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## Statistical Commission

### Forty-seventh session

8-11 March 2016

Item 3 (e) of the provisional agenda\*

### Items for discussion and decision:

**environmental-economic accounting**

## Report of the Committee of Experts on Environmental-Economic Accounting

### Note by the Secretary-General

In accordance with Economic and Social Council decision 2015/216 and past practice, the Secretary-General has the honour to transmit the report of the Committee of Experts on Environmental-Economic Accounting. In the report, the Committee describes the progress of its work, with particular focus given to activities related to the promotion of the System of Environmental-Economic Accounting (SEEA) in the development of the Sustainable Development Goals indicators, the update of the implementation strategy, the implementation of SEEA at the country level, the uptake of SEEA by international initiatives, the communication of SEEA, the finalization of the System of Environmental-Economic Accounting for Energy (SEEA-Energy) and the development of the System of Environmental-Economic Accounting for Agriculture, Forestry and Fisheries. The report concludes with points for discussion.

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\* E/CN.3/2016/1.



## Report of the Committee of Experts on Environmental-Economic Accounting

### I. Introduction

1. At its forty-sixth session, held from 3 to 6 March 2015, the Statistical Commission adopted decision 46/108 (see [E/2015/24](#)), in which it:

(a) Expressed its appreciation for the work of the Committee of Experts on Environmental-Economic Accounting in advocating the importance of the System of Environmental-Economic Accounting (SEEA) and advancing its implementation;

(b) Requested the Committee of Experts to closely collaborate with relevant groups to promote and advocate that SEEA be properly reflected in the formulation of the Sustainable Development Goals indicators, and also requested follow-up discussions relating to the measurement of these indicators and building capacity at the country level to develop SEEA-based indicators;

(c) Urged the Committee of Experts to advocate for and promote the scaling up of its implementation programme, exercising strong leadership in developing a concrete and well-resourced programme to support countries in implementing SEEA, with a clear timeline of objectives and deliverables;

(d) Noted the importance of formulating a common national plan to implement SEEA at the country level, and urged international and regional organizations to align their in-country work programmes to create synergies in the implementation and use of environmental accounting and supporting statistics, giving particular consideration to challenges experienced in SEEA implementation by developing countries;

(e) Requested international and regional agencies to develop a joint programme of work, including the development of internationally agreed materials supporting the implementation of SEEA, including guidance documents and training and communication materials, building on the strength of each agency and with clear definition of agencies' roles and responsibilities to avoid the duplication of efforts, and to develop partnerships with relevant groups to strengthen the use of SEEA towards harmonization of basic data and integration of non-traditional data sources that can support the monitoring of the Sustainable Development Goals;

(f) As part of the effort to scale up the implementation programme, urged the Committee of Experts to further expand the training of trainers programmes based on a flexible and modular approach, giving due consideration to national priorities and technical capacities;

(g) Appreciated the progress made in the drafting of the SEEA technical notes and core tables for the SEEA Central Framework, noting their usefulness in supporting a scheduled approach for the compilation of SEEA-based accounts and the derivation of SEEA-based Sustainable Development Goals indicators, and recommended that countries test the proposed core tables in view of the creation of an SEEA global database;

(h) Welcomed progress made in testing SEEA Experimental Ecosystem Accounting, and requested the Committee of Experts to continue its work in advancing the testing and research agenda, including the development of guidance

documents and training materials, with the objective of strengthening the capacity of the national statistics systems;

(i) Welcomed the completion of the first draft of the System of Environmental-Economic Accounting for Agriculture, Forestry and Fisheries, noting its contribution to the post-2015 development agenda and the Global Strategy to Improve Agricultural and Rural Statistics, recommended its finalization, and encouraged the implementation of a similar approach towards developing other sectoral SEEA subsystems, and urged the expedient finalization and release of SEEA-Energy;

(j) Agreed that the Committee of Experts would share with the Commission the information related to the questions on: (i) how many indicators have actually been produced and published or otherwise disseminated using SEEA; and (ii) to which of the Sustainable Development Goals and targets were SEEA relevant.

