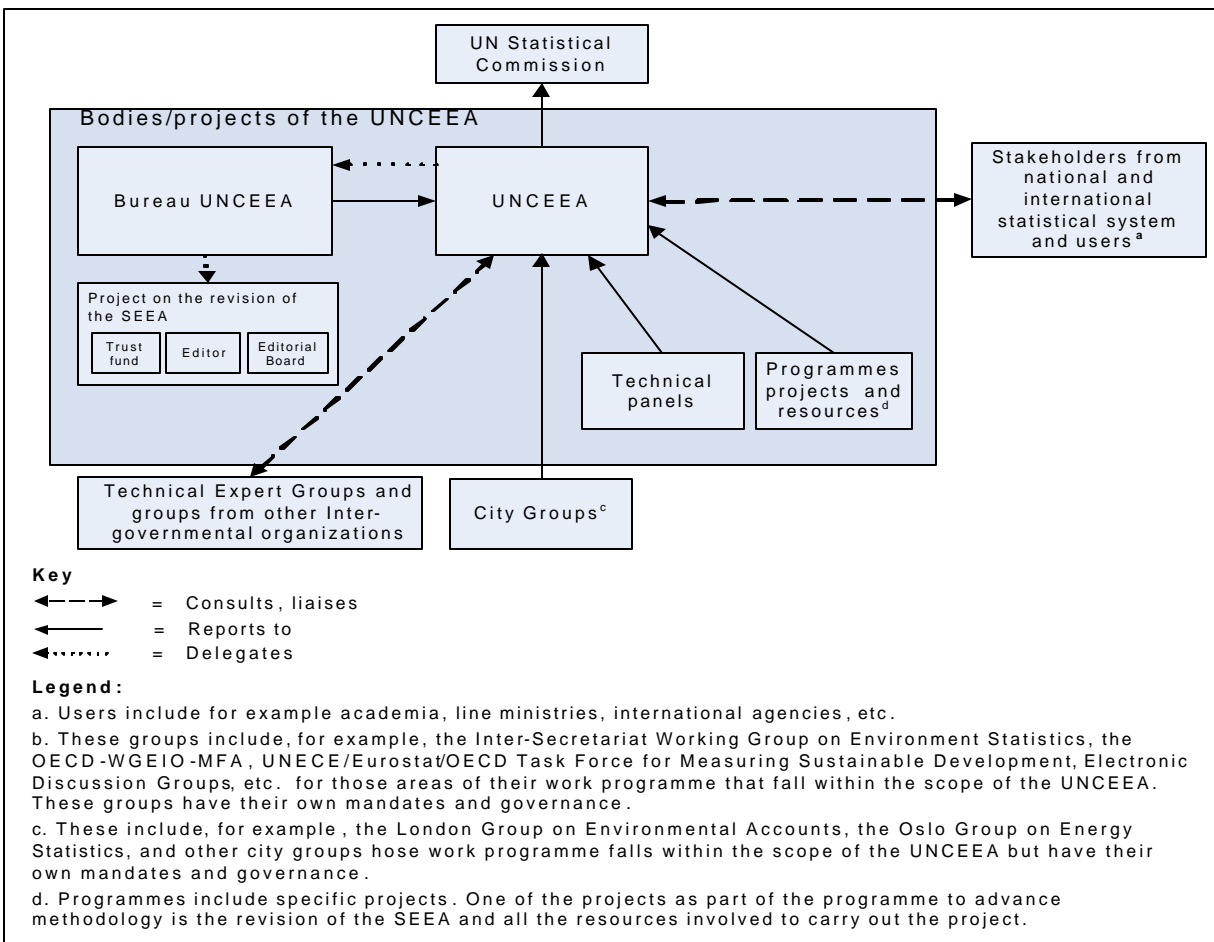
6. This Section further elaborates the governance structure of the UNCEEA in the context of the project on the revision of the SEEA. The figure below presents in schematic form the governance structure of the revision of the SEEA in a similar form as presented in the background document to the Report of the Committee of Experts on Environmental-Economic Accounting to the United Nations Statistical Commission at its forty-first session.

7. The United Nations Statistical Commission mandated the Project and is the entity that will adopt the Project's final output - the revised SEEA, as an international statistical standard. More specifically, the Statistical Commission is the entity that will approve the work programme and governance of the Project, a consolidated set of recommendations and the final revised draft of the SEEA.

