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Background document
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Items for discussion and decision: environmental-economic accounting

Developing a SEEA Ocean

Prepared by the United Nations Secretariat and the Global Ocean Accounts Partnership

Introduction

At its 49th session in March 2018 the United Nations Statistical Commission “requested that oceans statistics be integrated in the work of the revision process of SEEA Experimental Ecosystem Accounting, and noted the interest of the Economic and Social Commission for Asia and the Pacific and the United Nations Environment Programme in taking the lead in this work.”¹

At its 51st Session in March 2020, the Commission commended work led by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the Global Ocean Accounts Partnership (GOAP) to develop *Technical Guidance on Ocean Accounting for Sustainable Development*. The Commission acknowledged the progress made through country piloting in the Asia-Pacific region and recognized that the *Technical Guidance* provides a solid foundation for integrating ocean accounts into the revision process of the SEEA Experimental Ecosystem Accounting. In this context, the Commission also acknowledged the importance of developing compilation materials on ocean accounting to meet increasing country demands.²

The deliberations of the High-Level for a Sustainable Ocean Economy³ and similar international political and policy processes have clearly demonstrated the need for integrated information on oceans that is comparable across countries and produced on a regular basis as part of official statistics. The *Technical Guidance on Ocean Accounting for Sustainable Development* provides an important contribution to the development of practical guidance and illustrates current practices for compiling selected ocean accounts based on country experience in the Asia-Pacific region and beyond. The need to build on this work to develop a formally agreed methodological document for ocean accounting with agreed definitions, classifications, methods and accounting tables was identified as a priority.

The present paper outlines the approach to develop SEEA Ocean as the agreed methodology for ocean accounting adopted by the UN Committee of Experts on Environmental-Economic Accounts during (UNCEEAA). At its November 2020 Extraordinary Meeting, the UNCEEAA:

- a) welcomed the progress made on the development of the technical guidelines on ocean accounting under the leadership of ESCAP and the GOAP and acknowledged the importance and timeliness of this work, especially in light of the importance of ocean economies for many countries;
- b) supported a proposed plan to develop SEEA Ocean under the auspices of the Committee and highlighted the importance of a SEEA Ocean framework being fully aligned with the SEEA Central Framework and SEEA Ecosystem Accounting;
- c) emphasized the importance of SEEA Ocean in making the environmental values and economic benefits of oceans visible for policy given the important role of the ocean economy to the livelihoods of societies and economies, particularly in developing countries; and
- d) stressed the cross-cutting nature of the development of the SEEA Ocean and the need to establish links to other related initiatives, such as global monitoring frameworks for the 2030 Agenda for Sustainable Development, the Sendai Framework for Disaster Risk Reduction, post-2020 Global Biodiversity Framework and for the Statistical Framework for Measuring the Sustainability of Tourism.

The approach was prepared in collaboration between the United Nations Statistics Divisions (UNSD) of the Department of Economic and Social Affairs and United Nations Economic and

¹ Decision 49/110: <https://unstats.un.org/unsd/statcom/49th-session/documents/Report-on-the-49th-session-E.pdf>

² <https://unstats.un.org/unsd/statcom/51st-session/documents/2020-37-FinalReport-E.pdf>

³ Comprised of the serving Heads of Government of Australia, Canada, Chile, Fiji, Ghana, Indonesia, Jamaica, Japan, Kenya, Mexico, Namibia, Norway, Palau, and Portugal supported by the UN Secretary General’s Special Envoy for the Ocean: www.oceanpanel.org

Social Commission for Asia and the Pacific (ESCAP), the World Bank Blue Economy Program (PROBLUE), and the Global Ocean Accounts Partnership Secretariat hosted by the University of New South Wales (UNSW), Australia. The World Bank PROBLUE provided funding support for development of the approach.

Background and rationale for SEEA Ocean

There is an acute demand for integrated accounting for the ocean that arises from a growing interest of countries in development of progress reporting for the ocean economy concerning growth, well-being and sustainability, and a common statistical infrastructure for ocean policy, regulation, spatial management, and reporting. A need has emerged to develop agreed concepts, definitions, classifications and methods for ocean accounts.

