

System of  
Environmental  
Economic  
Accounting

GFSAC/04/24/02

# Update of the SEEA Central Framework

Meeting of the GFS Advisory Committee

24 April 2024



United Nations

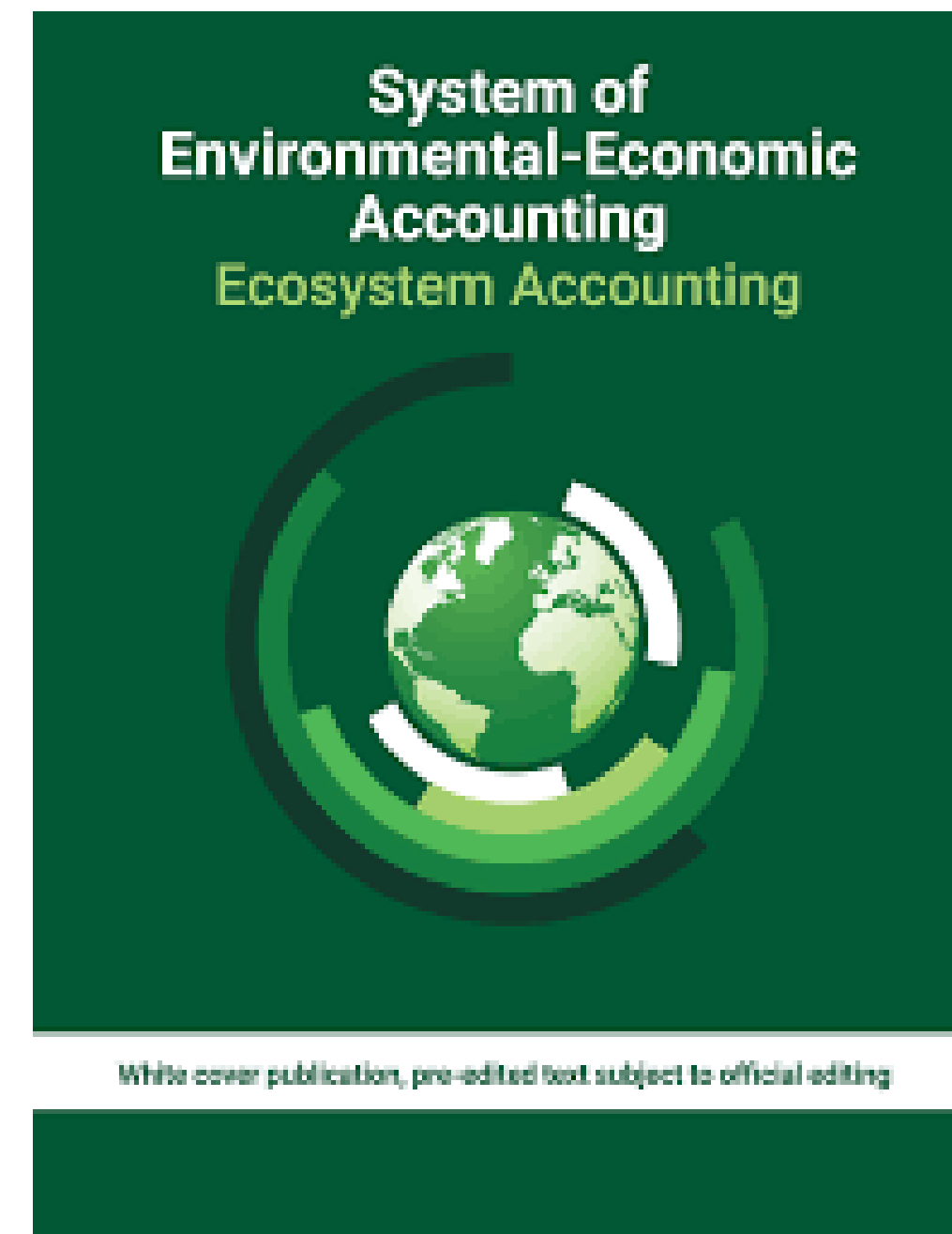
# Outline

- Background and status of global SEEA implementation
- Overall proposal for the update
- Coordination with the revision of GFS