- (f) The Bureau, under delegated authority from the UNCEEA will carry out the activities and tasks in relation of strategic planning, programming and monitoring, reporting and resource mobilization for the project on the revision of the SEEA (further in the text indicated also as the Project). These include in particular the following: Reporting to the UNCEEA on decisions made in-between meetings;
- (g) Managing the trust fund for the revision of the SEEA held by one of the Bureau members, ensuring that the revision of the SEEA is adequately funded, raising funds as needed; recommending and managing staffing for the project and monitor cash and in-kind budget;
- (h) Developing a transparent communication strategy including liaising with stakeholders;

- (i) Ensuring overall consistency of the SEEA-Water, SEEA-Energy and SEEA-MFA with the revised SEEA and coherence with other macro-economic standards.

Governance structure of the Committee of Experts on Environmental-Economic Accounting



Editor

8. The Editor drafts recommendations for change and prepares the draft text of the revised SEEA.
9. The Editor reports to the Bureau of the UNCEEA.
10. The Editor should: (a) have high standing in the area of environmental-economic accounting and/or national accounts; (b) be capable of reaching consensus; and (c) be impartial. The Editor is appointed by one of the members of the Bureau of the UNCEEA.
11. The terms of reference of the Editor are attached in Annex II.
12. The Editor has the following tasks and responsibilities:

- (a) Progressively draft recommendations for change and clarification and prepare drafts of the text of the revised SEEA, according to the Project schedule;
- (b) Carry through the preparations of the revised SEEA to the camera-ready copy (or its equivalent);
- (c) Participate in technical discussions as needed;
- (d) Participate in the UNCEEA and in the Bureau and Editorial Board meetings and in other technical meetings as needed;
- (e) Consult with chairs of city groups and other expert groups;
- (f) Provide oversight of the overall internal consistency of the revised SEEA and coherence with other macroeconomic statistical standards.

Editorial Board

13. The Editorial Board is appointed by the Bureau of the UNCEEA and supports the Editor of the revised SEEA by reviewing the outcome papers being prepared by the various groups working on resolving the issues in the issue list; reviewing the comments received through the global consultations; taking decisions on the final outcome papers outlining the recommendations on the list of issues; reviewing draft chapters before they are submitted for global consultation; ensuring internal consistency of the revised SEEA in particular with regard to addressing the issues in the issue list; ensuring that the comments received through the global consultation are taken into account; striving for consensus on controversial issues and advising the Bureau on issues that cannot be solved.

14. The Editorial Board may consult experts on specific issues as needed depending on the issues being discussed. It will play a key role in carrying out the Project in a transparent way and ensuring that it is a world-wide undertaking.

D. Decision-making process and consultation

1. Decision making process

15. As approved by the UN Statistical Commission, the UNCEEA is responsible for managing and coordinating the revision process of the SEEA as well as for liaising with senior-level representatives of countries and international organizations. The UNCEEA is assisted by the Bureau to carry out its activities. Moreover, the United Nations Statistics Division, as the Secretariat of the UNCEEA, provides secretarial support to the revision process.

16. Issues are first deliberated by city groups or other technical expert groups, such as the London Group on Environmental Accounting and its Subgroups, the Oslo Group on Energy Statistics, regional commission meetings, electronic discussion groups (EDGs), and possible new expert groups. The recommendations of these city groups and other technical expert groups will then be submitted in the form of outcome papers by the Chair/moderator of each group and

circulated by the Secretariat for global consultations to countries and international organizations after having been reviewed by the Editor and the Editorial Board under delegated authority from the Bureau of the UNCEEA. Outcome papers may also be discussed at regional commission meetings and at other international meetings with representation from the statistical community as well as academia, scientific and business accounting community. Consolidated recommendations that result from the global consultation on the outcome papers are prepared by the Editor in collaboration with the Editorial Board. On the basis of the consolidated recommendations, the Editor drafts the chapters of the revised SEEA. The draft chapters are then circulated by the Secretariat for global consultation. Comments on the chapters are consolidated by the Secretariat and taken into account in the preparation of final draft chapters by the Editor in close consultation with the Editorial Board.