Background

The development of the *Technical Guidance on Ocean Accounting for Sustainable Development* was the result of extensive discussions on ocean accounting and testing throughout 2018 and 2019. It is worth noting the following initiatives:

- a. **United Nations Development Account project, *Strengthening Statistical Capacities to Achieve SDG14 in selected Member Countries*** implemented by ESCAP, which resulted in the testing of ocean accounting methodologies in China, Malaysia, Samoa, Thailand, and Viet Nam and in the organization of regional workshops to build capacity and a global dialogue to discuss issues concerning the compilation and use of ocean accounts.
- b. **High-Level Panel for a Sustainable Ocean Economy**, comprised of 14 serving world leaders whose deliberations are informed by a commissioned 'Blue Paper' and associated consultation process focusing on *National Accounting for the Ocean and Ocean Economy*.⁴ The 14 serving world leaders have committed to a range of transformative actions including four priority actions to account for the value of the oceans:⁵
 - Develop a complete sequence of national ocean accounts that are actively used to inform decision-making.
 - Align international standards for ocean accounting and best practices for implementation as soon as possible to develop and ensure interoperability, harmonization and coherence of ocean accounts.
 - Commit to global partnerships to share best practices and build capacity in national ocean accounting.
 - Explore a process to develop a global approach for tracking national performance based on ocean accounts.
- c. **National and subnational ocean accounting pilot projects** including "Blue Economy Assessments" in Africa and the Americas, supported by a range of governmental, inter-governmental and non-governmental institutions.

Rationale

There is an acute demand for integrated accounting for the ocean that arises from growing interest of countries in development of:

- a. **Reporting of progress of the ocean economy towards growth, well-being and sustainability** — underpinned by a comprehensive sequence of ocean accounts enabling countries to monitor three critical trends: (1) changes in ocean wealth, including produced assets (e.g., ports) and non-produced individual assets (e.g., fish and

⁴ <https://www.oceanpanel.org/blue-papers/national-accounting-ocean-and-ocean-economy>

⁵ <https://www.oceanpanel.org/ocean-action/ocean-knowledge.html>

other natural resources in the ocean) and ecosystem assets (e.g., mangroves, coral reefs); (2) ocean-related income for different groups of people (e.g., income from fisheries for local communities); (3) ocean-based economic production (e.g., GDP from ocean-related sectors); (4) expenditures and other economic instruments for the management and protection of oceans and their impacts on the condition of ocean ecosystems; (5) ecosystem services generated by the oceans.

- b. **A common statistical infrastructure for ocean policy and reporting** — Many ocean policy shortcomings arise from isolated information—e.g., coastal development decisions that don't consider impacts on fisheries, or marine protection decisions that don't consider impacts on local livelihoods. Interest in ocean accounting arises from its potential to function as a common integrated statistical framework that informs diverse policy questions, related to: (1) Ocean development, e.g., GDP in the shipping sector and associated GHG emissions; value-added in fisheries exports and employment versus stock health; (2) Marine spatial planning and protection—e.g., changes in biodiversity or flows of ecosystem services like carbon storage or flood risk regulation; (3) International reporting, e.g., integrated progress reports for the 2030 Agenda for Sustainable Development, Paris Agreement, Convention on Biological Diversity and other commitments with reduced reliance on ad-hoc studies or consultants.

These demands are likely to drive the adoption of ad-hoc and fragmented approaches by different countries and organisations, unless a statistical framework is agreed on and common international guidance is developed for compilation and use of ocean accounts.

The *Technical Guidance on Ocean Accounting for Sustainable Development* provides examples of current practices to compile ocean accounts and serves as an important input to the development of standard concepts, methods, definitions and classifications to be presented in the SEEA Ocean. The SEEA Ocean will provide a degree of quality assurance that reinforces (1) the long-term legitimacy of policy-relevant indicators derived from ocean accounts, (2) comparability of ocean statistics and lessons learned across countries, and (3) integration of ocean data and statistics with economic and other environmental statistics.

The SEEA Ocean will be an agreed statistical framework in support of the SEEA Central Framework and the SEEA Ecosystem Accounting. It will cover activities and expenditures related to ocean (e.g., construction of boats and ports, etc.), pressures on the ocean from economic activities (e.g., extraction of natural resources such as fish or mineral and energy resources; water emissions into the ocean, discharge of waste such as plastic); ocean related wealth including from produced assets and ecosystem assets; ecosystem services (e.g., fishing, recreation, etc.); and the condition of the ocean. The SEEA Ocean would thus be an elaboration of both the SEEA Central Framework and the SEEA Ecosystem Accounting, involving further disaggregation of the existing classifications including but not limited to the International Standard Industrial Classification of All Economic Activities (ISIC), the IUCN Global Ecosystem Typology (IUCN-GET), and the reference list of ecosystem services.