2. The present report summarizes ongoing work undertaken by the Committee to advance the role of SEEA as a measurement framework in support of the Sustainable Development Goals indicators (section II); presents the updated SEEA implementation strategy anchored in the new policy environment, in particular the 2030 Agenda for Sustainable Development (section III); describes progress made in the implementation of the SEEA Central Framework, including capacity development initiatives, initiatives towards the alignment of thematic reporting frameworks with SEEA and the proposal of compiling an SEEA coherent international database on a small set of accounts (section IV); provides an update on the progress made with regard to testing SEEA Experimental Ecosystem Accounting and advancing its associated research agenda (section V); presents the SEEA-Energy and the System of Environmental-Economic Accounting for Agriculture, Forestry and Fisheries for adoption (sections VI and VII); and sets out points for discussion by the Commission (section VIII).

## **II. System of Environmental-Economic Accounting and the Sustainable Development Goals indicators**

3. At its forty-fifth session, the Statistical Commission requested that the Committee of Experts closely collaborate with relevant groups to promote and advocate that SEEA would be properly reflected in the formulation of the Sustainable Development Goals indicators. To that end, the Committee of Experts had worked to support the Inter-Agency and Expert Group on Sustainable Development Goals Indicators in the development of standards-based indicators which, where relevant, were based on SEEA.

4. The Committee of Experts submitted to the Inter-Agency and Expert Group two papers that assessed the potential contribution of SEEA to the measurement of the Sustainable Development Goals. In the papers, the Committee of Experts noted that monitoring the Goals required more integrated information, which could highlight the interlinkages between the economy, the environment and society. The development of such information was made possible with the implementation of SEEA, which, with the System of National Accounts, represented an important statistical framework to support the derivation of methodologically consistent indicators that measure environmental-economic issues across sectors and at

multiple levels of disaggregation. Application of the systems approach could also significantly streamline the statistical system for global reporting and reduce national response burdens. The Committee of Experts presented a road map for aligning the Sustainable Development Goals indicators with the SEEA standard, taking a short-term and long-term approach. It was recommended that the Sustainable Development Goals indicators be defined, where relevant, according to SEEA while recognizing that, in the short term, data that was aligned with the statistical standard might not be readily available. In the short term, the Sustainable Development Goals indicators should therefore be calculated using the best available data, making use of both national and international databases. At the same time, efforts should be made in the long term to strengthen national statistical systems so that they can produce the necessary standards-based information to inform the indicators.

5. The Committee of Experts also provided the Inter-Agency and Expert Group with an analysis of the indicators that could be defined according to the SEEA standard.<sup>1</sup> A broad-brush analysis was submitted, which identified 35 SEEA relevant indicators and indicated the extent to which those indicators could be defined according to SEEA. Subsequently, the Committee of Experts undertook an in-depth analysis to provide more detailed definitions and metadata, in cases in which it was possible, for the indicators that were identified and submitted the results to the Inter-Agency and Expert Group with the recommendation that the above-mentioned indicators be defined according to the SEEA standard. To support that work, a two-page document was submitted, summarizing the potential contributions of SEEA to the monitoring of the Sustainable Development Goals.<sup>2</sup>

### **III. Implementation strategy of the System of Environmental-Economic Accounting**

6. The Committee of Experts discussed an update of the implementation strategy that was adopted by the Statistical Commission at its forty-fourth session. The proposed update was presented in a background document to the Statistical Commission. The Committee considered it necessary to update the implementation strategy to better respond to the need to scale up implementation, to anchor the strategy in the new policy environment, in particular the 2030 Agenda for Sustainable Development and the Sustainable Development Goals indicators, and to link it to other policy initiatives, such as natural capital accounting, green economy/green growth, sustainable consumption and production and sustainability reporting by businesses. The strategy also reflected the central role that SEEA plays in emerging statistical initiatives, such as the transformative agenda and the modernization of the statistical system, as well as big data in support of official statistics.

