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The process of drafting SEEA Agriculture, Forestry and Fisheries

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The process of drafting SEEA Agriculture, Forestry and Fisheries

1. SEEA Agriculture Forestry and Fisheries (SEEA AFF) is a sub-system of the SEEA Central Framework (SEEA CF), the international statistical standard for environmental economic accounting, and is consistent with this framework. SEEA AFF aims to apply the SEEA CF to Agriculture, Forestry and Fisheries activities, pointing out linkages among and between these sectors, the environment and the economy and also highlighting the connections between underlying physical data in these areas and the conceptual framework of the SEEA.
2. The development of a System of Environmental Economic Accounting for Agriculture, Forestry and Fisheries was proposed by the FAO in 2010 and endorsed by the UNCEEA in June 2011. In 2013 FAO, in collaboration with UNSD and other relevant international partners, initiated the drafting of the SEEA AFF, including the description of new accounting tables, as an application of the SEEA-CF needed to cover agriculture, forestry and fisheries activities.
3. The feasibility of compiling the accounts and the relevance of the information was tested and further refined in four pilot countries: Australia, Canada, Guatemala and Indonesia. Based on the experiences gathered, a revised draft SEEA AFF was elaborated with contributions from FAO technical divisions, UNSD and relevant international partners.
4. The SEEA AFF was presented and discussed at a dedicated Expert Group Meeting at FAO (Rome, Oct 7-8 2014), with representatives from SEEA pilot countries, experts from UNSD, Eurostat, OECD, and FAO. The participants highlighted that initial activities in SEEA AFF test countries had generated productive cross-agency engagement towards improved national statistical systems.
5. The revised SEEA AFF was further presented to the 9th UNCEEA meeting (June 2014) and at the 20th London Group on Environmental Accounting meeting (October 2014).
6. Based on comments and suggestions gathered through the above processes, an updated SEEA AFF draft was submitted for the first Global Consultation in December 2014. Constructive feedback was received from more than 30 experts in National Statistical Offices other government agencies and international agencies on the scope, coverage and content of SEEA AFF.
7. A plan for further development of the SEEA AFF, including plans for country implementation, were presented at 10th UNCEEA Meeting (June 2015) and at 21st London Group on Environmental Accounting meeting, receiving broad support (November 2015).
8. The second and final Global Consultation process was carried out through December 2015 and January 2016. Constructive feedback was again received from more than 30 experts in National Statistical Offices and international agencies, showing broad endorsement of the content of the submitted SEEA AFF draft.

9. A final revised SEEA AFF draft was then submitted for adoption to the UN Statistical Commission at its 47th session, in March 2016, under agenda item 3(e) *Environmental Economic Accounting*, accompanied by a technical document detailing specific changes made in response to the feedback from the second global consultation. During the discussions, in line with the tenor of the feedback from the Global Consultation, there was a broad welcoming of the SEEA AFF (EU, Samoa), with one country (Sweden) suggesting more testing in countries.
10. Since the UNSC meeting, FAO has continued discussion with experts in countries and in other international organizations in order to effectively incorporate all of the comments received through the consultation process. The additional findings have now been incorporated in the SEEA AFF draft submitted to the UNCEEA 11th Meeting. It should be noted that there are no substantive changes between the current draft and the one submitted to the UNSC. Rather, responses to specific issues raised by some countries and international organizations have been implemented through improved clarification of concepts and by ensuring consistency in text across the document. The appendix to this note provides a list of the technical issues addressed since the UNSC meeting.

Appendix I

SEEA Agriculture, Forestry and Fisheries

Revisions made since UNSC47 and incorporated into the submission to UNCEEA 11th

- i. *Recording of household production.* Raised by UNSD, this relates to the fact that household production was shown in the fish products table, but not in any of the other product tables—although conceptually it is included in all.

Action. SEEA AFF tables now consistently include columns on household consumption. This information—however difficult it may be to collect—could be useful towards assessing food availability security issues relevant to sustainability analysis. Specifically:

- Changes to Table 3.1 (crops) and 3.3 (livestock) to show household production as of which for agriculture industry.
- Changes to Table 3.5 (timber) to show household production as of which for logging activity
- Update Table 3.8 to explain other catch includes household production

- ii. *Coverage of timber products.* Raised by UNSD, FAO and Canada in various ways, this issue concerns whether additional timber products should be included in the scope of the timber products tables – i.e. extending to sawn logs, pulpwood, etc. In some respects this would assist in also showing a link to manufacturing for timber that is consistent with having the link to manufacturing that is shown in SEEA AFF for crop production.

Action. Added extra rows to Table 3.5 to split Industrial roundwood supply and use into sawn logs, veneer logs and pulpwood.