17. The UNCEEA will review the consolidated recommendations and the draft volumes of the revised SEEA and upon its approval submit them to the United Nations Statistical Commission. The UNCEEA delegates the day-to-day management of the Project to the Bureau.

18. The Editorial Board will strive for consensus to the highest extent possible and will consult experts from the various groups as needed.

19. Throughout the revision process of the SEEA, the UNCEEA assisted by the Bureau, the Editorial Board and the Editor will assess and evaluate the coherence with other international macro-economic standards, in particular the 2008 SNA, BPM6, International Standard Classification of all Economic Activities Rev.4 and the Central Product Classification version 2.

2. Consultation

20. The consultation process is an important component of the project on the revision of the SEEA and a prerequisite for its elevation to an international statistical standard. It involves engaging and seeking views and inputs in all phases of the Project from the statistical community and beyond to include academia, the scientific community and corporations as appropriate.

21. The UNCEEA should inform and consult on the outcomes of the various expert groups to ensure synergies and harmonization.

22. A website entitled “Towards the revision of the SEEA” will be established by the Secretariat to ensure transparency of the drafting and approval process. This website will include all outcome papers submitted for global consultations, the final recommendations prepared by the Editor and the Editorial Board, the draft chapters and the comments received as a result of the global consultations are presented on the website.

23. To ensure smooth progress, issues on which general agreement has emerged will not be further discussed, unless inconsistency with other decisions on other issues requires further deliberation.

E. Work programme

1. Deliverables

24. The **final output** of the Project is the revised SEEA. The revised SEEA will consist of 3 volumes: Volume 1 consisting of the international statistical standard; Volume 2 consisting of those topics for which consensus could not be reached but which are highly policy-relevant; and Volume 3 consisting of the applications of the accounts presented in volume 1 and 2. The draft outline of the revised SEEA is presented in Annex II.

25. **Intermediate outputs** are outcome of the deliberation of the city groups and other technical expert groups, the outcome papers presenting the position of the various groups the recommendations agreed after the global consultation.

2. Timetable

26. The UN Statistical Commission identified 2012 as the target date for submitting Volume 1 consisting of the international statistical standard and of those parts of Volume 3 related to the applications of the standard. Volume 2 consisting of those topics for which consensus could not be reached but which are highly policy-relevant and the parts of Volume 3 related to the applications of Volume 2 should be completed soon after Volume 1, preferably in 2013.

27. The timetable is presented in the table below.

3. Finance

28. The updating process will be financed partly from contributions in kind by members of the UNCEEA and partly from a trust fund which is held by one of the members of the Bureau.

Trust fund

29. The trust fund will be set up to mainly finance the following activities:

- Recruitment and travel of the Editor (4 man year and participation in meetings of the UNCEEA, London Group on Environmental Accounting and other topic-specific meetings)
- Possible recruitment of consultants and their travel (specific assignments to be determined as needed)
- Participation of experts from the developing countries in the meetings of the UNCEEA as well as in the meetings of city groups and other technical expert groups;
- Consultancies for the electronic version and index of the revised SEEA.

30. The estimated resource requirement to be financed amount to approximately to \$400,000 dollars for the first year with equal requirements for the remaining 3 years. Some of the

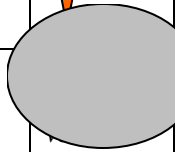
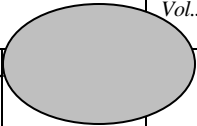
resources will need to be financed in kind by the members of the Bureau. Member States are encouraged to contribute to the trust fund to ensure the feasibility of the Project.