7. The updated strategy also had an extended coverage, which not only included the SEEA Central Framework but also SEEA Experimental Ecosystem Accounting, to reflect the holistic approach of developing an information system in support of sustainable development. In addition, experience working with countries had shown

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<sup>1</sup> Available from <http://unstats.un.org/sdgs/files/meetings/iaeg-sdgs-meeting-02/Statements/UNCCEA%20comments%20by%20goal.pdf>. See also <http://unstats.un.org/sdgs/meetings/iaeg-sdgs-meeting-02> and [http://unstats.un.org/unsd/envaccounting/ceea/meetings/tenth\\_meeting/lod10.htm](http://unstats.un.org/unsd/envaccounting/ceea/meetings/tenth_meeting/lod10.htm).

<sup>2</sup> See [http://unstats.un.org/unsd/envaccounting/ceea/documents/SEEA%20and%20SDGs%20Note\\_Rev%201.pdf](http://unstats.un.org/unsd/envaccounting/ceea/documents/SEEA%20and%20SDGs%20Note_Rev%201.pdf).

that the implementation of both the SEEA Central Framework and SEEA Experimental Ecosystem Accounting required the same approach with regard to developing national plans based on the assessment of data and the policy environment at the country level and agreeing on priority accounts. Ecosystem accounts should be considered as part of the analysis, given that they were an extension of the land accounts. It was therefore considered more efficient to combine the implementation of the SEEA Central Framework and the testing of Experimental Ecosystem Accounting into a common strategy.

8. Furthermore, the Committee of Experts considered it important to set specific objectives and targets for implementation. The objectives included: (a) the adoption of SEEA as an important measurement framework in support of the information system for sustainable development and for the development of the Sustainable Development Goals indicators from nationally owned databases; (b) mainstreaming SEEA implementation at the country level as part of the modernization of the institutional arrangements and the regular statistical production process; and (c) establishing technical capacity for regular reporting on core sets of environmental accounts.

9. The Committee recommended the following targets for SEEA implementation, to be achieved by 2020:

(a) At least 100 countries with ongoing, well-resourced programmes in SEEA Central Framework accounting and at least 50 countries with ongoing, well-resourced programmes in ecosystem accounting to support national decision-making;

(b) Comparable global baseline data and indicators available to support assessment and monitoring of the relevant Sustainable Development Goals;

(c) International programmes and materials in place to build capability and support continuous learning;

(d) Active international research and education mechanisms established to advance and exchange best practices;

(e) An updated SEEA on ecosystem accounting released to move towards international standards and best practices.

10. The SEEA implementation strategy covers national, regional and global implementation and provides a strategy for funding. A mechanism to track progress on implementation building on the global assessment undertaken in 2014 would need to be defined in order to assess compliance with the targets.

#### **IV. Progress in the implementation of the SEEA Central Framework and supporting statistics**

11. As requested by the Statistical Commission at its forty-sixth session, the Committee of Experts intensified its initiatives to support countries in the implementation of the SEEA Central Framework, including:

(a) By expanding the capacity-building programme, including the delivery of workshops and blended learning courses. The blended learning course consists of three phases, a mandatory online training, an in-person seminar and a follow-up

phase. Building on the success of the SEEA Central Framework blended learning course, developed by the Statistics Division of the Department of Economic and Social Affairs of the Secretariat in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit, courses were offered with the assistance of experts from the Australian Bureau of Statistics, Statistics Canada, Statistics Denmark and Statistics Netherlands. In 2015, courses were held in Addis Ababa, for representatives of English-speaking African countries, in collaboration with the Economic Commission for Africa (ECA); in Santiago, for countries of Latin America and the Caribbean, for which the course was translated into Spanish, in cooperation with the Economic Commission for Latin America and the Caribbean (ECLAC); and online, as the first phase of the course for Asian countries, in collaboration with the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Statistical Institute for Asia and the Pacific, with the in-person phase of the workshop expected to take place in Chiba, Japan, in February 2016. Several national and regional workshops were also undertaken in Asia and Latin America in collaboration with relevant partners. Additional blended learning courses are being developed, in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit, the United Nations Environment Programme (UNEP) and the Convention on Biological Diversity, on SEEA-Energy, the System of Environmental-Economic Accounting for Water and SEEA Experimental Ecosystem Accounting;

