

# ENVIRONMENTAL ACCOUNTS

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<http://unstats.un.org/unsd/envaccounting/default.asp>

## WHAT IS ENVIRONMENTAL-ECONOMIC ACCOUNTING?

*Environmental-economic accounting brings together economic and environmental information in a common framework to measure the contribution of the environment to the economy and the impact of the economy on the environment. The System of Environmental-Economic Accounting (SEEA) is a satellite system of the 1993 System of National Accounts (1993 SNA). By using common concepts, definitions and classifications, the SEEA provides a transparent information system for strategic planning and policy analysis which can be used to identify more sustainable paths of development.*

## HISTORICAL OVERVIEW OF ENVIRONMENTAL-ECONOMIC ACCOUNTING

Environmentally sound and sustainable socio-economic development has received increased attention from the international community, stimulated in particular by the report of the *World Commission on Environment and Development (1987)*.

In parallel during the eighties and early nineties, joint workshops, organized by UNEP and the World Bank, set out to examine the feasibility of physical and monetary accounting in the areas of natural resources and the environment.

A consensus emerged in the workshops to the effect that enough progress had been achieved to develop the links between environmental accounting and the System of National Accounts (SNA), and to elaborate certain aspects of environmental accounting in the 1993 SNA.

### Satellite accounts in 1993 SNA

As a result, the 1993 SNA includes a chapter on satellite accounts (chapter XXI) a large part of which is dedicated to environmental-economic accounting. The satellite approach expands the analytical capacity of national accounts without overburdening the central framework of the SNA. The Statistical Commission in its Twenty-sixth session in 1991 endorsed the satellite approach and requested that the concepts and methods of integrated environmental and economic accounting be developed by means of satellite accounts.

The satellite approach was confirmed by the United Nations Conference on Environment and Development (UNCED) (Rio de Janeiro, 1992). *Agenda 21*, adopted by the UNCED, included a programme area on “establishing systems for integrated environmental and economic

accounting”, with the main objective to “expand the existing systems of national economic accounts in order to integrate environment and social dimensions in the accounting framework” with the resulting systems “to be established in all member States at the earliest date” (UNCED para.8.42).

In his *Millennium Report* the Secretary General encourages governments “to consider the SEEA carefully and identify ways to incorporate it into their own national accounts” (‘We the Peoples’, 2000).

### SEEA - 1993

In 1993 the United Nations published the *Handbook of National Accounting: Integrated Environmental and Economic Accounting (SEEA)*. The discussion of concepts and methods had not come to a final conclusion and the handbook was issued as an “interim” version.

### London Group on Environmental Accounting

After the publication of the SEEA - 1993, several developing and developed countries started experimenting with the compilation of the SEEA. In particular the London Group on Environmental Accounting, one of the city groups established under the auspices of the UN Statistical Commission and composed of a group of experts from countries and international agencies active in the field was created in 1994. The objectives of the London Group are to advance methodologies in environmental-economic accounting and provide a forum for practitioners to share their experiences in their development and implementation.

### SEEA - Operational Manual

In 2001, UNSD and UNEP published the *Handbook of National Accounting: Integrated Environmental and Economic Accounting - An Operational Manual*, which provides a step-by-

step guidance on how to implement specific modules of the accounts, and discusses possible applications in policy-making.

### **SEEA-2003**

The Statistical Commission at its Twenty-ninth Session, in 1997, requested the London Group to collaborate with UNSD on the revision of the SEEA. The revised *Handbook of National Accounting: Integrated Environmental and Economic Accounting, Rev. 1 (SEEA-2003)* was built upon a wide consultation process that concluded in 2002. It has been issued in 2003 by the United Nations, the International Monetary Fund (IMF), the Organization of Economic Cooperation and Development (OECD), the European Commission and the World Bank.

### **UNCEEA**

In 2005, in response to the request of countries to mainstream environmental-economic accounting and related statistics, the Statistical Commission in its Thirty-sixth Session established the United Nations Committee of Experts on Environmental-Economic Accounting (UNCEEA).

The UN Committee's objectives are to:

- Mainstream environmental-economic accounting and related statistics;
- Elevate the SEEA to an international statistical standard by 2010; and
- Advance the SEEA implementation in countries.

UNSD serves as the Secretariat of the UN Committee of Experts.

### **SEEAF**

In support to the SEEA-2003, in 2006 the *Handbook of National Accounting: Integrated Environmental and Economic Accounting for Fisheries (SEEAF)* will be published jointly by UNSD and the FAO Fisheries Department. The handbook provides guidelines on environmental-economic accounting for fisheries (capture and aquaculture) and illustrates examples of compilations and uses of these accounts for selected countries.

### **SEEAW**

The *System of Environmental-Economic Accounting for Water Resources (SEEAW)* was prepared in collaboration with the London Group and will be presented to the Statistical Commission at its Thirty-eighth session in 2007. The Statistical Commission will be requested to encourage the implementation of the SEEAW in countries and to advise on whether to adopt Part

I of the SEEAW as a statistical standard. The SEEAW provides a conceptual framework for organizing the hydrological and economic information in a coherent and consistent framework. UN-Water is considering adopting the SEEAW as the information system for the monitoring and assessment of hydrological-economic information in support of IWRM.

### **User-Producer Conferences**

A User-Producer Conference: Water Accounting for Integrated Water Resource Management (Voorburg, the Netherlands May 2006), the first of a series, was organized under the auspices of the UNCEEA. The Conference brought together both users and producers of water accounts. It endorsed the SEEAW and agreed with the creation of a *Roundtable on Water Accounting* to advance the implementation of the SEEAW.

More info:

<http://unstats.un.org/unsd/envaccounting/ceea/upcWater.asp>

### **Global Assessment**

The first phase of a Global Assessment of Environment Statistics and Environmental-Economic Accounting was conducted in 2006, to assess the current status of national implementation of Environment Statistics and of Environmental-Economic Accounting Programmes.

### **Knowledge based platform**

To share best-practices, a web-based platform is being set-up, which features a searchable archive of publications, events and activities in environmental-economic accounting and related statistics.

More info:

<http://unstats.un.org/unsd/envaccounting/ceea>

### **Technical assistance**

UNSD is involved in a number of activities to provide assistance to developing countries:

- In collaboration with UNDP, UNEP, and the World Bank, several country projects in the Philippines, Republic of Korea, Mexico, Morocco, Papua New Guinea, Thailand, Indonesia, Ghana, and Colombia;
- Training workshops in all regions; and
- More recently, technical assistance programmes on water accounting in several countries, including China, Dominican Republic, Guatemala and Mexico.

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