EU AND OECD PRIORITIES FOR THE IMPLEMENTATION OF THE SEEA

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Agreeing on priorities for implementation: challenges faced by International Organisations

- It is difficult to agree on a set of priorities that can be supported by all countries
  - National environmental situations, natural resource endowments and statistical resources differ
- It is harder the more heterogeneous countries are
- Example in Europe: water accounts, forest accounts, subsoil assets
Some co-ordination ideas which worked in the European Union

1. Legal basis for compilation of accounts
   – Priorities negotiated for the legal act

2. Common strategy for environmental accounts
   – European Strategy for Environmental Accounts 2014-2018
   – Not legal

3. Modular approach for SEEA implementation
   – Modularisation helped to agree on priorities
   – (See next slides)
SEEA implementation in EU in modules:

• Wave 1 (legal since 2011):
  – air emission accounts
  – environmental taxes
  – economy-wide material flow accounts

• Wave 2 (legal since 2014):
  – environmental protection expenditure accounts
  – environmental goods and services sector accounts
  – physical energy flow accounts

Voluntary transmissions:
  – Environmental subsidies
  – Forest accounts
Priority setting for modules:

- Priorities were based on a combination of
  - topic relevance, and
  - availability of basic data

- Higher priority to modules:
  - maximising the return, and
  - minimising production costs
Modularity: pros & cons

• **Pros:**
  – Allows to focus on relevance and maximum return
  – Facilitates agreement on first modules
  – You can grow as you go

• **Cons:**
  – Harder to ensure coherence across modules
    • e.g. monetary environmental accounts
  – Puzzling asymmetries in development
    • e.g. environmental taxes vs environmental subsidies
    • e.g. EPEA vs ReMEA
  – Harder to agree new modules after 'easy ones' agreed
    • Those remaining have lower return and higher costs
6 headline indicators to monitor progress towards green growth have been selected for communication:

- CO2 productivity
- non-energy material productivity
- Environmentally adjusted multifactor productivity
- index of natural resources
- changes in land use and cover
- air pollution (i.e. population exposure to PM2.5)

Plus: placeholder for economic opportunities
The OECD GG indicators combine economic and environmental data in a consistent way: the SEEA provides an ideal measurement framework.

SEEA is especially helpful to monitor:

- environmental efficiency of an economy (e.g. pollutant emission and waste generation intensities)
- resource efficiency of an economy (relating resource inputs to economic outputs)
- natural asset base (relating extraction to available stocks)
- environmentally-related activities and instruments
The computation of the OECD GG indicators revealed important data gaps:

- Data at the industry level (in order to quantify the effects of industry structures in international comparisons and help design industry-specific policy tools)

- Physical data for key stocks and flows of natural assets (e.g.: mineral and energy resources)

- Monetary values for key stocks and flows of natural assets (in order to extend traditional growth accounting and compute indices of natural resource use)
The OECD Task Force on the implementation of the SEEA Central Framework (1/2)

Created in September 2013 to:

1. Advise the OECD and its member, accession and key partner countries on the compilation of national data according to the SEEA-CF

2. Facilitate the collection of internationally comparable data on air emissions and mineral/energy resources
   - Air emissions: data compilation building on work done by Eurostat
   - Mineral/energy resources: objective to compile stocks and flows in physical and monetary units, guidance on the use of unofficial data, guidance on valuation methodology.

3. Advise on other areas in which standard tables should be developed and on priorities to be set
Results achieved so far:

– Air emission accounts
  • Database on air emissions by industry for OECD countries (EU countries, Australia, Canada, Norway, Switzerland and Turkey) available on the OECD website

– Natural resource accounts
  • Database (based on national data sources and following SEEA guidelines) covering stocks and flows for up to 14 mineral/energy resources and 7 countries
  • Methodological guidance on e.g. how to align national reporting of mineral/energy resource stocks and on the valuation of deposits (several background notes)
SEEA implementation - Orientations for future work at the OECD (1/2)

- Linked to demands for evidence based policies
  - Monitoring green growth (& the SDGs)
  - Monitoring environmental progress and performance
  - Supporting policy integration and coherence
- Focus on areas not yet or insufficiently covered
  - Continue existing work / Carry out new work
  - Proposals to be discussed with member countries
- Use the multi-disciplinary nature of the OECD’s work
SEEA implementation - Orientations for future work at the OECD (2/2)

1. Continuation of existing work:
   - **Air emission accounts**: regular updates; expand geographical coverage
   - **Natural asset accounts**: expand geographical coverage and fill data gaps in the database; further methodological work (to be seen with SEEA TF)
   - **Material flow accounts**: update OECD guide (2007); guidance on harmonised methods for demand-based material flows

2. Strengthening of the links between SEEA and existing work (e.g. Eurostat-OECD questionnaire)

3. New work: Expand EU work on EGSS to OECD countries on a voluntary basis? Methodological work on renewable resources and guidance on policy relevant indicators?
Conclusions (1/2): general orientations

• Continuation & consolidation of existing work
  – OECD: air emissions, mineral/energy resources, material flows
  – Eurostat: 6 legal modules and voluntary collections

• Adaptations and extensions
  – OECD: EGSS, renewable natural resources, ... (TBD)
  – Eurostat: environmental subsidies, ecosystems, ...

• Strengthen link with other work, and enhance exploitation of results

• SDGs as a challenge & opportunity
Conclusions (2/2): existing & new areas

• Relevant topics for each country
  – Energy
  – Air emissions (in particular: GHGs)
  – Economic instruments (taxes)
  – Environmental Goods & Services Sector?

• Other - allow countries to opt-out
  – Water
  – Forests
  – Mineral/Energy assets
  – ...

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