

CONCEPT NOTE

ADVANCING THE SYSTEM OF ENVIRONMENTAL-ECONOMIC ACCOUNTING (SEEA) EXPERIMENTAL ECOSYSTEM ACCOUNTING

Background

1. The System of Environmental-Economic Accounting 2012 - Central Framework (SEEA Central Framework) was adopted by the United Nations Statistical Commission as the international statistical standard for environmental-economic accounting. It is a multipurpose statistical framework for describing the interaction between the economy and the environment and for describing stocks and flows of environmental assets. The SEEA Central Framework is complemented by the System of Environmental-Economic Accounting 2012 - Experimental Ecosystem Accounting (SEEA Experimental Ecosystem Accounting). SEEA Experimental Ecosystem Accounting offers a synthesis of the current knowledge in ecosystem accounting and serves as a platform for its development at national and sub-national levels. It provides a common set of terms, concepts, accounting principles and classifications, and an integrated accounting structure of ecosystem services and ecosystem condition in both physical and monetary terms.
2. With the adoption of the SEEA Central Framework, the United Nations Statistical Commission, at its 43rd session in 2012, “encouraged Member States and regional or international organizations to initiate compilation activities in accordance with the [SEEA] Central Framework”. At its 44th session the Commission adopted the implementation strategy for the SEEA Central Framework recommending a flexible and modular approach. At the same session, it considered the SEEA- Experimental Ecosystem Accounting as an important step in the development of a statistical framework for ecosystem accounting and encouraged its use by international, regional agencies and countries wishing to test and experiment in this new area of statistics. In taking these steps the Commission recognized the growing policy demand for information about ecosystems and the linkages to economic and other human activity.
3. Critical global policy demand to advance ecosystem accounting is expressed in the Strategic Plan for Biodiversity 2011-2020, adopted by the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity, in 2010. The rationale of the strategic plan is that biodiversity underpins ecosystem functioning and the provision of ecosystem services that are essential for human well-being and are thus a critical element in ecosystem accounting. One of the five strategic goals of the Strategic Plan is to address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society. Aichi target 2 under this strategic goal commits government to integrate, by 2020, biodiversity values into national and local development and poverty reduction strategies and planning processes, and to incorporate them into national accounting, as appropriate, and reporting systems. At its eleventh meeting, the Conference of the Parties to the Convention took note of the work of the United Nations Statistics Commission to include experimental ecosystem accounts in its revised System of Environmental-Economic Accounts, thereby supporting the incorporation of biodiversity, as appropriate, into national accounting, as foreseen by Aichi Biodiversity Target 2.
4. Another initiative that provides policy context to SEEA- Experimental Ecosystem Accounting assessments in pilot countries is the Economics of Ecosystems and Biodiversity (TEEB), an international initiative to draw attention to the benefits of biodiversity, including the growing cost of biodiversity loss and ecosystem degradation. TEEB has compiled and synthesized the available evidence to highlight the values of biodiversity and ecosystem services, the growing costs of biodiversity loss and ecosystem degradation, and the benefits of action addressing these pressures. TEEB presents a policy-grounded

approach that can help decision makers recognize, demonstrate and, where appropriate, capture the values of ecosystems and biodiversity¹. The SEEA provides the necessary statistical framework to reflect the importance of natural capital accounts according to countries policy priorities.