- iii. *Fish catch allocation to country.* Raised by Norway, in correspondence after UNSC47. This concerns whether allocating catch to countries based on a vessel's flag is really useful if the flag is one simply of convenience. SEEA CF 3.132 describes the SNA treatment which asks for the catch to be allocated to the residence of the operator of the vessel. The issue raised is essentially whether the flag of the vessel is a good proxy of the residence of the operator. This is of great interest, given the general desire to get alignment between monetary and physical statistics. FAO Fisheries confirmed that in FISHSTAT catches are assigned according to the flag of the vessel. This is consistent with a 1954 UNSC decision that catches should be assigned to the country of the flag flown by the fishing vessel¹. This apparent inconsistency between SEEA CF and UNSC on Fish catch allocation needs additional investigation.

Action. Catches by flag retained. Agree on the need for further consideration, although the SNA and SEEA CF treatment is clearly established and deliberately determined in the early 1990s. The issue here is the inconsistency of treatment between physical and monetary flows. Since the intention of SEEA is to integrate environment and economy into the national

¹ “The FAO global capture production database: A six-decade effort to catch the trend”, Luca Garibaldi, ELSEVIER, Marine Policy, 36 (2012) 760-768.

accounts, rather than change the national accounts, this becomes a practical matter for implementation at national level rather than a conceptual choice.

- iv. *Extent to which SEEA AFF measures environmental quality changes.* This was raised by a number of countries in different ways, reinforced by additional USDA comments.

Action. A new paragraph 1.18 included in latest SEEA AFF draft.

- v. *LULUCF recording and approaches to netting GHG estimates.* This has arisen in a number of contexts most recently after UNSC47 through Sweden and USDA comments. In particular the USDA raised questions about treatment of farm level offset activities.

Action. Revised text included on treatment of air emissions accounts for agriculture, forestry and land use. See new para 4.57 to 4.72 and Tab. 4.5. See also separate submission to UNCEEA 11th on Air Emissions Accounts in SEEA CF and SEEA AFF and their consistency with the UNFCCC/IPCC reporting process.

- vi. *Manure definition for GHG emissions.* Raised by USDA to confirm SEEA AFF definitions and alignment with IPCC in terms of the level of detail

Action. Current definitions of manure terms in SEEA AFF, used towards computation of GHG emissions, align with IPCC. Furthermore there is no double-counting including in places with complex patches of crop/pasture combinations, since manure is computed based on animal numbers.

- vii. *Methods for measuring organic fertilizers.* USDA comment that the text describing the methods of measuring organic fertilizers as “still developing”, is not correct, implying that the methods are established.

Action. SEEA AFF follows simplified methodologies for estimating nitrogen (N) in organic fertilizers as described in the IPCC guidelines 2006, vol. 4 Ch. 10 for manure and vol. 4 Ch. 2 and 11 for crop residues. No internationally agreed methodologies exist for estimating phosphate and potash in manure. See revised para 4.76.

- viii. *Recording of organic P.* Also raised by USDA, it would be good to confirm if a more definitive statement on the desirability of recording organic P should be made. Indeed, one option might be to extend the fertilizer flow table. (see para 4.86)

Action. Nitrogen (N), Phosphate (P₂O₅) and Potash (K₂O) are the major essential nutrients required for plant growth. Despite the lack of internationally approved methodologies, FAO Ag Production Division suggested to provide space for recording all three for organic fertilizers, in both the fertilizers flow account and the Reference Combined Presentation. Extension to Table 4.6 adopted with two additional rows for phosphate and potash in relation to (i) urine and dung and (ii) application of collected manure. Text has been changes in 4.86, 4.87 and 4.105 to explain the changed scope of the table.

- ix. *Role of LKAU in measurement.* USDA interpreted para 2.64 about LKAU to mean that all data needed to be collected at farm level.

Action. LKAU defines the principle of the measurement boundary but how it is applied may vary. Revised para 2.64 to make a distinction between principle and practice.

- x. *Biomass in energy supply.* The recording of biomass supplied by agriculture and forestry for production of energy has been previously discussed and clarified but further USDA comments on physical flows needed to be addressed.

Action. Para 4.41, 4.5 and 4.51 already clarify the issues raised by USDA on Physical flow account for energy use.

- xi. *References to ecosystem accounting.* An issue was raised internally at FAO on providing better linkages between SEEA AFF and SEEA EEA, as agriculture forestry and fisheries represent a critical example of ecosystem services. **Action.** Amendments were made to better link SEEA AFF to ecosystem accounting, including small revisions to:

Para 1.18

Para 2.30 last sentence

Para 2.33 last sentence

Para 2.40 third sentence

Para 2.55 last sentence

- xii. *Short title.* It was raised internally at FAO that, despite the fact that FAO refers to the term *Agriculture* to include crop and livestock, forestry and fisheries, this is not consistent with ISIC Section A definitions. Furthermore, there is some inconsistency to use SEEA Agriculture as a short name for SEEA Agriculture, Forestry and Fisheries.

Action. The current version submitted to UNCEEA 11th uses the short title of “SEEA AFF” for SEEA Agriculture, Forestry and Fisheries.