

OPERATIONAL GUIDELINES UNITED NATIONS COMMITTEE OF EXPERTS ON ENVIRONMENTAL-ECONOMIC ACCOUNTING

Preamble

1. The United Nations Statistical Commission at its 36th Session in March 2005 discussed and endorsed the proposal of the creation of a United Nations Committee of Experts on Environmental-Economic Accounting put forward in the Secretary General Report. In its decision, the Commission recognized the important role of the UN Committee in mainstreaming environmental-economic accounting and related statistics. The Report of the Secretary General on Environmental-Economic Accounting to the Statistical Commission and the Statistical Commission Report on the 36th Session are presented in Appendices 2 and 3 of this document respectively.
2. The Statistical Commission requested that a Terms of Reference for the UN Committee of Experts on Environmental-Economic Accounting be prepared and submitted to the Bureau of the Commission for its approval. It further recommended that the terms of reference reflect complementarities with existing groups and in particular with the London Group on Environmental Accounting and the Inter-secretariat Working Group on Environment Statistics. The terms of reference of the above groups as well as the terms of reference of the newly established Oslo Group and Inter-secretariat Working Group on Energy Statistics are included in Appendices 4-6 of this document for ease of reference.
3. Participants in the Preliminary Meeting of the United Nations Committee of Experts on Environmental-Economic Accounting held in New York at the United Nations Headquarters from 29-31 August 2005 discussed the previous version of this note. They agreed on a Terms of reference for the UN Committee (attached in Annex I); formulated its long-term objectives; developed its programme of work; and agreed on its governance structure. The current version of the note reflects the recommendations of the meeting.

Objectives

4. The objectives of the UN Committee are: (i) to mainstream environmental-economic accounting and related statistics; (ii) to elevate the *System of integrated Environmental and Economic Accounting (SEEA)* to an international statistical standard¹; and (iii) to advance the implementation of the SEEA at the global level.

¹ With international statistical standard it is implied an agreement on a framework of definitions, classifications, accounts and tables to be compiled at the global level.

5. In order to achieve the above objectives, five components for the programme of work of the UN Committee have been identified.

- (a) *Coordination:* The UN Committee should foster coordination, integration and complementarity of programmes in environmental-economic accounting and related statistics among international agencies and countries. Leadership, a single focal point, and a coordinated vision among international agencies active in the field of environment are considered necessary to raise the profile of environmental-economic accounting and related statistics.

The Committee, within its mandate, has an umbrella function in coordinating and providing vision, direction and prioritisation to ensure that existing groups work in complementary fashion. These groups include the London Group on Environmental Accounting, the Oslo Group on Energy Statistics, the Inter-Secretariat Working Group (ISWG) on Environment Statistics and the ISWG on Energy Statistics and other expert groups that might be established within the scope of its mandate.

- (b) *Promotion of the accounts:* Environmental-economic accounting and related statistics are relatively new areas of statistics. The Statistical Commission has underscored the need for raising awareness of the uses of the accounts through the promotion of environmental-economic analysis and for formulating the international priorities based on users' needs. To this end, the UN Committee should promote compilation, harmonisation and dissemination practices for environmental-economic accounting and related statistics in order to meet users' needs. Among others, closer links should be fostered between the accounts and indicators, including links with sustainable development indicators, millennium development goal indicators and indicators used in poverty reduction strategy papers.

User-producer dialogues would be organised to advance the implementation, dissemination and use of environmental-economic accounts as part of national statistical programmes.

- (c) *Implementation of the SEEA:* The Committee would advance the implementation of the *SEEA 2003* in countries, starting from a set of simplified, standard tables and working towards more complex and data demanding tables. The UN Committee would foster exchanges of best practices in environmental-economic accounting among countries with experience in the area, focusing not only on the compilation of the accounts but also on their uses in policy making.

The Committee would maintain close communication and collaboration with the UN Regional Commissions and other regional organizations in order to further the implementation and promotion of the SEEA in the various regions.

In order to assess the current status of international and national implementation, priorities and future plans, a scope and compliance survey would be developed under the aegis of the UN Committee and sent to all countries and international organizations.

- (d) *Methodological research:* The *SEEA-2003* has been issued as a handbook of national accounting in a white cover format and will be published by the United Nations, the European Commission, the International Monetary Fund, the Organisation for Economic Co-operation and Development and the World Bank. It represents a major step forward in the harmonization of concepts and methods in environmental-economic accounting. In light of this achievement, the Committee endorsed the update of the *SEEA-2003* to allow its release as an international standard by 2010. It stressed the importance of linking the release of the *SEEA* with the release of other international standards such as the updated 1993 SNA and the revised Balance of Payments Manual, which will be issued in 2008.

