

# System of Environmental Economic Accounting



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# **Ecosystem Accounting—Current** State of the Art

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# **SEEA Conceptual Framework**





### What is ecosystem accounting?



#### **Some definitions—from earlier**

- **1. Environmental assets** are the naturally occurring living and nonliving components of the Earth, together constituting the biophysical environment, which may provide benefits to humanity.
- **2. Ecosystems** are a dynamic complex of plant, animal and microorganism communities and their non-living environment interacting as a functional unit

In the SEEA Experimental Ecosystem Accounting takes and ecosystem approach approach



# **SEEA Experimental Ecosystem Accounting**

- Complements SEEA Central Framework
- Integrated statistical framework for accounting for ecosystem assets and associated ecosystem services
- Important first step in development of statistical framework for ecosystem accounting





# **SEEA-EEA : Background**

- Complements SEEA Central Framework with focus on ecosystems perspective
- Developed as part of broader process of revising SEEA 2003
- Integrated system of information on distinct stocks and flows
- Not a statistical standard
- "Experimental"



# **Relationship to SEEA Central Framework**

- Extends range of flows (production boundary) for accounting compared to SNA and SEEA in physical and monetary terms
- Many flows from Central Framework also included in Experimental Ecosystem Accounting (e.g. flows of timber), but extension of EEA is to attribute flows to spatial areas
- Some Central Framework natural input flows are excluded from Experimental Ecosystem Accounting (e.g. mineral and energy resources)



## **SEEA EEA**

- Ecosystem accounting is a tool to understand and monitor **the contributions of ecosystems to economic and human activity**
- Ecosystems include natural as well as man-dominated systems such as croplands or intensive pastures
- Requires a spatial approach (combination of maps and statistics)
- Technical guidance being finalized—will focus on the latest recommendations



#### **Ecosystem accounting model**





#### **Broad steps in ecosystem accounting**



b. Steps in monetary terms





### The ecosystem accounts

| A                    | Ecosystem extent account                                 |  |  |  |  |  |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|--|--|--|--|--|--|
| Accounts for         | Ecosystem condition account                              |  |  |  |  |  |  |  |  |  |  |  |
| ecosystem assets     | Ecosystem monetary asset account                         |  |  |  |  |  |  |  |  |  |  |  |
|                      |  |  |  |  |  |  |  |  |  |  |  |  |
| Accounts for         | Ecosystem services supply and use table – physical terms |  |  |  |  |  |  |  |  |  |  |  |
| ecosystem services   |  |  |  |  |  |  |  |  |  |  |  |  |
|                      | Ecosystem services supply and use table – monetary terms |  |  |  |  |  |  |  |  |  |  |  |
|                      |  |  |  |  |  |  |  |  |  |  |  |  |
| Integrated accounts* | Combined presentations                                   |  |  |  |  |  |  |  |  |  |  |  |
|                      | Extended supply and use table                            |  |  |  |  |  |  |  |  |  |  |  |
|                      | Sequence of accounts for institutional sectors           |  |  |  |  |  |  |  |  |  |  |  |
|                      | National and sector balance sheets                       |  |  |  |  |  |  |  |  |  |  |  |



#### **Connections between the accounts**





## **Ecosystem Extent Account**

|   | Type of Ecosystem Unit |                  |             |                           |           |                    |           |                     |                         |                                |                         |                             |                     |                                     |                      |       |
|---|------------------------|------------------|-------------|---------------------------|-----------|--------------------|-----------|---------------------|-------------------------|--------------------------------|-------------------------|-----------------------------|---------------------|-------------------------------------|----------------------|-------|
|   | Artificial surfaces    | Herbaceous crops | Woody crops | Multiple or layered crops | Grassland | Tree-covered areas | Mangroves | Shrub-covered areas | Regularly flooded areas | Sparse natural vegetated areas | Terrestrial barren land | Permanent snow and glaciers | Inland water bodies | Coastal water and inter-tidal areas | Sea and marine areas | TOTAL |
|   | 1                      | 2                | 3           | 4                         | 5         | 6                  | 7         | 8                   | 9                       | 10                             | 11                      | 12                          | 13                  | 14                                  | 15                   |       |
| Opening extent<br>Additions to extent<br>Managed expansion<br>Natural expansion<br>Upward reappraisals<br>Reductions in extent<br>Managed regression<br>Natural regression<br>Downward reappraisals<br>Net change in extent |                        |                  |             |                           |           |                    |           |                     |                         |                                |                         |                             |                     |                                     |                      |       |
| Closing extent  |                        |                  |             |                           |           |                    |           |                     |                         |                                |                         |                             |                     |                                     |                      |       |



