



Environment Statistics and System of Environment-Economic Accounting (SEEA) - National Assessment Report¹

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¹Version dated and released on 18 May 2017.

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Objective

The purpose of this document is to define a way forward for environment statistics and environmental-economic accounting in the Federated States of Micronesia (FSM). It provides a foundation for initiating statistical development towards improving decisions related to sustainable development and green economy. It is based on existing national policy documents and a national technical assessment of environment statistics². This document aims to capture the policy priorities, institutional framework and capacity needs for FSM to engage in such development. It positions the work within internationally accepted best practices for statistical development. This document will serve as a basis for engaging stakeholders and developing focussed proposals for support. It does so by:

- (a) establishing the rationale for an integrated statistical system for environmental information;
- (b) summarizing the priorities and opportunities in FSM for improving the institutional framework necessary for SEEA implementation;
- (c) identifying priority sectors for environment statistics, and actions for improving these statistics (activities, outputs, impacts and long-term outcomes of engaging in these activities); and by
- (d) outlining linkages to other activities, including capacity building and training and utilizing existing national initiatives.

Country Background

The development of environment statistics in FSM is well position to add value to existing policies and create synergies with existing initiatives. This section highlights a few of the relevant initiatives; it is not a comprehensive list.

Linkages to relevant projects and initiatives

NATIONAL

Federated States of Micronesia Strategic Development Plan 2004-2023: The Strategic Development plan identified nine strategic goals for improving the environment of FSM. This included mainstreaming environmental considerations, including climate change, in national policy and planning; improving the human environment; reducing energy use; making natural resources accessible; protecting natural marine, freshwater, and terrestrial ecosystems; improving environmental awareness and education; effective biosecurity; sustainable financing for the environment; and enhancing technical capacity to support environmental programs.

Climate Change reporting: In order to meet commitments made related to the United Nations Framework for the Convention on Climate Change (UNFCCC), FSM conducts regular emissions reporting. A national Country Team for Climate Change is responsible for this reporting.

State of Environment reporting. FSM uses their State of Environment (SOE) to report on the status of the environment. However, there is a recognized need to improve the data and indicators in this report.

² Support for the development of this plan was provided through a United Nations Development Account project implemented by Jillian Campbell, ESCAP Pacific Office and Julian Chow, UNSD - based on an assessment mission conducted during 13-16 July 2015.

Other relevant sectoral policies. There are a number of national policies that relate to the environment, these include: National Environment Policy, the Energy Policy, the Water Policy, the Agriculture policy and other policies related to forestry, marine resources, tourism, biodiversity, and water shed areas. In order for these policies to be effective all of the policies require data and information.

REGIONAL AND GLOBAL

Declaration on Oceans. The Palau Declaration on ‘The Ocean: Life and Future’ recognises the importance of the Oceans for the economic and societal well-being of the Pacific islands. It also recognises the important role of statistics, stating that there should be efforts to “maintain a more comprehensive ongoing register of initiatives and relevant data and information across the spectrum of the Pacific Ocean as a basis for promoting and monitoring the sustainable development of our Ocean and fostering integrated management approaches, where appropriate.”

Micronesian Challenge. The Micronesian Challenge calls for countries to conserve 10% of terrestrial and marine resources by 2010 and 2012 respectively.

Other relevant global initiatives. There are many relevant global initiatives that include the promotion of system of environmental-economic accounting (SEEA) for better environmental monitoring and accountability. A few include the Sustainable Development Goals (SEEA indicators are being proposed for many of the goals, including those on energy, sustainable production and consumption, climate change, biodiversity and Oceans); the Convention on Biological Diversity (particularly Aichi Target 2); the UNFCCC reporting; the Sustainable Energy for All (SE4A) initiative; etc.

Institutional framework overview

Most statistical compilation is under the national statistical office which is located in the Department of Resource and Development. FSM is a decentralized statistical system with much of the activities being carried out at the State-level. The national statistical office has an outpost in each State and is responsible for compiling information from the individual states.

Across environmental sectors, basic data is being compiled by many sectoral areas within the Resources and Development and also in the Office of Environment & Emergency Management (OEEM). There is currently not a body that is responsible for ensuring the consistent and reliable collection and production of environment statistics. Additionally, there is a lack of a central data repository for environment and GIS data.

Recommendations

There is a high level of interest in improving and better utilizing environment statistics in FSM. In particular, priority sectors for improved environmental data collection include: agriculture, forestry, marine and coastal resources, ecosystems and biodiversity, food security, water, energy, waste, climate change and land management.

An endorsed strategic plan for environment statistics, environmental-economic accounts and related statistics, including the GIS information, forms the foundation for outlining resource requirements, building effective coordination and improving collaboration. This section outlines a proposed strategic

direction, including elements related to the institutional structure, training and capacity building activities, and specific actions for the improvement of environment statistics in FSM.

