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Environmental-economic accounting

Background document
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**Process of drafting of the SEEA Applications and Extensions and summary of
the outcome of the broad consultation**

Prepared by the Bureau of the Committee of Experts on
Environmental-Economic Accounting

Process of drafting of the SEEA Applications and Extensions

A. Background

1. The SEEA Applications and Extensions was drafted as part of the revision of the System of Environmental-Economic Accounting (SEEA) undertaken under the control and management of the United Nations Committee of Experts of Environmental-Economic Accounting (UNCEEA). The revision of the SEEA consisted of the drafting of three parts previously referred to as volumes: part 1, the SEEA Central Framework was adopted as initial international statistical standard by the United Nations Statistical Commission at its 43rd session in February 2012, part 2 consisting of those topics for which consensus could not be reached but which are highly policy-relevant, the SEEA Experimental Ecosystem Accounting, and part 3 consisting of applications and extensions of the SEEA Central Framework, SEEA Applications and Extensions. The SEEA Experimental Ecosystem Accounting and the SEEA Applications and Extensions are being submitted for consideration to the forty-fourth session of the Statistical Commission.

2. An agreed project management framework governing the revision of the SEEA was submitted as a background document to the UN Statistical Commission at its forty-first session in 2010. The SEEA Applications and Extensions is a companion document to the SEEA Central Framework that highlights the potential of data from the accounts of the SEEA Central Framework to be applied to a range of policy and research questions and to be extended to data in other domain. The SEEA Applications and Extensions is not a statistical standard. It simply provides illustrative examples of possible applications of the accounts.

3. This paper describes the process of drafting SEEA Applications and Extensions and the governance of the process. It suggests a timeline and process to finalize the document. The Annex provides a detailed description of the issues raised during the broad consultation and suggests how to address them in the revised document.

B. SEEA Applications and Extension process of drafting

4. Work on the SEEA Applications and Extensions started in 2010 when the UNCEEA at its 5th meeting, established a subgroup¹ to develop together with the editor and UNSD a proposal on the scope, purpose, structure and content of the SEEA Applications and Extensions as well as the relationship of the document with other promotion and communication materials.

5. At its 6th meeting in June 2011, the UNCEEA discussed the proposal of the subgroup and agreed on a programme of work for the completion of SEEA Applications and Extensions. During this meeting it was also agreed that the focus of this document would be on explaining applications, techniques and extensions that can be applied using SEEA concepts and data sets based on the SEEA Central

¹ The subgroup consisted of the following UNCEEA members: Inger Eklund and Viveka Palm (Sweden), Dennis Fixler (USA), Mark de Haan (Netherlands), Rocky Harris (United Kingdom), Myriam Linster (OECD), Shri V. Parameswaran (India), Alessandra Alfieri (UNSD), Carl Obst (Editor SEEA).

Framework. The audience should be analysts, researchers and data compilers coming from an analytical perspective.

6. A list of topics to be addressed in the SEEA Applications and Extensions was developed in consultation with various experts. An outline was developed in late 2011 by the Editor in consultation with UNSD and informal consultations with experts from national statistical offices. In March 2012, experts and practitioners from national statistical offices, international organizations and non-government organizations were asked to contribute short papers on sections of the outline². The contributions described a particular applications, extensions or techniques; explained its policy and analytical relevance; and provided an overview of steps and data requirements.

7. Using the contributions received, the SEEA Editor prepared a first draft of the SEEA Applications and Extensions which was reviewed by the editorial board. The editorial board held numerous meetings via teleconference to discuss updates to the draft. The SEEA Applications and Extensions was also discussed by the London Group on Environmental Accounting at its 18th meeting in October 2012. In December 2012, the draft was submitted to broad consultation to national statistical offices, analysts and researchers that may have interest in the topic.

C. Governance of the drafting of the SEEA Applications and Extensions

8. The drafting of the SEEA Applications and Extensions was undertaken under the management and control of the UNCEEA, which received the mandate to revise the SEEA in February 2005 from the United Nations Statistical Commission. The Bureau of the UNCEEA reviewed progress made and managed the process. The United Nations Statistics Division provided Secretariat services to the process.

