

Towards a System of Environmental Economic Accounting for Agriculture (SEEA-AGRI)

**FAO-OEA/CIE-IICA WORKING GROUP ON AGRICULTURAL
AND LIVESTOCK STATISTICS FOR LATIN AMERICA AND THE CARIBBEAN**

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The need of an accounting framework for agriculture and the environment

- **The System of National Accounts (SNA) fails to reflect the full costs and benefits to society of economic activities;**
- **The impact of the environment on the economy and the effects of the latter on natural capital have not been readily identifiable within the economic accounts generated;**
- **The SEEA Central Framework - allows for an evaluation of the environmental sustainability of economic activity.**

Applying the SEEA Central Framework to agriculture

- **Helps improve the conceptual basis and analytical capability of agriculture statistics;**
- **Adopting a macroeconomic accounts approach for developing a statistical framework has the advantage of applying a set of SNA-based standard classifications upon which consistent and comprehensive sets of data series can be compiled;**
- **The resulting accounts can provide a complete set of variables for identifying and designing a core and minimum set of agricultural indicators;**
- **Having a multipurpose information system that can be used to combine and harmonize data from various surveys and censuses together into an integrated database that supports policy making and analysis.**

Integrating agriculture activities in one framework

- The three Divisions under ISIC, Section A, represent activities that are major users of one or more environmental assets, in particular soil, water, biological resources, land and ecosystems;
- The three Divisions under ISIC Section A, are strongly related to basic population needs (food, energy, shelter and other raw materials);
- The SEEA-AGRI envisaged by FAO would have the potential to consistently analyse important trends and give insights about relevant environmental, economic and social issues such as the increase of water demand and abstraction, land use changes, forest clearing, etc.,

