GLOBAL IMPLEMENTATION AND CAPACITY BUILDING

NATURAL CAPITAL ACCOUNTING

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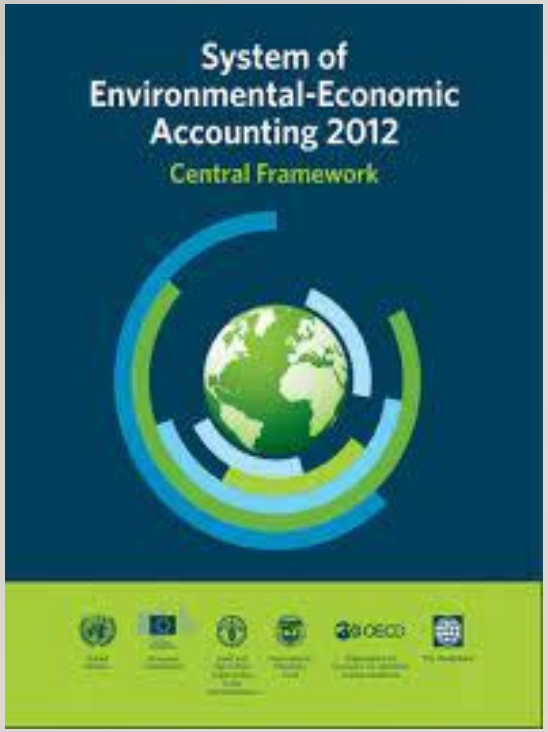
WHAT IS NCA AND HOW DOES IT RELATE TO SEEA

- **Natural Capital Accounting (NCA)** Natural capital accounting is a method of assessing natural ecosystems' contributions to the economy in order to help governments better understand their economies' reliance upon natural systems, track changes in natural systems that may have implications for industries, and manage natural resources and ecosystems to ensure their economic benefits are sustained into the future.
- **System of Environmental Economic Accounting (SEEA)** is a framework, adopted by the United Nations, that integrates economic and environmental data to provide a more comprehensive and multipurpose view of the interrelationships between the economy and the environment and the stocks and changes in stocks of environmental assets, as they bring benefits to humanity.
- **SEEA has two (2) approaches:**

SEEA-CENTRAL FRAMEWORK



- **Central Framework:**

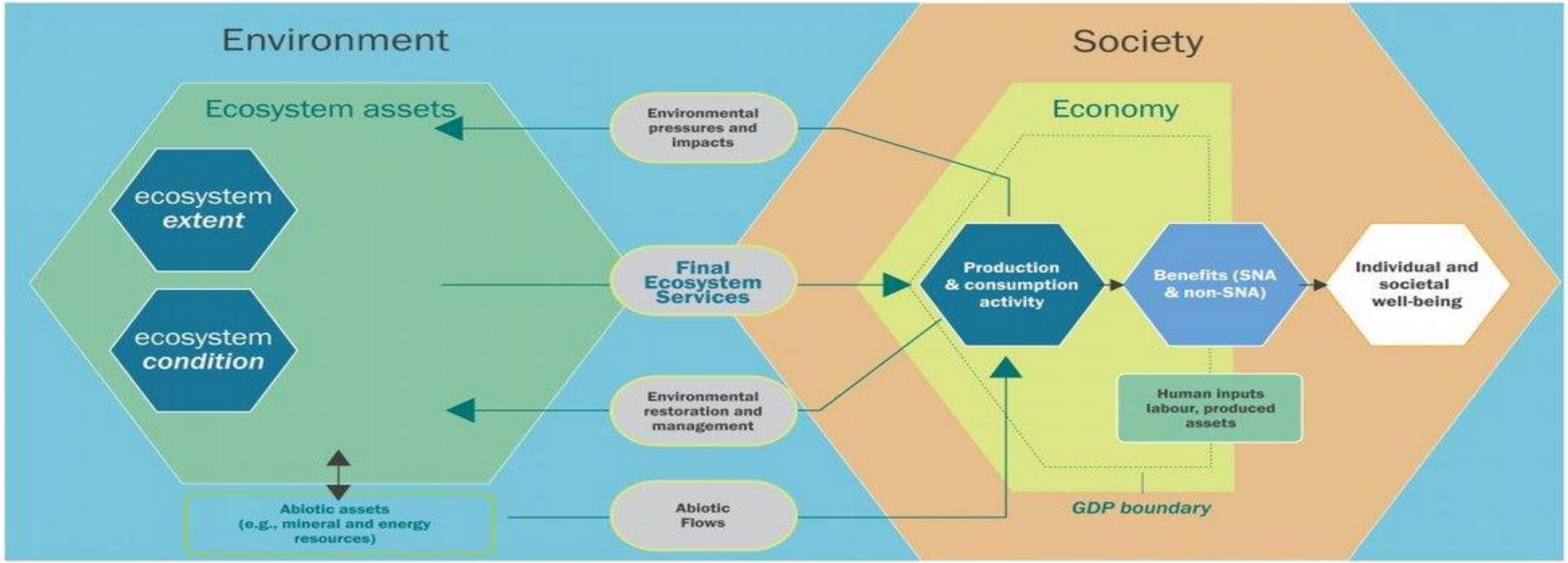
The SEEA Central Framework is an international statistical standard for measuring the environment and its relationship with the economy. The Central Framework covers measurement in three main areas:

1. **Environmental flows.** The flows of natural inputs, products and residuals between the environment and the economy, and within the economy, both in physical and monetary terms.
2. **Stocks of environmental assets.** The stocks of individual assets, such as water or energy assets, and how they change over an accounting period due to economic activity and natural processes, both in physical and monetary terms.
3. **Economic activity related to the environment.** Monetary flows associated with economic activities related to the environment, including spending on environmental protection and resource management, and the production of 'environmental goods and services'.

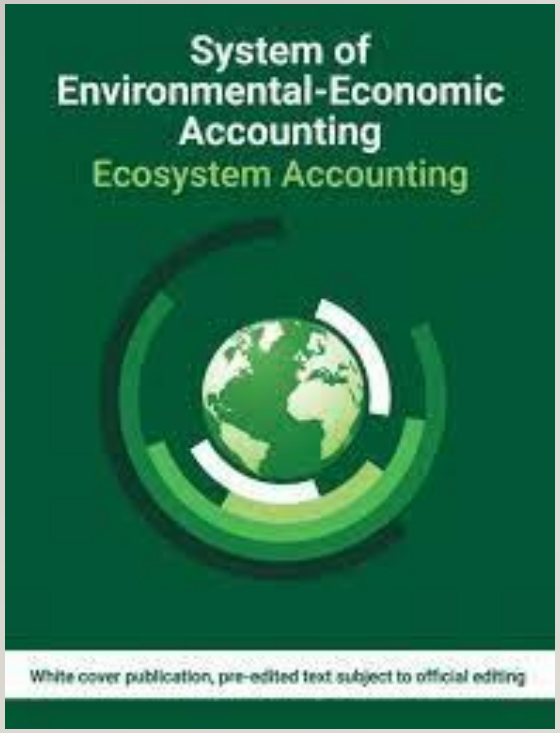
The SEEA Central Framework is made up of a number of different accounts, all of which are integrated and which draw information together into one coherent system. This is done by applying the same accounting concepts, structures, rules and principles to different sets of environmental information. Because these concepts are aligned with those of the System of National Accounts, this environmental information can then be integrated with economic information.

SEEA ECOSYSTEM ACCOUNTS

Figure 4 | SEEA EA Conceptual Structure



SEEA-ECOSYSTEM ACCOUNTS



The SEEA Ecosystem Accounting (SEEA EA) constitutes an integrated and comprehensive statistical framework for organizing data about habitats and landscapes, measuring the ecosystem services, tracking changes in ecosystem assets, and linking this information to economic and other human activity.

The United Nations Statistical Commission (UNSC) adopted the SEEA Ecosystem Accounting (SEEA EA)2 at its 52nd session in March 2021. The UNSC adopted chapters 1-7 describing the accounting framework and the physical accounts as an international statistical standard, chapters 8-11 describing the monetary valuation and integrated accounting for ecosystem services and assets as internationally recognized statistical principles and recommendations for the valuation of ecosystem services and assets, and chapters 12-14 as applications and extensions to the SEEA EA.

WHAT IS UNCEEA?

- Established in 2005, The United Nations Committee of experts of Environmental Accounting (UNCEEA) is an intergovernmental body that provides vision, coordination, prioritization and direction in the field of environmental economic accounting and supporting statistics. The UNCEEA meets once a year and is governed by the Bureau of the UNCEEA.