9. An Editorial Board³ for the SEEA Applications and Extensions was established by the Bureau of the UNCEEA to assist the editor in reviewing and commenting on various versions of the draft chapters and take decision on how to address comments received through consultation.

10. The annotated outline of the SEEA Applications and Extensions was discussed at the 7th meeting of the UNCEEA in June 2012 and the first draft of the document was reviewed at the 18th meeting of the London Group on Environmental Accounting in October 2012.

11. The SEEA Applications and Extensions was submitted for a 5 weeks consultation to national statistical offices and experts with interest in the topic starting 28 December 2012 and ending 31 January 2013. The consultation was delayed from

² Lilina Feng, Mark Lound, Nancy Steinbach and Michael Vardon (Australia); Pat Adams and Michael Bordt (Canada); Massimo Anzalone, Cesare Costantino and Angelica Tudini (Italy); Roel Delahaye, Maarten van Rossum, Mark de Haan and Sjoerd Schenau (Netherlands); Viveka Palm (Sweden); Rocky Harris (United Kingdom); Myriam Linster (OECD); Brad Ewing (University of Alaska); Tim Scott (UNDP); Alessandro Galli, Katsunori Iha, Mathis Wackernagel (Global Footprint Network) and Arnold Tukker and Olga Ivanova (TNO, Netherlands).

³ Peter van der Ven (Chair, OECD.); Michael Vardon (Australia), Sjoerd Schenau (Netherlands), Rocky Harris (United Kingdom), Dennis Fixler (USA), Brian Newson (Eurostat), Myriam Linster (OECD), Alessandra Alfieri (UNSD) and Carl Obst (Editor SEEA).

the original plans to avoid overlap with other consultations on similar topics, namely the SEEA Experimental Ecosystem Accounting and the SEEA-Energy.

12. A summary of the outcome of the consultation and recommendations on how to address the issue in the final draft is presented in the Annex to this paper. As of 12 February a total of 33 responses were received during the broad consultation process on the complete draft text of which 28 from national statistical offices, 4 from international and supranational organizations and 1 from NGO. A summary of the outcome of the consultation and proposal on how to address the issue in the final draft is presented in the Annex to this paper.

13. To ensure transparency of the drafting and approval process a website “Towards the revision of the SEEA” was established by the Secretariat. The website includes the draft SEEA Applications and Extensions submitted for broad consultation. All comments, received during all stages of broad consultation, which ranged from helpful editorial suggestions to detailed technical input, are available on the SEEA Revision website (unstats.un.org/unsd/envaccounting/seearev/).

D. Finalization of the SEEA Applications and Extensions

14. The comments received through the broad consultation process were generally favorable and supportive of SEEA Applications and Extensions being a useful document to support understanding, promotion and implementation of the SEEA Central Framework. On the whole, the feedback also supported the general content, focus, balance and style of the draft text. In this regard, the Editorial Board considers that the draft material is sound and meets the objectives outlined for the document.

15. The feedback comprised comments of both a general and a specific technical nature. Some issues were raised by just one country or agency, while for other issues several respondents provided similar or related feedback. The Editorial Board reviewed the comments and, on the whole, considered that most comments will be able to be integrated into a redrafted document.

16. The process to finalize the SEEA Applications and Extensions is the following:

- Revised draft to be prepared by the Editor to take into account the comments received by the Statistical Commission and through the broad consultations (mid April 2013)
- Review by the Editorial Board of the revised draft (beginning May 2013)
- Submission of the final draft to the Bureau of UNCEEA for final approval (end May 2013)
- Circulation of the final draft to the UNCEEA members and posting of the final draft on the UNSD website (June 2013)
- Submission to UN Editor for final editing (June 2013)
- Publication and translation (end 2013 -2014)

Annex : Summary of the outcome to the broad consultation on the SEEA Applications and Extensions and suggested way to address comments

Responses to substantive technical comments

This annex summarises those comments that were more significant in nature and includes proposed responses to these comments. A number of comments were editorial and typographical in nature and, as appropriate, relevant changes will be made in the updated draft. Editorial comments are not discussed further in this annex and will be taken into accounting during the finalization process.