Governance process and research agenda

The approach to SEEA Ocean is based generally on the approach used to develop SEEA Water. Water accounts are one of many types of accounts covered by the SEEA Central Framework. SEEA Water is the conceptual framework and set of accounts which presents hydrological information alongside economic information in a consistent way.⁶ As an internationally agreed methodological document, SEEA Water supports the SEEA Central Framework and provides an additional resource to those compiling water accounts. SEEA Ocean will provide

⁶ <https://seea.un.org/content/seea-water>

similar support to those compiling ocean accounts.

Governance framework

The Technical Committees on the SEEA Central Framework and the SEEA Ecosystem Accounting, operating under the UNCEEA and its Bureau have the responsibility to ensure that the methodologies of the Central Framework and Ecosystem Accounting are applied in supporting methodological and thematic accounts that are being developed in support of the standard. In this context, considering that the scope of the SEEA Ocean spans both the Central Framework and the Ecosystem Accounting, a **working group** will be established that would report progress to both Technical Committees as appropriate.

Taking into consideration the need to engage and build on the expertise from experts beyond the statistical community, in particular those in the ocean scientific community and geospatial community, the working group will consist of environmental accountants, statisticians and a variety of ocean experts. The working group will be tasked to develop a program of work and provide technical guidance and support to the development of the SEEA Ocean.

The working group will be assisted by **technical drafting groups** responsible to draft issue papers and propose solutions to advance the research agenda. The technical drafting groups will also assist the working group to develop guidance for testing and experimentation to ensure that the proposed methodologies can be applied in countries.

The working group will also be responsible for additional supporting documents, such as practical guidelines on the implementation of ocean accounting as well as policy briefs co-developed in collaboration with relevant stakeholders to support countries' uptake. The working group will also engage with existing user groups working to ensure synergies with the policy agenda.

An **editor** would be appointed to bring the contributions from the various groups into a coherent draft of the SEEA Oceans methodological guidance and manage, together with the Secretariat, the process of development of the SEEA Ocean. Two co-chairs would be appointed, one representing the statistical community and the other representing the ocean community. UNSD could provide the Secretariat of the working group depending on resources.

Research agenda

The *Technical Guidance on Ocean Accounting for Sustainable Development* will provide the input for the development of an initial list of issues to be included in the research agenda for the SEEA Ocean. Such a list will be consolidated and grouped into broad topics and circulated for broad consultation among the environment statistics/accounting community as well as scientists and economists with expertise in ocean information and policies.

On the basis of the input received, several technical drafting groups will be formed and tasked with the responsibility for drafting issue papers that would identify the state of the art on the issue, and would suggest possible ways forward towards agreed definitions, concepts and methods.

The Global Ocean Accounts Partnership, comprised of 18 member institutions (as of December 2020), including 8 governments and co-chaired by ESCAP and Canada will play an important role in the development and implementation of SEEA Ocean as well as in the engagement with the policy community.

Next Steps

The Secretariat, with funding support from the World Bank, have engaged a consultant to prepare an initial list of issues to be included in the research agenda for SEEA Ocean. It is expected this initial list will be circulated for broad consultation following the 52nd Commission session.

Establishment of the Working Group on SEEA Ocean is also a priority next step. The working group, supported by several technical drafting groups formed to address the agreed list of research agenda issues, will report progress to both Technical Committees on SEEA Central Framework and on SEEA Ecosystem Accounting as appropriate. The Working Group on SEEA Ocean will also be supported by other groups advancing ocean accounts by preparing additional supporting documents, such as practical guidelines on the implementation of ocean accounting as well as policy briefs co-developed in collaboration with relevant stakeholders to support countries' uptake. It is expected calls for membership of the working group and its supporting technical drafting groups and other groups will be made following the 52nd Commission session.

Meetings, workshops and fora to review progress made and to engage the broader ocean community will take place regularly. In addition, the Forum of Experts on SEEA Ecosystem Accounting and the London Group could also serve as vehicles to inform, engage and obtain inputs from the statistical and ocean communities.

The Secretariat, with the support of ESCAP and the World Bank, are exploring financing opportunities for SEEA Ocean. At the time of writing, financing to prepare an initial list of issues for the Research Agenda has been secured but additional financing for supporting the technical working/drafting groups and other groups as well as securing an Editor is still required.