Implementation of the System of Integrated Environmental and Economic Accounting (Azerbaijan perspectives)
Sustainable Development Concept

Growth process is defined as sustainable, if it is both environmentally and economically sustainable.

Economic sustainability is an ability for a long-term positive growth of consumption per capita;

Environmental sustainability is a long-term maintenance of minimum stock of natural resources (minimum environmental quality).

The SEEA can serve as a basis for measurement and is most useful in studies of sustainable development in terms of capital stock.
Environmental Statistics Indicators System are quite extensive and well matched internally, but unlike the SEEA, there is no consistency across different data sets.

The SEEA is a complex system of accounts with a consistent set of accounts and consistency in terms of concepts, methods, definitions and classifications.

Furthermore, the SEEA tends to consistency over time.
An important difference between the Environmental statistics and SEEA is a clear SEEA focus on a compatibility with economic information.

The System of National Accounts.
SEEA Implementation Strategy

The Global Implementation Strategy for the SEEA is succinctly defined in the reports of the Committee of Experts on Environmental-Economic Accounting, presented at the recent sessions of the Statistical Commission.

✓ Initially, it is necessary to determine the required minimum set of core accounts for implementing. The accounts should ensure continued implementation of the system;

✓ The required minimum set of accounts also has to be clearly linked to the calculations of indicators;

✓ They should be simplified and first of all cover issues of global importance.
Current state of Environmental-Economic Accounting in Azerbaijan

Currently in the Republic of Azerbaijan the environmental statistics and national accounts operate simultaneously without overlapping or interacting.
**Environmental Statistics**

**System of Indicators:** In general, it complies with the standards adopted in international practice;

**Classification system:** CEPA 2000, EWC-Stat Rev.3, NACE rev2.
Current state of Environmental and Economic Accounting in Azerbaijan (continuation)

**National Accounts Statistics**

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Version:</strong></td>
<td>SNA-93</td>
</tr>
<tr>
<td><strong>Annual Accounts:</strong></td>
<td>Full sequence of accounts up to financial account;</td>
</tr>
<tr>
<td><strong>Quarterly Accounts:</strong></td>
<td>GDP calculated by Production and Expenditure Approaches</td>
</tr>
<tr>
<td><strong>SUT:</strong></td>
<td>since 2001, quinquennial</td>
</tr>
</tbody>
</table>
Challenges and activities for further improvement of the set of indicators of the SEEA in Azerbaijan


- Estimation of non-production non-financial assets;
- Development and implementation of the balance of assets and liabilities;
- Development of the “Green Economy” indicators system;
- Compilation of satellite energy accounts;
- Improvement of indicators system of the environmental protection activities.
Challenges and activities for further improving the set of indicators of the SEEA in Azerbaijan (continuation)

Steps to be taken for organizing the work on the SEEA comprehensive implementation into country statistical practices:

- determine the demand and priorities of integrated environmental-economic information;
- determine the set, specification and sequence of the accounts, that will be compiled within the framework of integrated environmental-economic accounting;
- study the data sources and the methodology of calculating the indicators;
- ensure the development of the infrastructure and tools for processing required statistical data;
- adapt the structure and database of SUT for the SEEA purposes.
Thank you for your attention!