The Committee would develop a programme of research focusing on refining and clarifying those issues that will permit elevating it to the level of a statistical standard as well as a longer-term research agenda covering those issues that are considered important but will not be resolved before 2010.

The Committee would prioritise the issues, identify working groups to resolve them (including the London Group on Environmental Accounting, the Oslo Group on Energy Statistics, the ISWG on Environment Statistics, the ISWG on Energy Statistics, electronic discussion groups and other expert groups), monitor progress of the working groups, review their recommendations and report to the UN Statistical Commission on the proposed solutions.

Elevating the *SEEA* to the level of an international statistical standard would imply an agreement on a framework of definitions, classifications, accounts and tables to be compiled at the global level. A quality assessment framework, based on quality frameworks for other statistical standards like the 1993 System of National Accounts and Balance of Payments Manual 5th Edition could be developed for the *SEEA*. Quality frameworks include the integrity and methodological soundness of the framework of accounts and tables, dissemination standards and documentation of data sources (metadata).

- (e) *Harmonisation of data collection activities with environmental-economic accounting concepts and definitions:* To date, environment statistics and accounting have developed in separate tracks. Methodological advancements as well as experience in implementation suggest the need for bringing environment statistics closer to the concepts, definitions and classifications of environmental-economic accounting. Harmonising environment statistics and environmental-economic accounting concepts, definitions and classifications would introduce statistical checks and balances in the data and produce consistent data systems from individual sets of environment statistics across time and countries. The consistency of the environmental and the economic information of the SNA add considerable value to both the environmental and economic information and improve the quality of both statistics.

The UN Committee would establish a programme of work that identifies differences and similarities between the environment statistics questionnaires and the accounting tables and devise a strategy to bring data collection in line with the accounting

concepts and definitions. A minimum set of standard tables would be designed and applied to as many countries as possible. In addition, more detailed tables should be developed for countries in more advanced stages of development of environment statistics and accounting. Where the accounting concepts differ from environment statistics concepts, supplementary tables for data collection should be developed.

The Committee would develop a joint work programme with the Inter-Secretariat Working Group on Environment Statistics and the Inter-Secretariat Working Group on Energy Statistics to further the harmonization of data collection activities with environmental accounting concept and definitions.

Governance structure of the UN Committee

Organization of work

6. The UN Committee will report to the Statistical Commission on an annual basis. It will report progress made in its activities, including progress made by the various city groups, inter-Secretariat working groups and other groups working with the Committee within its mandate.

7. The Committee would develop and approve a long-term programme and annual work programme that reflect its ongoing priorities and objectives. In its activities, the UN Committee would seek support of existing groups (e.g. the London Group on Environmental Accounting, the Inter-secretariat Working Group on Environment Statistics, the Oslo Group on Energy Statistics and the Inter-secretariat Working Group on Energy Statistics, etc.). In addition, technical expert groups (including electronic discussion groups) should be created under the aegis of the Committee as needed. These groups would be given detailed terms of reference, an agreed timetable for delivering outputs and a chair to monitor the discussions and to submit written contributions to the UN Committee.

8. To ensure proper dissemination of the activities and transparency in the implementation of the programme of work of the Committee, UNSD would develop over time a website that would serve as a knowledge management platform on environmental-economic accounting and related statistics for the dissemination and sharing of information (e.g., good practices, methodologies, training material, case studies, etc.). It will contain all documents for discussion at the meetings of the UN Committee

9. A Newsletter of the UN Committee would be developed to ensure wide dissemination and outreach to the broader user community.

Composition

10. High-level institutional representation would be necessary to ensure the strategic role of the UN Committee in setting priorities, bringing forward a research agenda, taking decisions on standards and developing strategic visions.

11. Members of the UN Committee comprise high-level experts from national governments and international organizations with a broad range of experience in statistics and the use of the accounts. Also members would be selected so as to ensure equitable regional representation.

12. Given the wide of range of topics covered by the Committee as well as the need to keep the Committee of a manageable size so as to ensure in depth discussion, the Committee would comprise initially 25 countries/organizations with a maximum representation of two experts per country.

13. Members would be named to the UN Committee for an initial period of three years, which may be renewed.

Chair

14. The Committee would elect, among its members, the chair for a period of 3 years renewable for one term. The role of the Chair would be to develop, in close cooperation with the Secretariat, an annual work programme for the Committee, monitor progress of the various components of the programme and set the agenda for the next meeting. Mr. Radermacher, Vice president of the Federal Statistical Office Germany was elected as first chair of the Committee during the Preliminary Meeting.