(b) By expanding the in-country assistance on SEEA implementation. The Statistics Division, in cooperation with partners, including the regional commissions, UNEP and the Convention on Biological Diversity, supports SEEA implementation in a number of countries in the ESCAP, ECLAC and ECA regions. Three development account projects related to SEEA have begun, covering the following countries: Indonesia, Kenya, Malaysia and Uganda (project led by the Statistics Division); Colombia, Ecuador, Fiji, Jamaica, Maldives, Micronesia (Federated States of), Paraguay and Uruguay (project led by ECLAC and ESCAP); and Palau, Samoa, Seychelles, Tonga and Vanuatu (project led by the Pacific Operations Centre of ESCAP). The objectives of the projects are to strengthen the institutional and technical capacity of national statistical offices by developing national plans and programmes of work linked to regional and global implementation strategies;

(c) By developing technical notes on selected topics. The technical notes provide a set of core accounts and tables and include practical guidance on how to compile the accounts and tables to provide countries with an overview of the initial steps required in the compilation of the accounts and the derivation of indicators. The technical notes were developed by an editor, under the guidance of the Technical Committee on the SEEA Central Framework and with input from various members of the London Group on Environmental Accounting and the task force of the Organization for Economic Cooperation and Development on SEEA implementation. Draft technical notes on energy, water, land, the environmental goods and service sector, air emissions, environmental protection expenditure accounts and material flow accounts have been developed and are expected to be finalized by April 2016;

(d) By advancing the dissemination of SEEA-coherent data through international databases. The Committee considered it important to work towards compiling SEEA-coherent data at the international level by using economic and environmentally related data from existing international and regional databases (see

[E/CN.3/2016/27](#)) as a first step in the dissemination of SEEA-coherent statistics. It stressed the importance of data sharing and exchange mechanisms on the basis of common data templates and the use of the Statistical Data and Metadata Exchange. It encouraged international agencies to do a stocktaking exercise and establish priorities for data compilation for a small set of accounts that could be used to showcase SEEA using existing international data. A clear proposal should be developed on the basis of the results of the stocktaking exercise along with a clear understanding of the resources needed. The Bureau of the Committee recommended the establishment of an inter-Secretariat working group on SEEA to lead the work on data compilation and the coordination of the activities of international organizations. The terms of reference of the group are being developed and would be presented in a background document to the present report;

(e) By advancing the research agenda. The Technical Committee on the SEEA Central Framework had embarked on a review of the research agenda for the SEEA Central Framework in order to update the list of outstanding issues and further solidify the list of topics for further research and their associated priorities. The Technical Committee was reorganizing the research agenda to differentiate between conceptual issues, which remain unaddressed in the SEEA Central Framework, and issues in implementation, which arise as more countries test and implement the SEEA Central Framework. Furthermore, the overlaps in the research agendas of the SEEA Central Framework and the SEEA Experimental Ecosystem Accounting have been analysed with a view to efficient resolution;

(f) By developing communications material for promoting SEEA. A number of core communications materials, including templates for presentations, brochures, the use of taglines and other documents, have been developed. The logo and infographics were agreed upon and are now being used for all materials related to SEEA. A group was established to review and comment on the proposed taglines. The communications materials provide a standardized way of interacting with various stakeholders and help to raise awareness. Work is under way to design a new website to be launched in 2016. It would have a more user-friendly interface to better meet the needs of practitioners and others working in the area of environmental-economic accounts. A knowledge platform would be part of the new website, allowing for the sharing of best practices and the building of a community of practice;

