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Summary of the responses to the Global Consultation on SEEA Agriculture, Forestry and Fisheries

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Annex to Background document prepared for the UNSC meeting February 2015

Introduction

The Food and Agricultural Organization of the United Nations (FAO) and the United Nations Statistics Division (UNSD) extends its appreciation and thanks to those countries who were able to provide comments and responses to the global consultation on the SEEA Agriculture, Forestry and Fisheries (SEEA AFF). Responses were received from 34 countries across Africa, Asia, Europe and North America and two international organizations (see list in Appendix 1). Although the number of responses would ideally have been higher, there is considerable diversity among the 34 countries that provides a good mix of the different environmental-economic circumstances that exist.

Quite a number of countries provided detailed technical responses and raised some important questions for the forthcoming drafts. The constructive nature of the responses and the clear effort that has been made to read and consider the initial draft of the SEEA AFF is most appreciated. Future drafts will most certainly benefit from these efforts.

A particular feature of a number of country responses was the involvement of a range of different government agencies. On the whole, this round of consultation was focused on national statistical offices, but some good examples were present of collaboration involving feedback from other agencies, particularly those from ministries of agriculture, forestry or fisheries and related agencies. Given the integrated nature of these data and the need for integrated policy responses in these areas, such collaboration and engagement is to be strongly encouraged. The inputs from a variety of agencies will considerably improve the quality and relevance of the material.

The comments received through the broad consultation process were generally favourable and supportive of the SEEA AFF. On the whole, the feedback supported the general content, focus, balance and style of the draft text, noting that further investigation and consultation will be required before definitive recommendations and broad implementation should be considered.

The feedback comprised comments of both a general and a specific technical nature. Some issues were raised by just one country or agency, while for other issues several respondents provided similar or related feedback. A review of the comments and feedback by the lead author of the SEEA AFF, on behalf of the FAO, concluded that, on the whole, the majority of comments can be integrated into a redrafted document (due end March 2015). This reflected a consistency of feedback on a number of general issues and also that many technical comments were requests or suggestions for clarification of concepts and terms.

The comments reflected varying levels of understanding of the relevant measurement issues and the role of the SEEA AFF. Given that this was the first opportunity for broad review of the SEEA AFF, this is perhaps to be expected. As far as possible, the re-drafted document will explain better those issues about which there was a lack of common understanding.

This note focuses on those comments of a significant nature either in relation to the general messages to be conveyed from the document or in relation to comments on specific concepts, definitions and treatments in the draft. A number of other comments were editorial and typographical in nature and, as appropriate, these comments will be adopted in the revised draft of the SEEA AFF. Editorial comments are not discussed further in this annex.

Substantive comments on SEEA AFF: January 2015

The following points outline the main and most commonly highlighted issues in the country responses. The text is intended as a description of the comments and does not indicate the finalised response to the comments although in most cases the nature of the response is suggested.

<u>1. The role and purpose of SEEA AFF.</u> A number of responses sought greater clarification on the role and purpose of SEEA AFF, including a number of responses proposing areas in which the rationale for the SEEA AFF might be explained more clearly. Comments under this heading concerned:

- The extent to which SEEA AFF could be seen as a means to integrate existing data
- The role of accounting frameworks in harmonising data across agriculture, forestry and fisheries
- The potential for SEEA AFF to consider issues about energy in more depth (an impression was that a focus on food issues was paramount) and in this context the SEEA AFF might highlight its capacity to support discussion of the food/water/climate/energy nexus
- The additional value of SEEA AFF relative to existing material concerning accounting for these activities in the SNA and the SEEA Experimental Ecosystem Accounting
- The potential for SEEA AFF to contribute to improved national accounts estimates and improved international comparisons
- The need to better explain the role of SEEA AFF in integrating forestry and fisheries information with agricultural data (and vice versa)
- The role that SEEA AFF might play in better aligning data within the FAO in these three areas
- The relatively large proportion of material on measurement in physical terms compared to material on valuation.

While some of these areas are mentioned in various places in Chapters 1, 2 and 3 of the draft, it is reasonable to conclude that a clearer statement of the role and purpose of SEEA AFF is required early in the document. Such a statement would ensure appropriate discussion of all of the points listed above. This may also streamline the content of the first three chapters as suggested by one response.

A number of responses highlighted some inconsistency in the use of the term "agriculture". At times, it was used to encompass the three activities, agriculture, forestry and fisheries, and at other times only agriculture. There was strong support for clearly distinguishing these two cases and for referring to the three activities explicitly as needed or via the acronym "AFF".

