

How the SEEA Contributes to Environmental Sustainability Policies

Paper proposal for the IARIW 2010 Conference,
Session 6A: Greening and Economic Growth

Bram Edens (*bees@cbs.nl*) & Mark de Haan (*mhaa@cbs.nl*)*

The SEEA-2003 is currently being revised in an intergovernmental process in order to become an international statistical standard by 2012 on par with the 2008 SNA. Currently the SEEA is a book of best practices, reflecting country experiences and providing multiple options when consensus about one recommended accounting treatment is missing. The expectation is that the SEEA as an international statistical standard will stimulate environmental accounting worldwide.

As an introduction the paper presents the expected set up and main building blocks (e.g. physical flow accounts, asset accounts, environmental expenditure accounts) of the new SEEA and explains the most important changes with its former version. The paper also sums up the most significant conceptual differences with the 2008 SNA such as the recording of natural resource depletion and the extended notion of assets and explains how the environmental accounts relate to environmental statistics such as the energy balances and emission inventories.

Despite its potential of providing relevant statistical information, the System is being accused of not delivering the actual indicators to measure sustainability. The paper illustrates how the various building blocks of SEEA are linked to key environmental policy concerns such as climate change and sustainability. In a subsequent step the paper shows what kind of indicators can be derived from the SEEA to measure sustainable development. These indicators can be categorized into two complementary policy perspectives.

The first policy perspective addresses the measurement of environmental-economic performance, i.e., the extent to which economic growth can be decoupled from resource inputs and pollution outputs. In most countries environmental policy concerns, one way or another, the material throughput of consumer and producer processes. The SEEA is well equipped to monitor trends in eco-efficiency at the macro, industry or households level. The paper illustrates the capacity of SEEA in providing MFA and footprint type of indicators.

The second perspective deals with the policy demand for extended measures of wealth and changes in net worth. In the paper the measurement of natural wealth in SEEA is discussed in relation to the World Bank's adjusted net savings indicator. Part I of the SEEA, the statistical standard, will contain depletion adjusted national accounts aggregates. However, the valuation of environmental degradation will be discussed in SEEA Part II, the non-standardised accounts. In that sense the SEEA standard will not go as far as the World Bank's adjusted net savings indicator in providing environmentally adjusted measures. Recent writings (e.g. Stiglitz Commission) have classified the SEEA in a different category of measures of sustainable development (adjusted GDPs) compared to the adjusted net savings indicator (indexes focusing on over-consumption or underinvestment), although both are rooted in a capital approach to welfare. This paper will address and analyze differences and similarities between revised SEEA and World Bank's methodology. First the proposed resolution of the

* Both authors are working at Statistics Netherlands. Mark de Haan is the Chair of the London Group on Environmental Accounting. The London Group currently advises the UNCEEA on the 21 identified SEEA Volume I revision issues.

measurement of depletion of both non-renewable and renewable natural resources in the revised SEEA will be presented. Second, differences with the World Bank's genuine savings method of measuring depletion (which was recently updated) will be assessed.

The paper concludes with summing up the advantages of embedding indicators in an accounting framework like the SEEA. The paper argues that eco-efficiency indicators or adjusted net savings are not competing with SEEA. Instead the paper argues that these indicators should be derived from SEEA which will undoubtedly enhance the policy relevance of both accounts and indicators.