(g) By aligning different initiatives with SEEA. Several thematic monitoring mechanisms are in place to respond to specific policy frameworks. They often result in independent data collection initiatives, which make it difficult to understand overlaps in data collection and the response burden of countries. The Committee discussed areas in which alignment could be sought in order to rationalize data collection initiatives and achieve efficiencies. Alignment was discussed for the following topics: agriculture, water indicators, biodiversity indicators including expenditures on biodiversity, sustainable consumption and production, and green growth/green economy initiatives. A project was launched jointly with Statistics Sweden, the Ministry of Environment of Chile, UNEP and the Statistics Division to align the thematic indicator framework on sustainable consumption and production with SEEA in order to promote SEEA as the statistical framework in the context of the Sustainable Development Goals indicators and the monitoring framework for the 10-year framework of programmes on sustainable consumption and production. Furthermore, discussions with the World Tourism Organization are under way to

join the tourism satellite accounts and SEEA to provide the much needed statistical framework in support of measuring sustainable tourism. Building on existing initiatives, such as those of the Global Reporting Initiative and the Natural Capital Coalition, that have developed and continue to develop sustainability reporting frameworks at the business level, a meeting would be organized in early 2016, in collaboration with Statistics Netherlands, UNEP and the Convention on Biological Diversity, to develop a road map towards aligning sustainability reporting with SEEA. The Convention on Biological Diversity, the United Nations Framework Convention on Climate Change and the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa are also assessing the land cover definitions with the objective of aligning them and linking them with those developed in SEEA;

(h) By increasing coordination on SEEA implementation. The Committee of Experts is developing a mechanism to strengthen the coordination among regional and international agencies to avoid the duplication of efforts and streamline them. Building on the mandates and comparative advantages of various groups and agencies, the Committee would evaluate their roles, responsibilities and activities and develop a joint programme of work. In that context, the London Group on Environmental Accounting is re-examining its terms of reference, which focus on supporting the development of the SEEA standard in order to better support activities on its implementation.

## **V. Progress in testing and advancing the research agenda of SEEA Experimental Ecosystem Accounting**

12. As requested by the Statistical Commission at its twenty-sixth session, testing and advancing the research agenda of SEEA Experimental Ecosystem Accounting had progressed as part of the project on advancing experimental ecosystem accounting funded by Norway and carried out by the Statistics Division in collaboration with UNEP and the Convention on Biological Diversity. The following activities were undertaken:

(a) Development of national assessments and national plans for the establishment of an information system in support of sustainable development in seven pilot countries, namely, Bhutan, Chile, Indonesia, Mauritius, Mexico, South Africa and Viet Nam. Pilot exercises, particularly on land cover, were conducted in some of the countries;

(b) Development of a technical guidance document presenting updates and extensions of ecosystem accounting concepts, methods and structure, building on SEEA Experimental Ecosystem Accounting and providing practical guidance on SEEA implementation. The document was developed on the basis of technical papers that were prepared as input to the overarching technical guidance document. It was further discussed during a forum of experts held in New York in April 2015. A revised version of the document would be submitted for broad consultation in December 2015;

(c) Advancing the research agenda on SEEA Experimental Ecosystem Accounting and building partnerships to address issues. The following two priority



issues were identified by the forum of experts, which were inherently connected to several of the issues presented in the research agenda:

(i) Classification of land cover. Building on the existing classification of land cover in the SEEA Central Framework, there was a need to develop a hierarchical land cover and use classification that was coherent with the physiographic, such as bioclimatic, landform-related, lithological and hydrological, socioeconomic and biotope-related attributes of the ecosystem units. The topic was of interest to both the statistical community, in its efforts to develop internationally agreed conceptual frameworks for data collection, compilation and dissemination that follow the principles of data quality, consistency, relevance and comparability, and the geospatial community, which focused on the data management perspective and data-driven approaches. A side event was organized during the meeting of the Group on Earth Observations, held in Mexico in November 2015, to measure the interest of the geospatial community in the project. It was proposed that a project be put in place under the auspices of the Committee of Experts on Environmental-Economic Accounting in close cooperation with the United Nations Initiative on Global Geospatial Information Management;