Table 1 Timetable for the revision of the SEEA

	2007	2008-2009	Mid 2010	End 2010	March 2011	Mid 2011	End 2011	March 2012	Mid 2012	End 2012	March 2013
Establishment of the scope and governance of the Project	<ul style="list-style-type: none"> Discussion on the list of issues in the city groups and the UNCEEA meetings Recommendations on selected issues 	<ul style="list-style-type: none"> Agreed TORs, including deliverables and timeline, of the technical expert groups (2008) Selection and start appointment of the Editor (2009) 	<i>Agreed list of issues for Volume 2 and Volume 3</i>								
Recommendations by all technical expert groups		<ul style="list-style-type: none"> Project Management Framework is submitted to UNSC for approval (2009) Formulation of position on the issues in the issue list by the various groups (Volume 1) 	Outcome papers prepared by the various groups are submitted to the Editorial Board as soon as they are ready and further circulated for global consultation (Vol.1 and part of Vol. 3 related to Vol.1)	<i>Outcome of the discussion of city groups and other technical expert groups are submitted to the Editorial Board (Vol.2 and part of Vol.3) for global consultation</i>							
Consolidated recommendations of the UNCEEA				Consolidated recommendations are submitted to UNSC by the UNCEEA for approval (Vol.1 and part of Vol. 3)	UNSC approves the recommendations on issues for Vol. 1	<i>Consolidated recommendations are submitted to the (Vol.2)</i>	<i>Consolidated recommendations are submitted to UNSC by the UNCEEA for approval (Vol.2)</i>	<i>UNSC approves the recommendations on issues for Vol. 2</i>			
First draft revised SEEA				Draft chapters progressively submitted to the Editorial Board and subsequently for global consultation as they become available		Complete draft sent to countries for comments on consistency and readability (Vol.1 and part of Vol.3)	UNCEEA approves Vol. 1 and part of Vol. 3		Complete draft sent to countries for comments on consistency and readability (Vol.2 and part of Vol.3)	UNCEEA approves Vol. 2 and part of Vol.3	
Final draft revised SEEA											

Timeline for Vol. 1 and part of Vol. 3

Timeline for Vol. 2 and part of Vol. 3



ANNEX I

LIST OF ISSUES FOR THE SEEA REVISION (VOLUME 1)

1. Harmonization of MFA with the SEEA concepts

1a. Recording of cultivated biological resources

The growth of cultivated biological resources constitutes a process of production in the 1993 and 2008 SNA as well as the SEEA-2003. As such the SEEA-2003 records it within the economy and considers flows from the environment to the economy to consist of the ecosystem inputs necessary for the growth of the resources for example carbon dioxide, nutrients and soil water. On the other hand, the economy-wide MFA (EW-MFA) approach considers cultivation of biological resources as a process that takes place in the environment and not within the economy. The flow from the environment to the economy is the harvest of the biological resources. How should the SEEA and EW-MFA approaches be reconciled?

1b. Treatment of consumer durables

In the SNA consumer durables are defined as goods used for purposes of consumption repeatedly or continuously over a period of a year or more. They are not regarded as assets because the services they provide are not within the production boundary. The 2008 SNA suggests that because of the analytical interest of the information on stock of durables, to record them as memorandum item in the balance sheet. This recommendation also is of interest for environmental accounting considering that there is a time lag between the consumption and the residual flows generated when using up the consumer durables. Should the SEEA recommend the treatment of consumer durables as produced assets?

1c. Recording of landfills

In the SEEA-2003, the operation of controlled landfills is considered a productive activity. Landfills themselves are treated as a sort of physical capital formation. Therefore flows of waste to controlled landfills are considered flows within the economy while emissions from landfills to air, soil and water are considered flows from the economy to the environment. In EW-MFA approach, instead landfills are considered within the environment and flows of waste to controlled landfills are considered as flows from the economy to the environment. How should the SEEA and EW-MFA approach be reconciled?

2. Definitions and classifications of physical flows

The SEEA-2003 distinguishes between four types of physical flows: ecosystem inputs, natural resources, products and residuals. Ecosystem inputs and natural resources constitute flows from the environment to the economy. The boundary between them is not clear cut. Products are classified according to CPC and are flows within the economy. Residuals are not clearly defined as they seem to cover flows within the economy and from the environment to the economy. Furthermore, the definition of waste covering both products (with positive value) and residuals (with zero and negative value) is not clear cut. A number of questions need to be addressed, in particular: Should the distinction between ecosystem inputs and natural resources be maintained? Should the definition of residuals and waste -products and residual- be revisited and clarified? Which classification(s) should be used for waste in the SEEA tables (i.e. CPC/HS or EWC Stat)? How should a correspondence be developed between the two? Should the classification of physical flows hold for any type of measurement units used in the various accounts (e.g. water and energy accounts as well as MFA)?