<u>2. Connections to and alignment with other materials.</u> Many responses raised questions about the degree of consistency and alignment between the SEEA AFF and existing materials. These materials included

(i) SEEA related documents (the SEEA Water, SEEA Energy, SEEA Fisheries and Eurostat's Integrated Environmental-Economic Accounting for Forestry (IEEAF))

(ii) the System of National Accounts (SNA)

(iii) the European and FAO Economic Accounts for Agriculture

(iv) current reporting of agricultural, forestry and fisheries statistics to the EU and FAO (including, for example, the Joint Forestry Questionnaire)

(v) reporting under the UNFCCC

(vi) the Global Strategy to Improve Agricultural and Rural Statistics

While it is more than reasonable to seek alignment and harmonisation between the SEEA AFF and the content of each of these documents, the reality is that these various documents have been developed with various purposes in mind and have been developed at different points in time. Consequently, it is simply not possible for the SEEA AFF to be aligned with all of them.

The starting point for the SEEA AFF is alignment with the SNA and the SEEA Central Framework. The SEEA Central Framework now provides the overarching framework for all of the SEEA related documents listed in (i) above. (NB: Since SEEA Fisheries and the IEEAF were drafted over 10 years ago there are some revisions in respect of accounting for fisheries and forestry that are reflected in the SEEA Central Framework that should carry forward to the SEEA AFF.)

At the same time, to support understanding and implementation, further work is required to detail more precisely the distinctions between the various reporting bases for agricultural, forestry and fisheries statistics and the SEEA AFF. On the whole, particularly for forestry and fisheries, the recommendations of the SEEA Central Framework (and hence the SEEA AFF) are aligned with a number of data collections but there are a number of issues concerning the scope and measurement of production that were not covered in the SEEA Central Framework that require further consideration.

Overall, while connections to some of these materials and documents are described in the first draft of the SEEA AFF, it is clear that more text will need to be devoted to this issue in the revised draft.

<u>3. Possible extensions to the SEEA AFF.</u> In a number of places the SEEA AFF articulates some potential extensions to the framework that might be considered.

In terms of the measurement scope, a number of responses thought it relevant to expand further on the linkages between the SEEA AFF and the SEEA Experimental Ecosystem Accounting approach and the measurement of ecosystem condition and ecosystem services, including for both terrestrial and marine environments. It is certainly relevant material but, at this stage, it is proposed that only limited additional text will be provided on this topic and that the elements of ecosystem accounting will not be integrated into the SEEA AFF.

There were some responses that discussed the links between the scope of the SEEA AFF (i.e. as covering economic and environmental domains) and the broader issue of sustainable development. A number of responses requested that the SEEA AFF be clearer on explaining how the measurement of sustainability in the context of the SEEA AFF must be limited since there was no integration of social dimensions. On the other hand, some responses saw considerable value in articulating the potentially close connections between SEEA AFF and certain social dimensions (e.g. rural poverty). At this stage, it is suggested that the SEEA AFF be clear in explaining its focus on environmental-economic issues, but also provide some additional text to highlight how SEEA AFF might connect to the social dimension and hence support additional aspects of sustainable development assessment.

The third area of possible extension noted by one response was the inclusion of information on environmental protection and resource management expenditure, in line with the relevant sections of the SEEA Central Framework; and also text on relevant indicators on technology, innovation, research and development. It is suggested that some additional text be included on the potential of these inclusions in the SEEA AFF but that they not become a major area of focus at this time. A final area of extension suggested by one country concerned biosecurity. This is indeed an interesting area although exactly how the SEEA AFF may be able to contribute will need some further discussion.

Aside from potential changes to the scope of the SEEA AFF, a number of responses suggested the need for illustrative numbers to be included in the tables, for more text on potential applications, for the inclusion of more examples, and for the development of supporting technical notes. To the extent possible and appropriate such additions will be developed in the coming drafts.

Finally, there were a number of requests for additional material on indicators that might be derived from the SEEA AFF framework and for an explanation of the potential connections between the SEEA AFF and (i) the UN Sustainable Development Goals and indicators and (ii) the minimum core data set of the Global Strategy to Improve Agricultural and Rural Statistics. Discussions on both of these topics are currently underway and, as appropriate, relevant additional content will be included in subsequent drafts.

<u>4. Missing topics and components.</u> With the current scope of the SEEA AFF, the responses outlined a number of areas on which either more explanation was needed or about which text should be introduced. The suggestions covered

- Nitrogen and phosphorous balances and budgets
- Ammonia emissions (NH₃)
- Organic fertilisers (including manure)
- Water quality
- Soil resources
- Non-meat livestock products (including dairy products)
- Non-wood food products
- Hunting activities
- Subsidies to AFF activities

The relevance of all of these areas within the current scope of the SEEA AFF is accepted and, as appropriate, additional text and relevant changes to table structures will be incorporated.