Institutional structure

If agencies outside the national statistical institutes are involved in the compilation and dissemination of official statistics, then for the creation of integrated system of statistics, it is necessary to create partnerships. The first step is to engage all agencies in the discussion of the necessity and the mutual gains of such a system. This can only be done at the level of the top management. The next step is agreement on the possible new roles and responsibilities of the agencies in the new systems.

Hence, a national coordination mechanism of senior-level stakeholders is needed to ensure follow through in implementing improvements to lead the work on environment statistics and SEEA implementation.

The Sustainable Development Council (SDC) which is Chaired by OEEM includes the full spectrum of relevant stakeholders. However, the SDC does not meet regularly and thus the group would need to be re-established to fulfil this role.

Terms of Reference for the SDC to include work on environment statistics and SEEA implementation would need to be developed. Key tasks would be to:

- Develop and endorse the National Programme of Work for Environmental-Economic Accounting and supporting statistics
- Coordination with relevant data collection activity and capacity building activity
- Ensure that the resources necessary for the production of the accounts are available
- Monitor the progress towards the production of priority environmental-economic accounts and related outputs (spatial datasets, collaborative database, indicators, case studies)

Recommendation. The FSM Sustainable Development Council (SDC) assume responsibility for guiding the implementation of all environment statistics related activities as part of its TOR.

Central data repository:

Environmental data exist, but are scattered across different agencies and different formats (including some data that is only available in hard copy). There is currently a lack of central data repository for environment and GIS data.

Recommendation. All datasets identified in this document are included in the development of a central data repository which is housed in R&D.

Data collection and harmonization:

There are a number of censuses and surveys conducted in FSM, but often environmental stakeholders are not fully engaged in the development of questionnaires.

Recommendation. The Statistics Office consider ways to fill environmental information gaps through existing censuses and surveys. The SDC is given an opportunity to comment on censuses and surveys which are conducted by its members.

A statistics business register and a business survey can improve the quality of national accounts and can improve information related to environmental economic accounting through ensuring that consistent classifications are used across statistical activities. For example, a consistent business register which is used by all departments would help ensure that the term “manufacturing” is defined in the same way when assessing production, water use, energy consumption, etc. A business survey is the primary mechanism which can be used to assess energy consumption (particularly in the transport sector) of economic enterprises.

Recommendation. Any efforts to improve the business register or to implement a business survey, should also be considered in the context of SEEA implementation.

Topical Focus of the Accounts

This section outlines specific opportunities for implementing the System of Environmental Economic Accounts in order to produce policy-relevant statistics in FSM. The SDC should be responsible for the selection of indicators and prioritization of activities.

Agriculture, forestry, coastal fisheries and soil.

FSM is in the process of planning an agricultural census which will include questions on agriculture, forestry and fisheries. Additionally, the US Department of Forests supports forest inventory studies (every 10 years) and soil inventory studies (every 30 years – soil is considered to be more static than some other environmental assets). A large proportion of people in the FSM are dependent on agriculture and fisheries for subsistence.

Potential recommendation. The agricultural census is an opportunity to collect information which could improve agriculture, forest and fisheries information for the national accounts and environmental economic accounts. Technical assistance on the agricultural questionnaire and tabulations could improve the utility of the agricultural census for the SNA and SEEA.

Emissions.

There is some emissions data which is compiled for the UNFCCC reporting; however, this information is not streamlined into an existing information management system and thus there is little transparency in the process. Each year a consultant does the reporting but no agency is maintaining a database which could be used to regularly report.

Potential recommendations. This data is included in a central data repository in order to facilitate future indicator development.

Energy.

The FSM has an Energy Policy and an Energy Declaration which provide high level support for moving toward improved energy efficiency and use of renewable energy. The Department of Resources and Development maintains data on energy. Additionally, FSM PetroCorp has excellent information on the use of fuel by fuel type, the cost of fuel and how much fuel is provided to the electricity sector versus the transport sector. FSM PetroCorp is willing to share information with R&D. This information could be used to compile a draft energy account.

Potential recommendations. R&D considers compiling an annual energy account using the SEEA as a way to improve the consistency of energy data.

Water statistics and accounting.

Water accounting is relevant for water policy, tourism sector, public health and reducing waste water. However, water information is spread across many national and state agencies.

Potential recommendation. A data sharing agreement with the Department of Resource and Development and the water authority would provide an entry point for better understanding water provisioning.

Marine and coastal resources.

Fisheries is key for economic development and subsistence. There is a recognised need for better information to provide information for making decisions related to regulating catch and for assessing the economic benefits of fisheries. NORMA has strong information management system for the EEZ and is currently improving the information management system for the coastal waters, including artisan fisheries. This information could be used to compile fish accounts that provide an annual picture of the flows and stocks of fish by species.

Potential recommendation. An expert on environmental economic accounts review the information in the ToffArt database to determine the utility of using the information for statistical purposes.

Wastes.