UNCEEA OBJECTIVES

- Mainstream environmental-economic accounts and supporting statistics
- Elevate the System of Environmental-Economic Accounts (SEEA) to an international statistical standard
- Advance the implementation of the SEEA in countries

UNCEEA

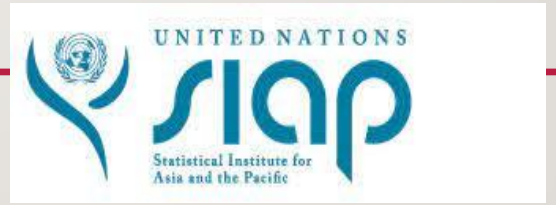
- UNCEEA has 5 working groups (areas)within which members contribute:
- Area A: Coordination and Communication
  - This area focuses on communication; mainstreaming SEEA in areas such as the development and reporting of indicators, analysis and decision-making at national and global levels ; **Coordinate indicators in the area of sustainable finance, circular economy, climate change , nature-based solutions and ecosystem restoration, ocean, beyond-GDP and post 2020 framework for the Convention on Biological Diversity**
- **Area B: Methodological Development for Normative Standards and other Research:**
  - **CF:(updating classifications eg SNA, ISIC, CPC and SIEC, develop technical notes eg for EPEA**
  - **EA: Implementation strategy out. Link to policy; Forest ecosystems and oceans TWG**

UNCEEA

- Area C: **Development of Global Databases for SEEA: progress made on** priority accounts of air emissions, land, energy and material flow, as well as the plans for their continued improvement. Plans for pilot work on Water and land accounts; templates
- **Area E: Business Accounting:** Collaboration with the business community, and the development of SEEA documents and material for the business community;

AREA D

AREA D MEMBERSHIP



KNBS
KENYA NATIONAL BUREAU OF STATISTICS
Keeping you informed

UNITED NATIONS
SIAP
Statistical Institute for Asia and the Pacific

UNCEEA_IMPLEMENTATION AND STATISTICAL CAPACITY BUILDING (AREA D)

Area D has three (3) main priorities:

- Coordination of capacity building and implementation activities
- Global assessment
- Updating the implementation guide and diagnostic tool

UNCEEA_IMPLEMENTATION AND STATISTICAL CAPACITY BUILDING (AREA D)

- Coordination of capacity building and implementation activities
  - Schedule regular quarterly meetings of members to ensure sharing of information and best practices in a timely fashion.
  - Regularly review and update of the Global Assessment spreadsheet on SEEA implementation.
  - Develop a sheet outlining capacity building priorities and training needs by organization. Priority areas/focus of regional commissions; current projects, training and/or capacity building priorities and focus countries….
  - Maintain an updated list of SEEA focal points for every country.
  - Develop and maintain a sheet with potential consultants used in different capacity building projects. List of experts by area of expertise and by region….

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- **Global assessment**
  - The comprehensive global assessment questionnaire is rolled out every three years with the next one set for 2023.
  - A global assessment lite is done every year due to the frequent changes in the sector

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- **Global assessment**
- As of 2021 Global Assessment Lite:
  - 88 countries compiled at least one account in the SEEA CF (14 of these countries are in Africa)
    - Most popular CF accounts include: Energy/Mineral Accounts, Environmental Protection and Management Expenditure Accounts and Material Flow Accounts
  - 37 countries compiled at least one account in the SEEA EA (Only 6 of these countries are in Africa)
  - 35 countries compiled both a SEEA CF and EA (5 in Africa)

UNCEEA_IMPLEMENTATION AND STATISTICAL CAPACITY BUILDING (AREA D)

- IMPLEMENTATION
- **Multi stakeholder engagement; Ecologists/Environmentalists, GIS Experts, Economists/Statisticians/National Accountants**
- **Flexible and modular approach:** countries differ in terms of their specific policy issues and their level of statistical development. Depending on the specific environmental and economic context, a country may choose to implement only a selection of the accounts or to compile accounts for selected regions within the country. (KwaZulu Natal)
- **Tiered implementation:** a tiered implementation is recommended, starting first from global data sets and improving on them using national data where available….ARIES for SEEA?
- **(Sub)regional support/approach:** Use of regional commissions and multilateral development banks and other bodies in providing opportunities for countries to share their experiences, supporting regional communities of practice, leading capacity building activities, raising awareness on SEEA within NSOs and user communities, supporting country implementation and facilitating south-south collaboration
- **South-south cooperation:** Within each region or sub-region, it is intended that one or more countries will be selected as lead countries. Lead countries will not only have begun to implement the accounts in earnest, but also are expected to be leaders and advocates, share technical knowledge with other countries in the region or sub-region that are interested in implementing the accounts, and foster south- south cooperation.