3. Linking energy flow accounts, energy balances and energy statistics

3a. Linking energy flow accounts, energy balances and energy statistics

Energy statistics uses concepts and terminology which are often different from those used in economic statistics. There is a need to identify conceptual and terminological differences and ensure that a bridge between the two approaches is developed. The main differences to be addressed consist of the following:

- Use of the territory principles in energy statistics and the residence principle in energy accounts
- Definitions of transactions (e.g. supply, imports and exports are defined differently)
- Energy accounts present information by economic activity, energy balances by technology. As a result the energy and transformation sectors are not defined in terms of ISIC divisions but in terms of technology used
- There exist various definitions and classifications of energy products. At the highest level, it would be useful to have an agreement on the definitions and classifications of energy products as well as their correspondence with CPC and HS. The classification of energy products should also include renewable energy and be disaggregated by purpose (for energy purposes or other purposes).

3b. Linking emission inventories to emission accounts

Emission inventories follow the methodology developed by UNFCCC and they differ from the emission accounts in several ways including the following:

- Use of the territory principle in the emission inventories and the residence principle in the emission accounts
- Use of sectors based on technology in emission inventories and use of economic activities in the emission accounts
- Treatment of short lived biomass, carbon sinks and land (produced and non-produced)

This would require a close analysis of the differences in the approaches and classifications. The question is how bridge tables linking emission inventories and emission accounts can be developed. Can a correspondence between the IPCC source classification and ISIC be developed?

4. Renewable energy

Renewable energy has become increasingly important. The SEEA-2003 did not include renewable energy. Because of the high policy relevance, it is important that a classification of renewable energy is developed. Furthermore, the recording of renewable energy in the physical and monetary flow accounts should be addressed. Some have also argued that renewable energy should also be included in the asset accounts, whereby the stock is represented by the potential of renewable energy that is expected to be extracted depending on the technology. Should the asset classification and asset accounts be expanded to include renewable energy? Should the stock of renewable energy be valued? If yes, how?

5. Environment industry

The environment industry consists of activities that produce environmental products to measure, prevent, limit, minimize or correct environmental damage to water, air and soil, as well as problems related to waste, noise and ecosystems. This includes cleaner technologies, products and services that reduce environmental risk and minimize pollution and resource use as well as activities related to resource management, resource exploitation and natural hazards. The environment industry cuts across conventional industrial classifications and therefore makes the

data collection difficult. Are the concepts of the environment industry mature enough to be included in the volume 1 of the revised SEEA?

6. Environmental taxes

Environmental taxes are economic instruments that are increasingly being used. The SEEA-2003 provides a definition for environmental taxes. This definition should be revisited taking into consideration the use of the term “environmental taxes” in the policy arena. A taxonomy of these taxes should be developed as well as mapping of what is considered environmental taxes and their terminology and recording in the 2008 SNA.

7. Environmental subsidies

The SEEA-2003 does not provide a definition for environmental subsidies. A definition as well as a taxonomy of what constitute environmental subsidies and their recording in the 2008 SNA should be developed. Examples of questions to be addressed are: should transfers to public authorities and to households be considered environmental subsidies? Should capital transfers be included as part of environmental subsidies? Should off-budget (e.g. preferential tax treatments or external cost references) be included? Should environmentally-motivated or potentially environmentally damaging be identified from within environmental subsidies?

8. Permits

8a. Permits to access the resources and emission permits

The treatment of permits, leases and licences to access natural resources has changed in the 2008 SNA as compared to the 1993 SNA. Are SNA 2008 recommendations in this area sufficiently clear for the revised SEEA?

8b. Emission permits

With the increased attention to climate change and different mechanisms being put in place, there is a need to discuss how to record the emission permits in the revised SEEA. The 2008 SNA recommends treating the payments for emission permits as taxes, and once acquired, as assets of the permit holder valued at their market price. A series of questions remained unanswered. They include among others: how should emission tradable permits be recorded in the SNA and SEEA context (where the atmosphere is considered an asset)? How should permits that are issued free or at a lower cost be treated? Should the SEEA include tables on the number of permits issued, surrendered, held, traded?

9. Classification of natural resources management expenditure

The SEEA-2003 presents the Classification of Environmental Protection Activity (CEPA). CEPA does not cover natural resources management activities and expenditures. Should a separate classification of natural resources management activities and expenditures (CRUMA) be developed? Should both CEPA and CRUMA separately identify those expenditures for climate change (mitigation and adaptation) purposes?