5. It is important that national statistical strategies are linked to national planning/policy frameworks to ensure the wide applicability and relevance of the accounts to policy makers. Decisions on which accounts to prioritize are made at the country level based on policy needs and priorities, and a preliminary assessment of data availability. Within this overall context, the implementation of the SEEA Central Framework and the testing of the SEEA Experimental Ecosystem Accounting can assist countries in implementing several existing or emerging work streams of critical importance.
6. SEEA will provide countries with an integrated measurement framework to inform the post-2015 development agenda and the monitoring of their implementation at national level, in accordance with national circumstances and priorities. Moreover, an integrated approach to the development of information, linking the economy to the environment, would benefit several other policy initiatives that are currently implemented by countries that rely on high quality, reliable and comparable integrated information. These include, for example, initiatives such as the preparation of national TEEB studies; the development of national Green Economy strategies, currently under way in a number of countries with the support of UNEP; the implementation of the World Bank's Wealth Accounting and the Valuation of Ecosystem Services (WAVES) project; as well as the revision and updating of National Biodiversity Strategy and Action Plans with a view to translate the global Strategic Plan for Biodiversity and its Aichi Targets into national targets and associated policy action.
7. These initiatives rely heavily on information stemming from ecosystem accounting framework for designing policies, including: the degradation of ecosystems stemming from the economic and other human activity; the impact of current patterns of production, consumption and investment, and possible alternative patterns; mix of energy sources of energy including from renewable energy; the extent of decoupling of economic growth; the effectiveness of resources spent to restore and enhance ecosystems; and more generally the trade-offs between the different baskets of ecosystem services that arise from alternative uses of ecosystems.

Objectives

8. Developing capacity in countries is a key component to ensuring the sustained production of environmental-economic accounts. Capacity development falls under two broad categories: assistance in setting up the proper institutional framework comprising users and producers of data, and assistance at the technical level in implementing and having sustained production of environmental-economic accounts.
9. The purpose of the project is to assist countries in efforts to advance the SEEA by initiating the testing of the SEEA Experimental Ecosystem Accounting. The project aims at making an assessment of data availability and measurement practices and developing a programme of work based on policy priorities. It will build capacity to develop national strategies for advancing the SEEA Experimental Ecosystem Accounting in response to policy needs for more comprehensive and accurate statistical information on ecosystems and its interaction with the economy.
10. The project is expected to formulate the way forward on how to engage national, sub-regional, regional and international organizations and institutions in developing strategies for the testing of the SEEA Experimental Ecosystem Accounting, with the objective of strengthening the national statistical system in support of developing comparable ecosystem accounts for policy making.

¹ See <http://www.teebweb.org>

Organizers

11. The project is financed by the Government of Norway and implemented as a partnership between the United Nations Statistics Division (UNSD), the United Nations Environment Programme (UNEP), and the Secretariat of the Convention on Biological Diversity (SCBD), in collaboration with pilot countries.
12. The Technical Committee of the SEEA Experimental Ecosystem Accounting, under the auspices of the United Nations Committee of Experts of Environmental-Economic Accounting (UNCEEAA), will provide substantive support to the project.

Organization

13. In 2014, it can be expected that an assessment of policy priority, data availability (within the country or from global sources) as well as an assessment of existing tools/models being applied or that could be applied will be undertaken. The project will be carried out in 7 pilot countries, which will be selected on the basis of considerations including the existence of a strong statistical system and political will to pilot the SEEA Experimental Ecosystem Accounting. It is expected that the assessment and programme of work will serve as input in the next phase of the project.
14. At the beginning of the project, an assessment and training mission will be undertaken in each pilot country for 2-3 weeks. In each country, relevant stakeholders will be identified and engaged in carrying out the first phase of the project. Each mission would include an accounting expert, a tools expert, a report writer as well as UNSD staff. Budget would allow the national lead institution of the project to recruit one local consultant, who will be jointly selected and work in close collaboration with the national lead institution, UNSD, UNEP, and the SCBD .
15. The project will build on existing initiatives in the countries such as the implementation of the SNA, SEEA-Central Framework, global strategy on agriculture statistics, projects on green economy and other relevant initiatives to ensure close coordination with existent initiatives and efficient development of a common statistical infrastructure and operations. Multiple mechanisms exist and should be explored to facilitate coordination among the international and regional agencies operating at the country level (e.g., UN Development Group, UN Country Teams, etc.).