# SEEA – a statistical standard for the environment



Adopted in 2012

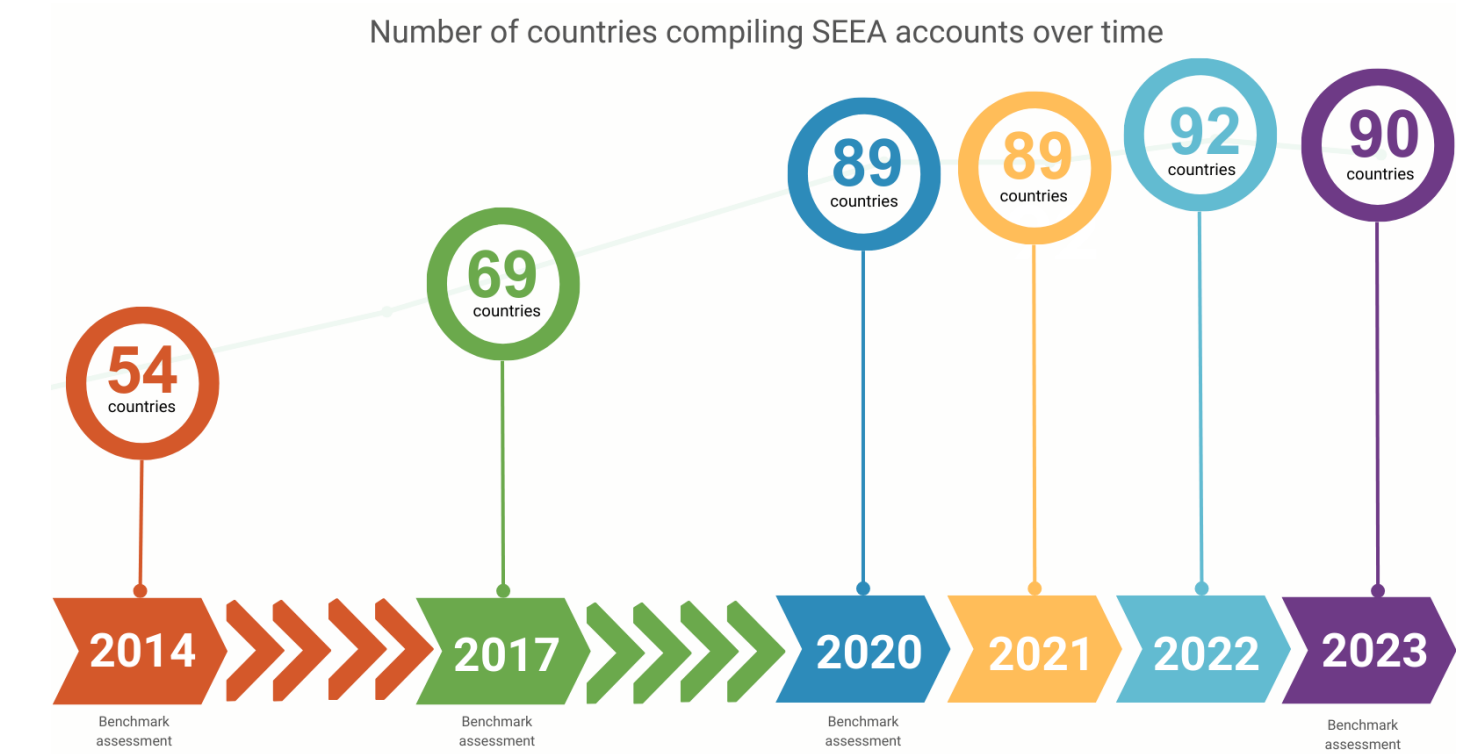


Adopted in 2021

- Brings together environmental and economic data using the same accounting principles of the SNA
- Credibility, reliability, replicability of data
- Consistency over time and space
- Common language between different communities
- Breaks down silos and fosters collaboration

# Background to the update

- Keeping in mind the update of the 2008 SNA, new policy priorities, and growing country implementation, the UNCEEA began discussing the update of the SEEA CF already in 2019
- At the 2023 Meeting of the UNCEEA, the Committee agreed to an update while emphasizing the need to prioritize which issues tackled under the update, given limited resources
- In March 2024, the UN Statistical Commission:
  - *Endorsed the proposed update of the SEEA Central Framework, noting that the framework should remain responsive to emerging demands for integrated environmental and economic data in support of climate change, circular economy, disaster risk reduction, resource management, green growth and jobs, biodiversity and other policies, and coherent with the updated System of National Accounts and Balance of Payments and other recently revised standards, classifications and manuals, as appropriate...*