10. Classification of assets

The SEEA-2003 presents a classification of assets and its links to the 1993 SNA classification. Because of the changes in the classification in the 2008 SNA there is a need to revisit the asset classification. Furthermore, environmental assets are not clearly defined in the SEEA-2003. A definition, taking into account the change in the wording of the economic asset definition in the 2008 SNA, should be developed.

11. Categorization of mineral and energy resources

The SEEA-2003 provides a categorization of energy resources based on the geological and economic characteristics of the deposits, into proven, probable and possible. This categorization is based on the McKelvey box. More recently, the United Nations Framework Classification for Fossil Energy and Mineral Resources (UNFC) - a new classification for energy and mineral resources - was endorsed by the United Nations Economic and Social Council (ECOSOC) which recommended its application worldwide. The UNFC, in addition to the geological and economic characteristics of the deposits, introduces a third dimension, which is linked to the project feasibility. Should the SEEA develop a categorization of resources in line with the UNFC?

12. Valuation of assets

The SNA recommends the Net Present Value of resource rent as the preferred valuation method for resource stocks. The conceptual issues linked to the various resources need further investigation.

13. Recording of natural resource depletion for a non-renewable resource

The SEEA-2003 provides multiple options for the measurement and recording of depletion. All these options need to be translated into unambiguous accounting recommendations. It is expected that these will together lead to clear cut recommendations on the compilation of depletion adjusted national accounts aggregates (product, income and saving). Aspects that need consideration include the identification the income element, the recording of mineral exploration and mineral deposits, the recording of additions and subtractions from resource stocks as well as revaluation; the recording of asset ownership; the recording of depletion.

14. Recording of natural resource depletion for a renewable resource

The accounting recommendations on measuring resource depletion need to be extended also to renewable resources taking into considering how to treat the natural growth of uncultivated assets. Should natural growth be considered as production or should only part of it be seen as production (the part that exceeds the depletion)? or should it be recorded in the other changes in the volume of assets as in the case of discoveries of subsoil assets?

15. Decommissioning costs and recording ownership of mineral-related assets

The SEEA-2003 suggested more than one option in recording decommissioning costs and recording of ownership of mineral-related assets. According to the 2008 SNA, decommissioning costs (terminal costs) lead to the creation of a fixed asset which has to be recorded as gross fixed capital formation in the asset accounts. Similarly, the asset account should in each period reflect a consumption of this fixed asset. The gross fixed capital formation is recorded at the end of the life time of the related asset, while the recording of the consumption of fixed capital takes place during the life time of the fixed asset. In order to estimate and record the consumption of fixed capital before the terminal costs actually takes place, it is necessary to estimate an expected terminal cost, which can be used as the basis for the calculation of consumption of fixed capital. The SEEA will have to be updated to reflect the changes in the 2008 SNA.

16. Treatment of water in artificial reservoirs

Considerable money is spent to build dams to retain the water. Also, continuous control and management of the water resources is exercised both in the case in which the water is used for abstraction, purification and distribution, or for other uses such as hydroelectric power generation. It is argued that in line with the definition of cultivated assets in the SEEA and in the SNA, water in the reservoirs should be considered a produced asset. This would imply that, in parallel with the treatment of natural growth of cultivated forest and fish as produced asset,

precipitation and inflows of water in the reservoirs should be considered as capital formation. Should water in the reservoir be added to the classification of produced assets?

17. Recording of losses (storage, distribution, transformation, theft)

Losses of energy (in the storage, distribution system, transformation) are an important indicator of the efficiency of the distribution/storage/transformation system and allow for a mass balance of the flows. The question is should the physical supply and use table record explicitly these flows and how to record them. In the case of water, the supplementary physical supply and use tables explicitly identify the losses in distribution which are allocated to the supplier. The same should be done for energy. Different types of losses, including flaring should be analyzed in order to develop a proper recording for these flows in the supply and use tables.

18. Valuation of water

Water is increasingly a scarce resource. International agreements such as the Johannesburg Plan of Implementation, the Water Framework Directive, etc. recognize that water is an economic good. A proposals of valuing water as a mineral asset and, in case this is not feasible using payments for water rights as proxy has been put forwards during the update of the 1993 SNA. The issue of water valuation has to be further considered.