Expected output

16. It is expected that the project will, by December 2014:
 - a. Organize one assessment mission per pilot country, conducted by UNSD and international experts, on assessment of policy priorities, data situation and tools used for ecosystem accounting
 - b. Convene one stakeholder meeting per pilot country to facilitate the national assessment and coordination
 - c. Deliver a report of the assessment of policy priorities, data situation and tools used per pilot country. Each report will: (i) provide a national programme of work on how to advance the testing of the SEEA-Experimental Ecosystem Accounting, including by using data sources such as GIS and remote sensing; (ii) identify relevant national stakeholders beyond statistical offices (e.g. in academia, research institutions, NGOs, etc.).
 - d. As part of the assessment, a mapping of country interests and capabilities will be developed
 - e. Propose a global Strategy for testing SEEA-Experimental Ecosystem Accounting
 - f. Issue preliminary guidance document providing practical guidance to countries on how to embark on SEEA-Experimental Ecosystem Accounting

- g. Organize a Forum of experts in ecosystem accounting

Duration

17. The initial phase of the project runs until 31 December 2014, with a possible extension to 2015 and 2016, subject to the availability of funding.

Project work plan

18. The project work plan in 2014 as depicted in the Gantt diagram below is based on a list of key tasks and milestone related to the project

| | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| 1) Preparatory phase | | | | | | | | | |
| Planning | | | | | | | | | |
| Recruitment of consultants | | | | | | | | | |
| 2) National assessments | | | | | | | | | |
| Assessment missions and stakeholder meetings in pilot countries | | | | | | | | | |
| Draft assessment reports, including mapping of country mappings and capabilities | | | | | | | | | |
| Revision of assessment reports | | | | | | | | | |
| Final assessment report published | | | | | | | | | |
| 3) Global Strategy and guidance document | | | | | | | | | |
| Document providing guidance to countries on how to embark on the SEEA Experimental Ecosystem Accounting | | | | | | | | | |
| Global Strategy for testing the SEEA Experimental Ecosystem Accounting | | | | | | | | | |
| 4) Regional workshops and forum | | | | | | | | | |
| Regional workshops to showcase experiences, good practices and lessons learned from pilot countries | | | | | | | | | |
| Forum of experts on ecosystem accounting | | | | | | | | | |

Annex 1: Responsibilities of organizing partners

- I. The following list the responsibilities of each of the organizing partners.
- II. The United Nations Statistics Division will be responsible for:
 - (a). Planning and running of the substantive arrangements of the national assessment programme, in close collaboration with the national lead institution of the pilot country.
 - (b). Providing resources persons to conduct assessment missions in each pilot country
 - (c). Provide substantive support for the completion of the national assessment report
- III. The United Nations Environment Programme will be responsible for:
 - (a). Providing administrative support to the project
 - (b). Administrative arrangements relating to the recruitment of consultants to support the national assessments and the completion of the national assessment reports
 - (c). Administrative arrangements for stakeholder workshops
 - (d). Ensuring coordination with relevant projects and initiatives
- IV. The Secretariat of the Convention on Biological Diversity will be responsible for ensuring coordination with relevant work processes under the Convention servicing implementation of the Strategic Plan for Biodiversity 2011-2020, such as the Biodiversity Indicators Partnership and the global support programme towards the revision and updating of National Biodiversity Strategy and Action Plans.
- V. The national lead institution of the project will be responsible for:
 - (a). Establishing a core group on environmental economic and ecosystem accounting at the national level, which consists representative from the government agency considered to be the “sponsor”, “producer” and “user” of ecosystem accounting
 - (b). Convening at least 1 national stakeholder workshop for the national assessment programme
 - (c). Inviting national partners/stakeholders to participate in the national assessment programme and stakeholder workshops, with a view to ensure that work is in line with national policy needs as expressed in relevant national strategies and programmes
 - (d). Coordinating the national assessment programme at the national level
 - (e). Providing administrative and logical support relating to the national assessment programme and stakeholder workshops
 - (f). Administrative arrangements relating to the recruitment of one local consultant to support the national assessments and the complement of the national assessment reports