At its detailed level the SEEA AFF adopts a key product focus wherein countries are encouraged to focus on accounting for their most important or relevant products from agriculture, forestry and fisheries activities. Consequently, the products proposed in the accounts of the draft SEEA AFF were not to be considered to be a definitive set for international reporting or to suggest that other products could not be accounted for. It is considered that this approach remains appropriate to ensure that the derived accounts are of most relevance to each individual country. A separate discussion however will be relevant in determining the appropriate focus for international reporting.

More generally, it was suggested that some text be provided to explain the draft scope of the SEEA AFF (in terms of the proposed data domains) and the potential for cross-over between the different domains (e.g. the links between fertilizers, nitrogen balances, water resources and soil resources).

<u>5. Definition of accounting concepts.</u> The responses identified a number of conceptual areas in which the discussion in the draft SEEA AFF was not sufficiently clear or seemed inconsistent with (i) the SNA and SEEA Central Framework, or (ii) with other text in the SEEA AFF. As a general statement, any inconsistencies must be examined and resolved such that appropriate accounting alignment and integration can take place, and thus future drafts of the SEEA AFF will work towards this goal.

The main conceptual issues raised in the comments covered the treatment and recording of:

- Joint and secondary production of relevant economic units (including the appropriate level of economic unit to be the focus of measurement)
- Own account production and consumption
- Illegal and informal production
- The catering industry (restaurants, hotels, etc) especially in the context of food waste
- Multiple land use
- Products and industries in the context of alignment with the structure of both the ISIC and the CPC.

It is recognised that in some cases ensuring alignment will not be a straightforward matter and that some ongoing dialogue on these issues may be required. This dialogue is relevant also to the discussion of alignment between the SEEA AFF and related conceptual and reporting standards that are currently in place (as noted under issue 2 above).

A number of responses also noted that it would be appropriate, as a default position, to ensure alignment of terms in SEEA AFF with the SNA and the SEEA Central Framework. This is a reasonable suggestion that will be adopted.

6. Data challenges. Many responses highlighted concerns about the potential data challenges that would arise if attempting to implement the SEEA AFF. It is certainly the case that the SEEA AFF presents a broad framework encompassing many data items. At the same time, initial investigations by the FAO and by several pilot countries suggest that data in many of the areas are collected although the quality and coherence of the various datasets may be of concern. In general, the SEEA AFF does not propose collection of information that has not been considered in various other fora, the distinction is rather the aim to integrate these information.

It is also relevant to consider that the type of information, especially in terms of product detail, is the type of information commonly used by analysts of these activities, even though it may not be regularly collected via statistical channels. Thus, the analysis of key commodity markets and production is fairly standard practice and detailed models of agricultural inputs and outputs, trade flows, land holdings, etc have been developed in many situations.

Notwithstanding these comments, there are undoubtedly data challenges that must be faced if the SEEA AFF framework is to be implemented. To this end, the revised drafts will incorporate a specific chapter (chapter 5) on approaches to implementation and compilation of the SEEA AFF. It is not intended that this will provide definitive guidance on the measurement in each of the key data areas, but it will aim to outline the main data sources and steps that would be relevant in compiling a SEEA AFF based set of data. References and links to relevant detailed measurement guidance will also be provided.

Aside from the challenge of developing information at a key product level, the country responses highlighted a number of areas of particular concern from a data perspective. The main areas were:

- Data on stocks and flows of water resources
- Data on the supply and use of fertilisers and pesticides
- Detailed information on energy and GHG emissions
- Data on harvest and post-harvest losses

Future work on the SEEA AFF will need to consider these areas in more depth and develop suitable approaches to improving data in these areas.

Responding countries

Region	Country
Africa (3)	Burundi
	South Sudan
	Sudan
Asia / Pacific (11)	Australia
	Azerbaijan
	Bangladesh
	Cambodia
	Japan
	Jordan
	Korea
	Macao
	Malaysia
	Mongolia
	Palestine
Europe (17)	Austria
	Croatia
	Czech Republic
	Finland
	Israel
	Latvia
	Lithuania
	Moldova
	Norway
	Poland
	Portugal
	Romania
	Slovakia
	Slovenia
	Spain
	Sweden
	Switzerland
North America (3)	Canada
	Mexico
	United States of America
International agencies (2)	International Monetary Fund (IMF)
	Organisation for Economic Cooperation and Development (OECD)