(ii) Classification of ecosystem services. There were two classifications currently in use, namely, the common international classification of ecosystem services, developed by the European Environment Agency for the purpose of accounting and built on the taxonomy of the Millennium Ecosystem Assessment, which was used for mapping and assessment, and the final ecosystem goods and services classification, developed by the Environmental Protection Agency of the United States of America, which provides stricter definitions and links service to beneficiaries. Both classifications used similar principles. In preliminary discussions, the main stakeholders of both classifications had indicated an interest in trying to develop a single internationally agreed classification that unites the two currently in use. A concept note was being developed to outline the scope and resources needed for the project.

13. Considering the interest in advancing the testing and research agenda on ecosystem accounting, it was expected that the number of countries starting work, particularly on land accounts and ecosystem condition and services accounts, would increase in the near future.

## **VI. System of Environmental-Economic Accounting for Energy**

14. At its forty-fourth session, the Statistical Commission agreed with the finalization process for SEEA-Energy, which would include the submission of SEEA-Energy, upon the recommendation of the Committee of Experts, for adoption by the Bureau of the Statistical Commission.

15. The expert group on energy accounts had reviewed the draft of SEEA-Energy in 2014 and completed the draft in late 2015. Upon final review, the Committee of Experts on Environmental Accounting submitted SEEA-Energy to the Statistical Commission for adoption as an international statistical standard. SEEA-Energy and a note describing the process of its finalization were presented as background documents.

16. A blended learning course on SEEA-Energy was being developed jointly with the Deutsche Gesellschaft für Internationale Zusammenarbeit, UNEP and the Convention on Biological Diversity.

## **VII. System of Environmental-Economic Accounting for Agriculture, Forestry and Fisheries**

17. As recommended by the Statistical Commission at its forty-sixth session, work on the finalization of the System of Environmental-Economic Accounting for Agriculture, Forestry and Fisheries had continued. It was undergoing global consultation in advance of its submission to the Statistical Commission. It was presented as a background document, along with a note describing its finalization process.

18. The System of Environmental-Economic Accounting for Agriculture, Forestry and Fisheries was developed by the Food and Agriculture Organization of the United Nations (FAO) in collaboration with the Statistics Division. Its initial development was resourced within the Global Strategy to Improve Agriculture and Rural Statistics, and followed by direct support within the strategic objective of FAO to increase and improve the provision of goods and services from agriculture, forestry and fisheries in a sustainable manner. The scope of the System of Environmental-Economic Accounting for Agriculture, Forestry and Fisheries covered agricultural, forestry and fishery activities, and the design of the associated accounts reflects the application of the tables and accounts of the SEEA Central Framework to the organization of data on these activities.

## **VIII. Points for discussion**

19. The Commission is invited to express its views on the:

(a) Role of the SEEA in the implementation of the Sustainable Development Goals indicators;

(b) Adoption of the updated SEEA implementation strategy;

(c) Progress made in the implementation of the SEEA Central Framework, including on coordination and data compilation;

(d) Progress made in the testing of SEEA Experimental Ecosystem Accounting and the advancement of the research agenda;

(e) Adoption of SEEA-Energy as a statistical standard and the encouragement of its implementation at the country level;

(f) Finalization and adoption of the System of Environmental-Economic Accounting for Agriculture, Forestry and Fisheries, encouragement of its implementation at the country level in coordination with the global strategic objectives of FAO on sustainable food and agriculture, the Statistics Division capacity development on SEEA, the Global Strategy to Improve Agriculture and Rural Statistics and other relevant initiatives.