Secretariat

15. The permanent Secretariat of the Committee is UNSD. UNSD will provide the day-to-day management and coordination and will undertake all internal and external communication. UNSD would, in cooperation with the Chair, coordinate, monitor and report on the activities of the technical expert groups, organize the meetings, develop the agenda for the meetings, maintain the UN Committee website and issue the Newsletter.

Periodicity of UN Committee Meetings

16. The UN Committee will have a face-to-face meeting once a year. In special circumstances, ad-hoc face-to-face meetings may be organized. The meetings will be organized back-to-back to other meetings that are likely to be attended by the high-level representatives of countries/organizations. In between meetings, electronic discussions will be the preferred way of consultation.

Financing

17. In order to support the activities of the UN Committee and its smooth and efficient operation, external funding would have to be secured in order to support the Secretariat of the UN Committee. UNSD will take the lead in securing funds and will create a Trust Fund.

Appendix I

TERMS OF REFERENCE OF THE UNITED NATIONS COMMITTEE OF EXPERTS ON ENVIRONMENTAL-ECONOMIC ACCOUNTING

1. The United Nations Committee of Experts on Environmental-Economic Accounting was established by the United Nations Statistical Commission at its 36th Session in March 2005. Its overall objectives are (a) to mainstream environmental-economic accounting and related statistics; (b) to elevate the *System of integrated Environmental and Economic Accounting (SEEA)* to an international statistical standard; and (c) to advance the implementation of the SEEA in countries. To achieve these objectives, the UN Committee programme of work will focus on the following:
 - (a) Ensure coordination, integration and complementarity among programmes in environmental-economic accounting and related statistics among international organizations and countries;
 - (b) Promote the use of environmental-economic accounting in countries as a tool for decision making through recommendations on the compilation, harmonization and dissemination of the accounts, linking the accounts to indicators and developing a closer relationship between the users and producers of environmental-economic accounts and related statistics;
 - (c) Further methodologies in environmental-economic accounting and statistics through identifying, and prioritising issues that need to be addressed, establishing appropriate mechanisms to address those issues, monitoring progress made, reviewing proposed solution and submitting recommendations to the United Nations Statistical Commission for approval;
 - (d) Advance the implementation of the *SEEA* in developed and developing countries;
 - (e) Work towards the harmonization of data collection activities of environment and related statistics with concepts and definitions of environmental-economic accounting including the assurance of data quality.
2. The Committee will bring to the attention of United Nations Statistics Division and United Nations Statistical Commission new developments that impact the compilation of environmental-economic accounting and work on developing standards and, whenever this is not possible, best practices.
3. The Committee has an umbrella function in providing overall vision, coordination, prioritisation and direction in the field of environmental-economic accounting and related statistics. The Committee will ensure that existing or new groups working in environmental accounting and related statistics will work in a complementary fashion with the Committee.
4. The selected members of the Committee comprise high-level experts from national governments and international organizations with a broad range of experience in statistics

and in the uses of environmental-economic accounts. Members would also be selected so as to ensure equitable regional representation.

5. The Committee will elect a Chair who will serve for a 3 year-period renewable for once for an additional 3 years.
6. The United Nations Statistics Division will serve as the permanent Secretariat of the Committee. It will provide the day-to-day management and coordination and undertake all internal and external communication on behalf of the Committee. In cooperation with the Chair, the Secretariat will coordinate, monitor, and report on the activities of the various expert groups, organize meetings, develop the agenda for the meetings, maintain the Committee website and issue the Newsletter.
7. The Committee will prepare an annual report for presentation to the Statistical Commission. It will report progress made in its activities, including progress made by the various city groups, inter-secretariat working groups and other groups working with the Committee within its mandate.

