

# Nature Counts: Accounting for the Environment in National Statistics: *Progress in the United States*

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THE WHITE HOUSE  
WASHINGTON





# Earth Day Announcement



**Gina Raimondo**  
Secretary of  
Commerce

“...announce the initiation of the first U.S. national system of natural capital accounts and standardized environmental-economic statistics. This work will ensure that we measuring our natural assets, our lands and waters – just like we do our other economic assets ...  
Develop a national strategy ...  
Turn to implementation by the end of next year.”

(April 22, 2022, <https://www.youtube.com/watch?v=9DvHgx4nmUI> Timestamp 48:32. )

AUGUST 18, 2022

## A New National Strategy to Reflect Natural Assets on America's Balance Sheet

 ▶ [OMB](#) ▶ [BRIEFING ROOM](#) ▶ [BLOGS](#)

Up to 27 Departments, Agencies, and Offices working and involved in the strategy and implementation.  
<https://www.whitehouse.gov/wp-content/uploads/2022/08/Natural-Capital-Accounting-Strategy.pdf>



# Five Principle Recommendations (1)

Recommendation 1: The natural capital accounts and environmental-economic statistics should be **pragmatic and provide information to:**

- Guide sustainable development and macroeconomic decision making;
- Support Federal decision making in programmatic, policy, and regulatory settings;
- Provide structure and data that promote the competitiveness of U.S. businesses;
- Support resilient state, territorial, Indigenous, Tribal, and local communities; and
- Facilitate conservation and environmental policy.



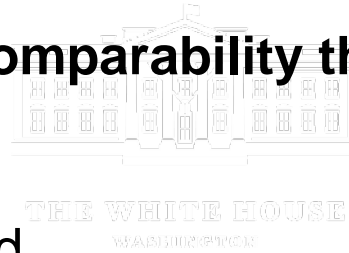
Credit: Forest NPS/Katy Cain, Reef, Washington Monument, and Bee NPS, Atoll NOAA/Paulo Maurin, Fish NOAA/Greg McFall, Yellowstone River, USDA



# Five Principle Recommendations (2)

Recommendation 2 Provide **domestic comparability through time** and **advance international comparisons** and harmonization.

- Means regularly repeated and updated
- U.S. needs to be engaged internationally



Credit: Forest NPS/Katy Cain, Reef, Washington Monument, and Bee NPS, Atoll NOAA/Paulo Maurin, Fish NOAA/Greg McFall, Yellowstone River, USDA





# Five Principle Recommendations (3)

Recommendation 3 **Embedded in the broader U.S. economic statistical system**, and guide the process of embedding with three sub-recommendations.

- Incorporate the **internationally-agreed standards** ... guided by SEEA ... **following the standard supply-use framework**;
- To go beyond GDP ... more than one, but a small number of, **specific accounting boundaries**
- ... **best available economic science for monetizing** the value of natural assets.



Credit: Forest NPS/Katy Cain, Reef, Washington Monument, and Bee NPS, Atoll NOAA/Paulo Maurin, Fish NOAA/Greg McFall, Yellowstone River, USDA



# Accounting Boundaries & Valuation

## Valuation is determined by accounting boundaries.

- SNA boundaries are too narrow for some uses,
- SNA boundaries are not as narrow as portrayed & implemented,
- Welfare theory does not provide trackable implementation boundaries.