1. Coverage of material. Overall, the coverage of material was thought to be appropriate. Some suggestions were provided for additional types of analysis (e.g. contribution analysis, structural path analysis) that might be included and these will be considered for inclusion in the re-drafted document. There were suggestions to incorporate a core set of SEEA indicators and standard reporting templates but this is considered to require a process distinct from the drafting of SEEA Applications and Extensions. One response suggested the inclusion of text on carbon accounting (as opposed to including this material in SEEA Experimental Ecosystem Accounting). On balance, it is considered most appropriate to retain this material in SEEA Experimental Ecosystem Accounting.

2. Organisation of material. In terms of organisation of material there were two main points raised. First, there was concern that Chapter 2 was too long and consequently messages regarding relevant aggregates and indicators that may emerge from the SEEA Central Framework were not highlighted. In response it is proposed that the first sections of Chapter 2 be re-worked to highlight better the key messages around aggregates and indicators and also to provide more explanation of the logic and structure of the chapter. As part of this re-drafting further consideration will be given to the explanation of the information pyramid which was commented on a number of times.

Second, a few responses proposed moving the material on geo-spatial analysis from Chapter 3 “Analytical techniques” to Chapter 4 “Extensions of the SEEA”. On balance, the Editorial Board agreed with this proposal. While there are some aspects of geo-spatial analysis that are within the scope of the SEEA Central Framework (e.g. analysis of land use and land cover change), the integration of SEEA based information with other data at fine spatial levels is likely to be best reflected as an extension. This change will be incorporated in the next draft.

3. Relationship to the SEEA Central Framework. While it was generally understood that the material in SEEA Applications and Extensions concerned data from the

SEEA Central Framework, a number of responses indicated that the links to the SEEA Central Framework could be made more explicit and precise, especially in terms of relating the information in the examples to the source of information from tables structured following the descriptions in the SEEA Central Framework. The Editorial Board agreed that it was fundamental that the links to the SEEA Central Framework be clearly explained. Suggestions provided in the responses will be considered in detail and relevant text re-drafted as necessary.

In addition, it is proposed that an annex be included to explain the links between the data in the examples and the relevant source tables in the SEEA Central Framework. This was initially a proposal that emerged from discussion with the London Group in October 2012 but which had not been able to be completed in time for the consultation draft.

4. The explanation of examples. A number of responses pointed to a desire for explanation and understanding of the source of the data feeding into the examples which have been anonymised in the consultation draft. There are pros and cons associated with the choice of anonymisation. The Editorial Board accepts the need to support users of the document and will continue to assess options, including the potential to develop an accessible database of relevant examples and associated papers and documentation.

Some responses also suggested increasing the number of examples but the Editorial Board feels that there would be better value added in retaining the current number of examples and improving the explanation and presentation. It is noted that links to additional examples would be facilitated through the database mentioned above.

5. Description of input-output tables, CGE models, and consumption based analysis. Some responses provided detailed technical feedback and suggestions relating to the descriptions of the input-output tables, CGE models and consumption based analysis. In general, the current draft is headed in the right direction but the responses indicate that the technical explanation can be improved and the description of the context for this work can be made clearer. A particular focus in terms of context is explanation of the links between the increasingly available footprint indicators and other indicators and models. The revised draft will take these comments on board.

6. Other comments. Aside from these main issues there were a number of requests for clarifications in certain paragraphs and in relation to some terms (e.g. environmental efficiency), a request for the inclusion of a glossary, and also comments on whether the text had appropriately interpreted and explained some of the examples included in the draft. These comments will be considered during the re-drafting process.

In addition, comments on the following topics were provided which will also be taken into consideration in the re-drafted version.

- The appropriate analysis of environmental protection expenditure accounts data and data on the environmental goods and services sector (including the concept of green jobs)
- The role of SEEA Central Framework in assessing sustainability

The links to the Framework for the Development of Environment