19. Land classification

There is no internationally agreed classification of land use nor land cover. CORINE land cover and the FAO Land Cover Classification System (LCCS) seem to be the most commonly used classifications. Should these two classifications be reconciled and a land cover classifications agreed in the revised SEEA? Should a separate classification on land use be included in the revised SEEA?

20. Recording of soil and its valuation

Soil has only marginally been addressed in the SEEA-2003. Although it appears in the asset classification, there is very little text addressing the issues on how to measure changes in soil quantity and quality. Losses in the productive capacity of land due to soil depletion and degradation is an important issue to be investigated.

21. Forest accounts

21 a. Classification of forests

The SEEA-2003 presents a number of classifications for forest based on the FAO (TBFRA2005). Since then the FAO classifications have changed. In addition, classifications put forward by the IPCC should also be considered. The revised SEEA needs to analyze these classifications and develop a proposal for the revised SEEA taking into consideration the existing classifications.

21 b. Carbon sequestration

Carbon sequestration has become increasingly an important issue. The SEEA-2003 briefly discusses accounts for carbon sequestration by forest. Should carbon sequestration and more broadly carbon accounts be addressed in a more systematic way in the revised SEEA, building on the work of the UNFCCC and FAO? Should carbon accounts cover the entire carbon cycle be included in volume?

ANNEX II

TERMS OF REFERENCE

Editor of the Revised SEEA

Editor of the Revised SEEA

Terms of reference

Reporting and working relationship

The Editor reports to the Bureau of the United Nations Committee of Experts on Environmental-Economic Accounting. On a day-to-day basis, he/she works with UNSD as the Secretariat of the UNCEEA and its Bureau.

Responsibility:

The Editor is responsible for:

- Preparing progressively drafts of the text of the revised *System of Environmental-Economic Accounting* (SEEA), drawing on textual inputs from the technical groups and expert and city groups such as the London Group on Environmental Accounting, the Oslo Group on Energy Statistics, other technical expert groups and electronic discussion groups that will be created as needed;
- Consulting with authors of the substantive reports of the expert groups to clarify ambiguities and rectify substantive errors;
- Ensuring internal consistency and integrity of the revised SEEA, as well as coherence with other international statistical standard such as the 2008 *System of National Accounts* (2008 SNA), *the International Standard Classification of all Economic Activities Rev.4*, *the Central Product Classification version 2*;
- Participating in the expert group meetings related to the revision of the SEEA;
- Participating in the regional consultation meetings on the revision of the SEEA;
- Preparing the master copy of the revised SEEA by revising the text of the SEEA and consolidating and integrating the recommendations of the technical expert groups in the text to be submitted to the UNCEEA for clearance by May 2009 and finalizing the draft of Volume 1 and parts of Volume 3 related to Volume 1 by October 2011 for approval by Statistical Commission in 2012 and the draft of Volume 2 and the parts of Volume 3 related to Volume 2 by October 2012 for approval by the Statistical Commission in 2013.

Qualifications:

The Editor must be an internationally recognized expert on environmental-economic accounting with some knowledge of national accounts. Excellent drafting skills in

English are required. The candidate must have advanced university degree and at least 10 years of experience in research in economic statistics. Experience in environmental-economic accounting and related statistics is desirable.

Remuneration: Remuneration is negotiable but commensurate with standards of international organizations.

Duration of services: **3 and ½ person-years starting in 2010.**

ANNEX II

DRAFT OUTLINE REVISED SEEA

Chapter 1 – Introduction

Chapter 2 – The accounting structure

PART I: Statistical Standard

Chapter 3 – Physical flow accounts (and their linkage to national accounts)

Chapter 4 – Accounting for environmentally related activities and products and other transactions, including environmental protection expenditure accounts

Chapter 5 – Physical and monetary asset accounts for natural resources

Chapter 6 - A full sequence of monetary current and accumulation accounts

PART II: Non-standard accounts

Chapter 7 - Valuation techniques for environmental degradation

Chapter 8 – Accounting adjustments for environmental degradation

PART III: Applications and policy uses

Chapter 9 – Applications and policy uses

Annexes

Glossary and Index