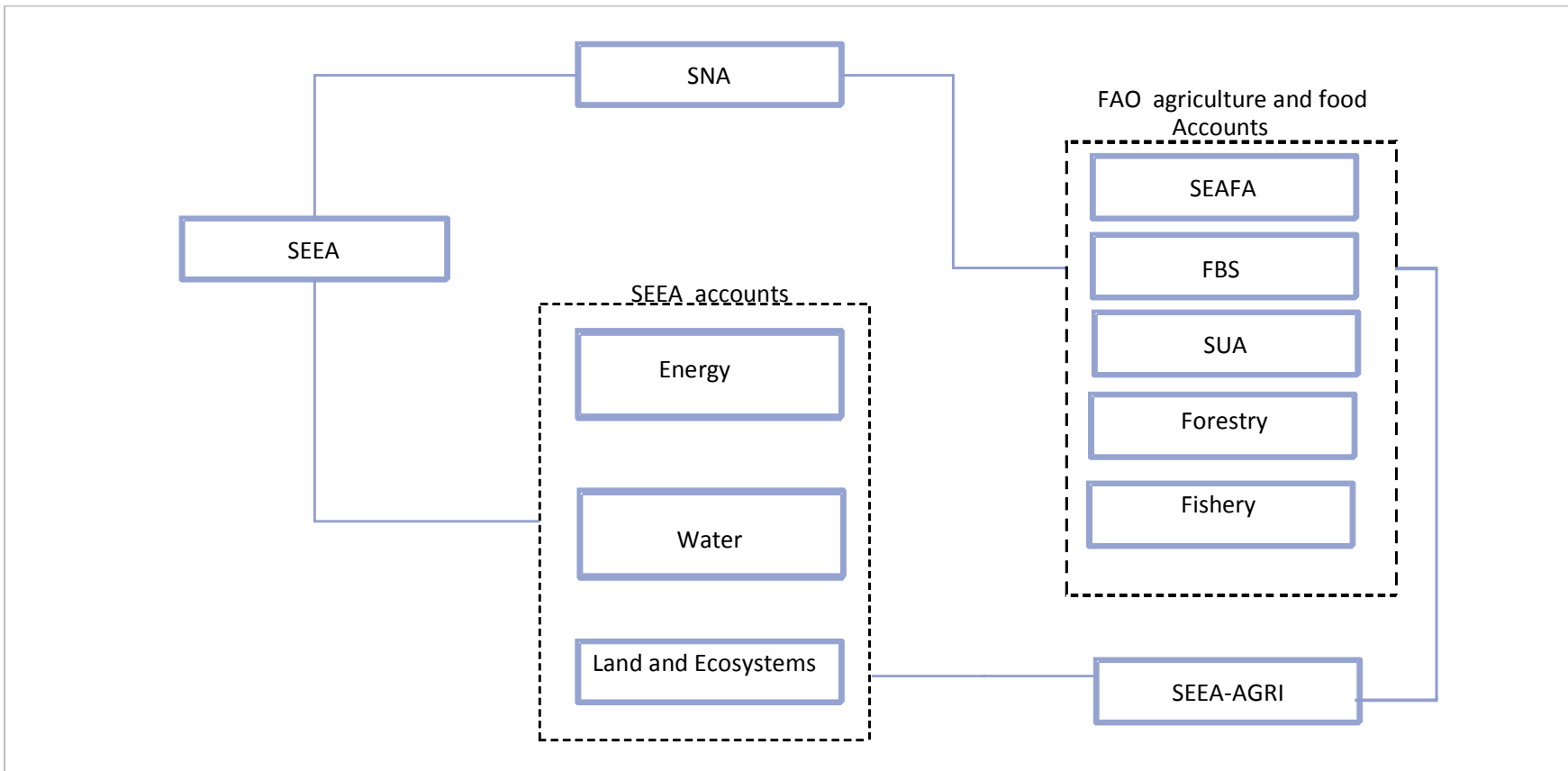
Scope and coverage of SEEA-AGRI

The SEEA-AGRI can be defined as a comprehensive and standard satellite account for the integration of agricultural and environmental data based upon internationally agreed concepts, definitions, classifications and inter-related tables and accounts that are universally valid, regardless of the stage of economic development reached by the country.

SEEA-AGRI aims to translate policy issues into data needs and requirements in a standard and coherent manner by:

- **Enhancing the use of existing agricultural statistics and related common frameworks ;**
- **Providing a consistent, comprehensive, and coordinating framework to link data collected..;**
- **Providing a sound basis for the measurement of a set of economic, social, and environmental indicators...;**
- **Providing a framework to expand the analytical capabilities of the original FAO SEAFA , etc;**
- **Providing a framework that links to other SEEA subsystems being articulated by other agencies .**

SEEA-AGRI and other accounting frameworks



Accounts of the Central Framework design

- **Asset accounts** - These incorporate different natural assets and its changes during the accounting period in physical and monetary values;
- **Flow accounts** - provide information at the industry level about the use of materials as inputs to production and final demand and the generation of pollutants and solid waste;
- **Environmental protection accounts** - identify expenditures in the conventional SNA incurred by industry, government and households to protect the environment or manage resources
- **Adjusted macro indicators** - these accounts extend SNA aggregates to account for depletion, defensive expenditures and degradation.

SEEA-AGRI development strategy

- **Organization;**
- **Conceptualization;**
- **Consultation;**
- **Pilot application and feedback;**
- **Drafts and final document.**

Proposed outline for the SEEA-AGRI

- Chapter 1. Introduction
- Chapter 2. From SEEA to SEEA-AGRI: The framework
- Chapter 3. Asset accounts
- Chapter 4. Flow accounts
- Chapter 5. Expenditure and transaction accounts
- Chapter 6. Macroeconomic aggregates and other indicators
- Chapter 7. Extensions and policy applications
- Chapter 8. Valuation of agricultural services and environmental costs and benefits
- Annex 1. Standard tables (including numerical examples)
- Annex 2. Complementary tables (including numerical examples)

Minimum required dataset SEEA-AGRI

One of the main concerns is that a **great deal of data** may be required to implement the accounts pertaining to a minimum required dataset SEEA-AGRI and these data may not completely exist in many developing and emerging market countries.

IICA members are asked to express their views on

- **The proposed scope and coverage of the SEEA-AGRI to be developed by FAO;**
- **The proposed SEEA-AGRI development strategy;**
- **The proposed summary outline of the SEEA-AGRI methodological document;**
- **Their interest in participating in the SEEA-AGRI development work, and advise any previous or on-going work pertaining to environmental-economic accounting for agriculture, forestry, and/or fisheries that could inform SEEA-AGRI development;**
- **Do they build indicators and publish analyses from environmental accounts?**

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