## **Spatial areas**





## **Ecosystem Condition Account**

|                                     |            |           | Ecosy | stem charact | teristics    |     |  |
|-------------------------------------|------------|-----------|-------|--------------|--------------|-----|--|
|                                     |            | Water     |       |              |              |     |  |
| Type of Ecosystem Unit              | Vegetation | resources | Soil  | Carbon       | Biodiversity | Air |  |
| Artificial surfaces                 |            |           |       |              |              |     |  |
| Herbaceous crops                    |            |           |       |              |              |     |  |
| Woody crops                         |            |           |       |              |              |     |  |
| Multiple or layered crops           |            |           |       |              |              |     |  |
| Grassland                           |            |           |       |              |              |     |  |
| Tree-covered areas                  |            |           |       |              |              |     |  |
| Mangroves                           |            |           |       |              |              |     |  |
| Shrub-covered areas                 |            |           |       |              |              |     |  |
| Regularly flooded areas             |            |           |       |              |              |     |  |
| Sparse natural vegetated areas      |            |           |       |              |              |     |  |
| Terrestrial barren land             |            |           |       |              |              |     |  |
| Permanent snow and glaciers         |            |           |       |              |              |     |  |
| Inland water bodies                 |            |           |       |              |              |     |  |
| Coastal water and inter-tidal areas |            |           |       |              |              |     |  |
| Sea and marine areas                |            |           |       |              |              |     |  |



#### **Ecosystem Services Supply Table**

|   |       |                                     | Тур                     | e of e                                 | econo            | mic u      | nit          |                             |                     |                  |             |                           |           | Туре               | of Ec     | osyst               | tem U                   | nit                            |                         |                             |                     |                                     |                      |              |
|---|-------|-------------------------------------|-------------------------|--|------------------|------------|--------------|-----------------------------|---------------------|------------------|-------------|---------------------------|-----------|--------------------|-----------|---------------------|-------------------------|--------------------------------|-------------------------|-----------------------------|---------------------|-------------------------------------|----------------------|--------------|
|   | UNITS | Agriculture, forestry and fisheries | Electricity, gas supply | Water collection, treatment and supply | Other industries | Households | Accumulation | Rest of the world - Imports | Artificial surfaces | Herbaceous crops | Woody crops | Multiple or layered crops | Grassland | Tree-covered areas | Mangroves | Shrub-covered areas | Regularly flooded areas | Sparse natural vegetated areas | Terrestrial barren land | Permanent snow and glaciers | Inland water bodies | Coastal water and inter-tidal areas | Sea and marine areas | TOTAL SUPPLY |
|   |       |                                     |                         |  |                  |            |              |                             | 1                   | 2                | 3           | 4                         | 5         | 6                  | 7         | 8                   | 9                       | 10                             | 11                      | 12                          | 13                  | 14                                  | 15                   |              |
| Ecosystem services<br>Provisioning services<br>Regulating services<br>Cultural services |       |                                     | A B                     |  |                  |            |              |                             |                     |                  |             |                           |           |                    |           |                     |                         |                                |                         |                             |                     |                                     |                      |              |
| Products  |       |                                     |                         |  | С                |            |              |                             |                     |                  |             |                           |           |                    |           | Ð                   |                         |                                |                         |                             |                     |                                     |                      |              |



#### **Ecosystem Services Use Table**

|   |       |                                     | Тур                     | e of e                                 | cono             | mic u      | nit          | _                           |                     |                  |             |                           |           | Туре               | of Ec     | cosyst              | tem U                   | nit                            |                         |                             |                     |                                     |                      |           |
|---|-------|-------------------------------------|-------------------------|--|------------------|------------|--------------|-----------------------------|---------------------|------------------|-------------|---------------------------|-----------|--------------------|-----------|---------------------|-------------------------|--------------------------------|-------------------------|-----------------------------|---------------------|-------------------------------------|----------------------|-----------|
|   | UNITS | Agriculture, forestry and fisheries | Electricity, gas supply | Water collection, treatment and supply | Other industries | Households | Accumulation | Rest of the world - Exports | Artificial surfaces | Herbaceous crops | Woody crops | Multiple or layered crops | Grassland | Tree-covered areas | Mangroves | Shrub-covered areas | Regularly flooded areas | Sparse natural vegetated areas | Terrestrial barren land | Permanent snow and glaciers | Inland water bodies | Coastal water and inter-tidal areas | Sea and marine areas | TOTAL USE |
|   |       |                                     |                         |  |                  |            |              |                             | 1                   | 2                | 3           | 4                         | 5         | 6                  | 7         | 8                   | 9                       | 10                             | 11                      | 12                          | 13                  | 14                                  | 15                   |           |
| Ecosystem services<br>Provisioning services |       |                                     |                         |  |                  |            |              |                             |                     |                  |             |                           |           |                    |           |                     |                         |                                |                         |                             |                     |                                     |                      |           |
| Regulating services                         |       |                                     |                         |  | Е                |            |              |                             |                     |                  |             |                           |           |                    |           | F                   |                         |                                |                         |                             |                     |                                     |                      |           |
| Cultural services                           |       |                                     |                         |  | _                |            |              |                             |                     |                  |             |                           |           |                    |           |                     |                         |                                |                         |                             |                     |                                     |                      |           |
| Products                                    |       |                                     |                         |  | G                |            |              |                             |                     |                  |             |                           |           |                    |           | H                   |                         |                                |                         |                             |                     |                                     |                      |           |



### **Other issues**

- Thematic accounts
  - > Biodiversity
  - > Carbon
  - > Water
- Valuation



#### **THANK YOU**

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