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System of  
Environmental  
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**PRESS RELEASE**

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## **Countries to consider ground-breaking change to economic reporting that includes natural capital**

### ***New statistical framework linking economy and the environment would go beyond GDP to drive policy decisions***

**New York, 2 March**—In a ground-breaking development that could fundamentally reorient economic and policy planning toward sustainable development, countries will begin consideration of a new system to measure economic prosperity and human well-being that includes the contributions of nature at the UN Statistical Commission today. The measure could move toward the process of adoption on Friday.

The adoption of the new accounting framework—the System of Environmental-Economic Accounting—Ecosystem Accounting (SEEA EA)—would mark a major step forward to incorporating sustainable development in economic planning and policy decision-making and could have a significant impact on efforts to address critical environmental emergencies, including climate change and biodiversity loss.

With two crucial conferences later this year—COP15 on Biodiversity in Kunming and the Glasgow Climate Conference, COP 26—countries could benefit from using the much needed framework to underpin their decisions with hard data.

The new framework would go beyond the commonly used statistic of gross domestic product (GDP) and would ensure that natural capital—the contributions of forests, oceans and other ecosystems—are recognized in economic reporting.

The Commission will discuss the new framework on Tuesday and will move to adopt the measure, provided there are no objections within a 72-hour period starting on Friday, 5 March.

UN Secretary-General António Guterres said the global economy has grown nearly fivefold in the past five decades, but at massive cost to the global environment. He has emphasized that valuing nature and putting a price on carbon was essential: “Nature’s resources still do not figure in countries’ calculations of wealth. The current system is weighted towards destruction, not preservation.”

“The bottom line,” he said, “is that we need to transform how we view and value nature. We must reflect nature’s true value in all our policies, plans and economic systems. With a new consciousness, we can direct investment into policies and activities that protect and restore nature and the rewards will be immense.”

Experts further emphasize that while a statistic such as GDP does a good job of showing the value of goods and services exchanged in markets, it does not reflect the dependency of the economy on nature, nor its impacts on nature, such as the deterioration of air quality or the loss of a forest.

“In the past, we have always measured our progress in the form of goods and services that we produce and consume, and value in the marketplace,” says Assistant Secretary-General for Economic Development and UN Chief Economist Elliott Harris. “But we have never done that for nature. We’ve treated nature as if it were free and as if it were limitless. So, we have been degrading nature and using it up without really being aware of what we were doing and how much we were losing in the process.”

The new framework, he said, “will allow us to see how our economic activities may affect our ecosystems, how the presence of nature affects us, and how our activities could be changed to achieve prosperity without damaging or destroying nature in the process.”

More than half of global GDP depends on nature, but globally, it is estimated that natural capital has declined 40 per cent in just over two decades.

It is estimated that human activity has severely altered 75 per cent of the planet’s terrestrial—and 66 per cent of its marine environment – leading to an average decrease in ecosystem extent and condition of 47 per cent against their natural baselines.

And climate change continues its relentless march. According to the World Meteorological Organization, 2020 was in a dead-heat to be one of the three warmest years on record, and 2011-2020 was the warmest decade on record, with the warmest six years all being since 2015.

And yet countries continue to make decisions on the economy without consideration to environmental impacts. Globally, countries now spend some US\$4-6 trillion dollars a year on subsidies that damage the environment.

More than 100 experts from a range of disciplines, sectors and countries were directly involved in its preparation and over 500 experts reviewed the final versions through a global consultation.

The framework recognizes that ecosystems deliver important services that generate benefits for people. In essence, they are assets to be maintained, similar to economic assets. For example, forests play a role in providing communities with clean water, serving as natural water filters with trees, plants and other characteristics, such as soil depth, that help absorb nutrient pollution like nitrogen and phosphorous before it can flow into streams, rivers and lakes.

The subject of ecosystem accounting has undergone rapid growth and development over the last decade, leading up to the new framework, and the accounts have already been used to inform policy development around the world. Already, more than 34 countries are implementing ecosystem accounts.

For further information, see

For the full report for consideration by the Commission: <https://bit.ly/2ZW6mFW>

Information on the new framework can be found at <https://seea.un.org/ecosystem-accounting>

Hashtag #MakeNatureCount

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