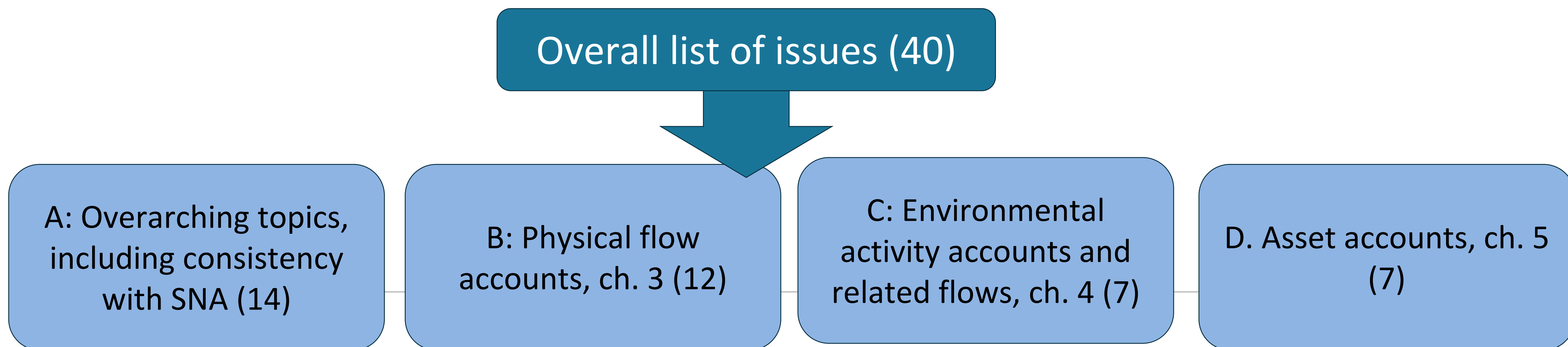
# Overall approach to the update

- Three-pronged approach
  - Undertaking technical research and reaching recommended guidance on a set of specific issues
  - Engaging in progressive rounds of inclusive, global consultations and review
  - Coordination and collaboration with different stakeholders
- Emphasis on including a broad set of producer/user communities in the process, including statisticians, national accountants, environmental economists, policy makers, academia, private sector, etc.
- Additional key aspect of coordination between various economic statistics, environmental statistics and classifications expert groups to ensure alignment with existing standards
  - Leverage combined research, update and consultative processes of different the different updates, in particular:
    - Government Finance Statistics (GFS)
    - Classification of Functions of Government (COFOG)
    - Others



# List of issues

- Technical Committee on the SEEA CF has developed a preliminary list of issues to be tackled under the revision
- Suggested prioritization of issues developed, based on the complexity of resolving the issue as well as the impact on producers/users
- List of issues and prioritization is currently under review by the Committee; will undergo global consultation with producers and users in Q2



# List of issues

## A: Overarching topics, including consistency with SNA (14)

A1	Providing a broad overview of links between SEEA CF and SEEA EA
A2	Indicators
A3	Update of existing information on EE-IOT
A4	How SEEA CF accounts can be made spatially explicit
A5	Harmonization with other international classifications
A6	Introduction of thematic accounts to link to policy
A7	Strengthening the accounts link to policy
A8	Reference to CE paradigm
A9	Extension to social domain
A10	Explicitly linking/integrating environmental activity accounts (ch. 4), asset accounts (ch. 3) and flow accounts (ch. 5)
A11	Consistency with the 2025 SNA revision issues
A12	Harmonized environmental asset classification for SNA/SEEA
A13	Identifying and clarifying cases of overlapping terminology
A14	Elaboration of the significance and treatment of deviations between the SNA 2025 and SEEA
A15	Treatment of the atmosphere as an asset

## B: Physical flow accounts, ch. 3 (12)

B1	Description PSUTs
B2	Further clarifying treatment of losses (e.g. energy, water)
B3	Inclusion of LULUCF in air emission accounts
B4	Inclusion of carbon flows
B5	Inclusion of text on quarterly accounts
B6	Differences between PSUTs and EW MFA
B7	Inclusion of residual flows to ecosystem type, i.e. pressure account
B8	Elaboration of waste accounts
B9	Further guidance on recording own account production
B10	Creation of a classification of residuals
B11	Further clarifying treatment of goods sent for processing abroad and providing guidelines
B12	Borderline cases for the production boundary

# List of issues

## C: Environmental activity accounts and related flows, ch. 4 (7)

C1	Inclusion of the Classification of Environmental Purposes (revised CEA)
C2	Inclusion of the integrated framework for monetary accounts
C3	Elaborating environmental tax abatements
C4	Incorporation of sustainable finance into an accounting framework
C5	Inclusion of potentially environmentally damaging subsidies/related transfers
C6	Extending the scope of environmental activities
C7	Extending the scope of environmental activities to include climate measures

## D. Asset accounts, ch. 5 (7)

D1	Inclusion of the carbon stock account
D2	Inclusion of water quality accounts in the SEEA CF
D3	Inclusion of accounts for physical produced assets
D4	Consideration of water as a produced asset (e.g. (artificial reservoirs)
D5	Revision of the interim land use and land cover classifications
D6	Evaluation of need for soil resource accounts in SEEA CF
D7	Valuation of water



# Tentative timeline

- 2024:
  - List of issues: drafting, global consultation and finalization
  - Work on certain high priority issues can begin already (e.g. meeting of the London Group on Environmental Accounting)
  - Organization of task teams
- 2025-2026:
  - Drafting of issue papers by task teams
  - Global consultation of issue papers
  - Drafting updated text of the SEEA CF
- 2027:
  - Continued drafting of updated text of the SEEA CF
  - Global consultation of the chapters
  - Submission to the UN Statistical Commission
- 2028: Endorsement by the UN Statistical Commission

# Some reflections on the coordination with the revisions of GFS and COFOG

- Importance of **coordinating the revision processes** of the SEEA CF, GFS and COFOG to ensure a consistent set of recommendations on areas of common interest
- Need to **coordinate the lists of issues**, and concretely identify issues of common interest and mechanisms for advancing on these issues (e.g. joint task teams reporting to both committees? Parallel consultations?...)
- Efforts to **coordinate the global consultations** of the different revision processes

# THANK YOU

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