UNCEEA_IMPLEMENTATION AND STATISTICAL CAPACITY BUILDING (AREA D)

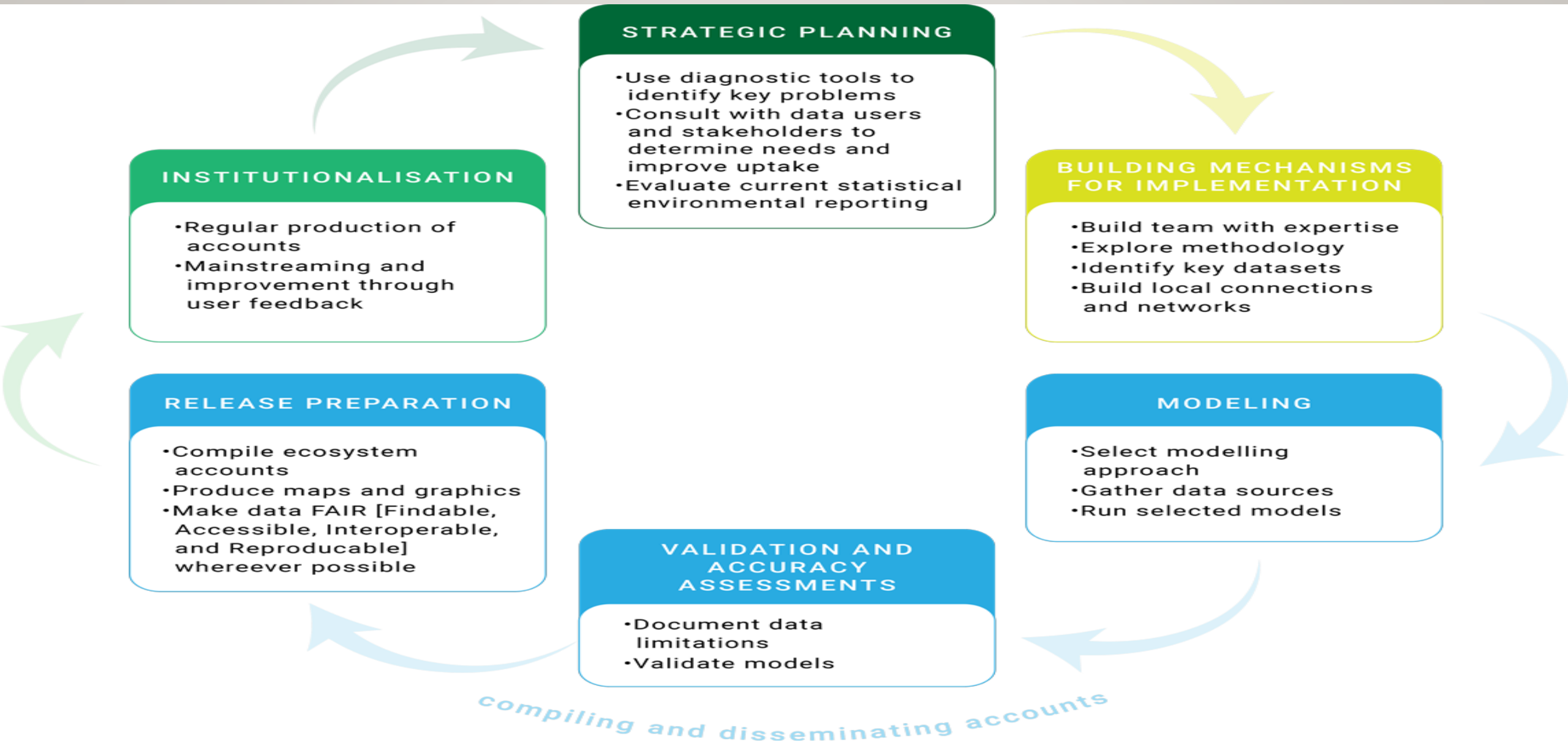
- **Updating the implementation guide and diagnostic tool**
- The current SEEA Implementation Guide and Diagnostic Tool was developed in 2014, but several developments happened since then, most notably:
  - Adoption of the SEEA-EA Framework
  - Use of global data and earth observation methodologies; ARIES for SEEA
  - Lessons learnt in implementation.
- Area D members tare in the process of updating the document with new developments and lessons learned. The new document will be presented at the 2023 UNCEEA for adoption.

UNCEEA_IMPLEMENTATION AND STATISTICAL CAPACITY BUILDING (AREA D)

Objectives of updating the implementation guide and diagnostic tool

- Clarifying the process (step by step) of introducing a new SEEA account on the country
- Mainstreaming biodiversity and ecosystems in to national policies;….sustainability?
- Use of the SEEA EA for monitoring and reporting. Particularly for SDGs; Strategies and Action Plans (NBSAPs), National Determined Contributions (NDCs) etc that present country progress towards achieving targets
- Dissemination of ecosystem accounts

Country Implementation Phases



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CAPACITY BUILDING

- Currently training mainly using e-learning tools, especially since the Covid pandemic:
- Trainings available at at the global SEEA site:
- https://learning.officialstatistics.org/course/index.php?categoryid=3
- Or at UNSIAP (UN Statistics Institute for Asia and the Pacific)
- https://siap-elearning.org

- More trainings being explore

THANK YOU