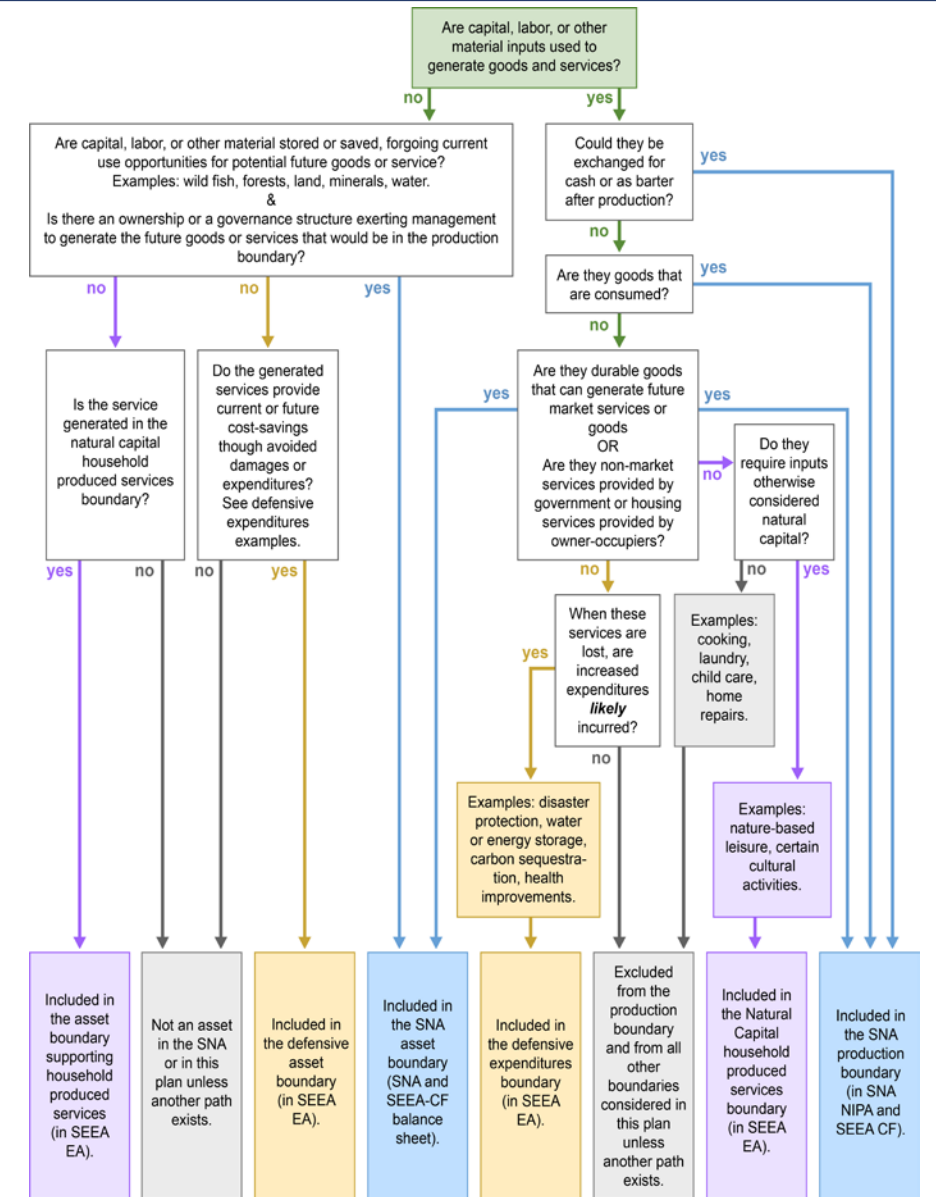


## Path forward

- Implementing SNA assets – including natural assets.
- Establishing clear boundaries beyond the GDP boundaries.
- National Strategy propose to work with 3 boundaries.

## Valuation needs good economic science

- Standards need to be similar to the rest of national accounts.
- No counterfactual - Crosswalk between BCA and national accounting.
- Can measure prices and quantities - need index number theory for value changes.
- There is a lot of expertise in the federal government that will develop valuation guidance.





# Five Principle Recommendations (4)

Recommendation 4 use a **15-year phased approach** to transition from research grade environmental-economic statistics and natural capital accounts to **core statistical products**:

- **Produce a new forward-looking headline measure** focused on the change in wealth held in nature: **Change in Natural Asset Wealth**.
- Supporting products, tables and reports that,
- Information in **physical and monetary units - dashboards**.
- First **pilot accounts appearing in 2023**, ... long term meeting high statistical standards and producing a durable & comprehensive set of statistics to expand the national economic accounts.



Credit: Forest NPS/Katy Cain, Reef, Washington Monument, and Bee NPS, Atoll NOAA/Paulo Maurin, Fish NOAA/Greg McFall, Yellowstone River, USDA



# Aggregation and Summary Statistics

## **Data matter**

Statistical information is very useful in the supply-use table form

Physical and monetary accounts are important because they work like a Rosetta stone and help people talk to each other.

Dashboards are useful for communicating these data.

## **Aggregation or a summary statistic matters**

Aggregation requires a common unit – monetary units are best candidate for an aggregate statistic.

- Change in wealth is well supported in the literature and what the US intends to use.
- Means filling out the non-financial, non-produced balance sheet.





# Five Principle Recommendations (Part 5)

Recommendation 5 apply **existing authorities** and make use of the **substantial expertise within Federal departments and agencies**, by **coordinating** across agencies.

Authorities include:

- Paperwork reduction act (1995)
- Evidence act (2019)
- GAO report (2007)



Credit: Forest NPS/Katy Cain, Reef, Washington Monument, and Bee NPS, Atoll NOAA/Paulo Maurin, Fish NOAA/Greg McFall, Yellowstone River, USDA



# Happening Now

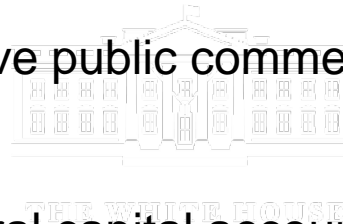
Working hard to finalize the National Strategy

- 71 thoughtful and overwhelmingly supportive public comments

Activities already underway

- Chief Statistician's office coordinating natural capital accounts and environmental-economic statistics (classifications and valuation)
- Federal experts are actively working on:
  - Land account
  - Air emissions account
  - Environmental-activities account
  - Marine account
  - Water account
  - Pollinator account
  - Forest account
  - Urban green space account

<https://www.whitehouse.gov/ostp/news-updates/2022/12/15/joint-statement-of-the-government-of-the-united-states-of-america-and-the-government-of-australia-on-cooperation-on-natural-capital-accounting-environmental-economic-accounting-and-related-statistics/>



Administration | Priorities | The Record

DECEMBER 15, 2022

## Joint Statement of the Government of the United States of America and the Government of Australia on Cooperation on Natural Capital Accounting, Environmental- Economic Accounting, and Related Statistics

OSTP | BRIEFING ROOM | PRESS RELEASES





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# History and Authority