Waste management is a priority for the natural environment of FSM. JICA has conducted a recent assessment of waste in the FSM which brought together information from the different states. Information on illegal dumping and burning is currently weak.

Potential recommendation. A central database within OEEM that brings together waste information from State EPAs would add value to national policy development.

Land Coverage.

Land coverage accounts form the basis for future development of ecosystem accounts and have multiple uses in terms of sustainable land management, including managing service provisioning; waste management; water policy; coastal resource management; evaluating the need for protected area sites;

agricultural policy; earth moving permits; environmental health; etc. Land coverage accounts take GIS data and classify land according to use and type. GIS data in FSM is not centrally located for the compilation of land coverage accounts.

Potential recommendations. A central GIS database be hosted by R&D as a repository for all GIS information.

Training and capacity building

SEEA implementation relies on technical capacity not only in the statistics office but also on other environmental stakeholders. The success of this plan requires that staff can make time available for training and self-learning.

Capacity building will be a critical part of the development of environmental-economic accounts in FSM. As part of this there will need to be some general training on environmental-economic accounts as well as more specific training on each of the ecosystem accounts and the primary data sources used in the accounts.

In addition to in-country training, a range of other capacity building should be considered including:

- Government Officials and other stakeholders participate in relevant international meetings (such as the planned regional workshops on environmental-economic accounting).
- Use of distance or on-line learning
- Placement of project staff in countries or international agencies with existing environmental-economic accounting programmes
- Sponsorship of account producers or user for relevant higher degree studies (e.g. on economics, ecology and accounting)

Recommendation. The NEPC members identify 2-3 staff who can initially receive training in SEEA, including basic national accounts training. Some potential trainings are identified below.

- General workshop on environmental-economic accounting
- Workshop on selected priority accounts

Potential next steps

Opportunities for funding come from many different sources: national initiatives, international agencies, national development agencies and the refocusing on current work. Such opportunities may be identified by anyone familiar with the plan including senior & technical staff, planning & environmental agencies and national statistics offices. It is therefore important that all stakeholders are familiar with the plan and bring such opportunities to the attention of the lead agency. To increase these opportunities it is important the plan is summarized and presented at relevant meetings and made available to all agencies and published on the Internet.

The following action points are proposed:

(4-6 months)

- A national agreed timeline
 - Prioritise an environment concern and a SEEA account to compile on an experimental basis.
- SDC
 - Consider establishing the Sustainable Development Council (SDC) as the body to guide environment statistics.
- Central database
 - A centralized database is established and datasets compiled for including in the central database.
- Agriculture, forestry and fisheries
 - An international consultant to provide advice on implementing the SEEA module on Agriculture, Forest and Fisheries in the context of the upcoming agricultural census and the Toff-Art database improvement plans. (around \$8,000 can be funded by ESCAP).
 - A national consultation on using the census for environment related data (can be ESCAP funded –Around \$10,000).
 - Aim for the production of a draft set of indicators at the conclusion of the census.
- Training/Capacity building
 - A national training and technical assistance on SEEA (ESCAP can provide).
 - Participation in an introductory to national accounts course offered by SIAP and ESCAP.

(2-3 years)

- Allocate a dedicated staff member for environment statistics to sustain efforts.
- A program of intensive capacity building and on-the-job training are required for SEEA implementation. Staff members need to have time to attend online and in person trainings. ESCAP, other UN agencies and development partners to include FSM Statistics Office staff in relevant regional and global training opportunities.
- Establish data sharing arrangements with relevant experts and national stakeholders.
- Establish a data management platform for compiling all environmental data.
- Ensuring collaboration and coordination with other environmental initiatives which are initiated in FSM in order to avoid overlap and maximize mutual learning among the agencies involved in these projects, including the SOEs.

Conclusions

FSM relies on the natural environment for subsistence, economic development and societal and cultural well-being. Better environmental data management and statistics will strengthen FSM's ability to make environmentally sustainable policy interventions, including on energy security, food security and water security. Additionally, a centralized data repository for environmental data would improve national and global reporting requirements.

The national assessment does indicate that compiling environment statistics are both relevant and feasible, noting capacity and data limitations, and can be pursued in areas of priority on an experimental basis. Development partner expertise and support will allow for capacity building and technical inputs necessary to initially establish the priority accounts.

Annex 1 Assessment methodology

The assessment was conducted under a United Nations Development Assistance project administered by UNESCAP. The assessment included interviews with key stakeholders and a national consultation. The Statistics Office, Department of Resource and Development organized the assessment. The assessment was conducted under the guidance of Mr. Mathew Chigiya. Technical support was provided by Ms. Jillian Campbell, ESCAP Pacific Office.

The assessment included the following stakeholders: Department of Resources and Development; Office of Environment & Emergency Management (OEEM); Petrocorp; and NORMA.

The assessment was based on the System of Environmental Economic Accounting (SEEA) 2008 and the global SEEA implementation plan.