Appendix 2

Statistical Commission

Thirty-sixth session

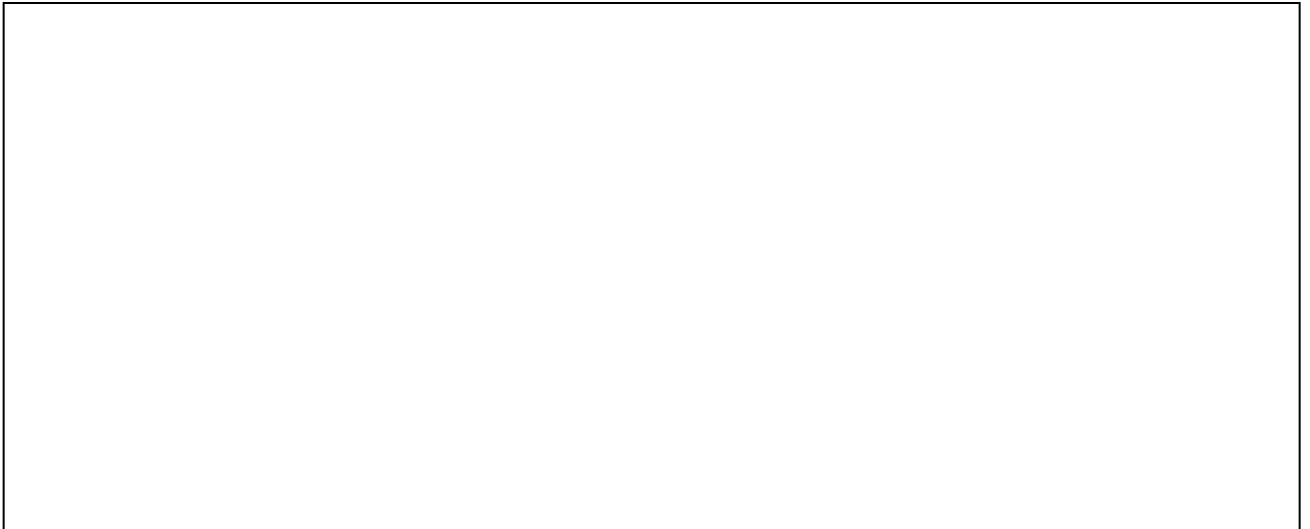
1-4 March 2005

Item 6 (a) of the provisional agenda*

Natural resource and environment statistics: environmental accounting

Environmental-economic accounting

Report of the Secretary-General



* E/CN.3/2005/1.

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I. Introduction

1. The United Nations Statistics Division and the United Nations Environment Programme (UNEP) organized a meeting hosted by the European Environment Agency in September 2004 to discuss a proposal for the creation of a Committee on Environmental-Economic Accounting. The meeting brought together representatives from countries at different stages of implementation of environmental accounting from different regions of the world, as well as international organizations. The minutes of the meeting will be before the Commission as a background document.

2. Countries in the meeting reaffirmed that environmental-economic accounting is high on their agenda. They pointed out that the creation of a Committee on Environmental-Economic Accounting was the way forward to mainstream environmental accounting and related statistics and to raise the profile of the accounts as the tool to measure sustainability of growth and development.

3. Countries clearly expressed the need for promoting integrated economic and environmental information systems as opposed to indicators' lists in order to meet the increasing users' demand for conducting integrated economic and environmental policies. They reiterated that environmental-economic accounting would provide the necessary framework for analysing the impact of economic growth on long-term sustainable development.

4. In response to countries' expressed demand, the United Nations Statistics Division would develop a strategic plan to integrate environment accounting and related statistics in a common framework. The vision of the Division was to mainstream environment accounting to make it a policy-relevant framework and better meet user demand.

5. The present report summarizes the discussion at the above-mentioned meeting and outlines the Division's strategic response to countries' request to support the establishment of a technical body to be named the Committee on Environmental-Economic Accounting.

II. Committee on Environmental-Economic Accounting

6. Although the initial proposal of UNEP and the United Nations Statistics Division was restricted to the creation of a task force that would deal with the promotion and implementation of environmental-economic accounts, it became evident that, in order to effectively advance this new area of statistics, a technical body that would encompass all aspects of environmental-economic accounting should be created. The discussion during the meeting, as well as the responses to a questionnaire¹ which was distributed to the participants prior to the meeting, confirmed this idea, and the following five broad areas of work for the proposed Committee were identified: (a) coordination, (b) promotion of the accounts to the user's community, (c) methodology, (d) technical cooperation and (e) harmonization of data. These areas are discussed in more detail below.

A. Coordination

7. Although it was recognized that the London Group on Environmental Accounting was efficiently coordinating activities in the development of methodologies among its members, there remained a void in terms of overall coordination of activities in environmental-economic accounting. In particular, coordination among agencies active in the environmental field — users and producers of environment statistics and accounting — was considered necessary to raise the profile of environmental-economic accounting. The systematic dissemination of country practices, as well as sharing information on technical cooperation activities, was also considered important. As a result, participants in the meeting recommended that the proposed Committee play a major role in coordinating activities in environmental-economic accounting.

8. In response to these demands, the United Nations Statistics Division would undertake a worldwide scope and compliance assessment of the current data-collection methods being used in countries and current practices in the compilation of environmental-economic accounting. Over time, the Division had planned to develop a reference web site which would contain information of ongoing data-collection activities, an electronic archive of past and recent case studies in environmental accounts, training material in environment statistics and accounting, information on ongoing country projects and a roster of experts. The web site would serve as a “knowledge management” platform on environmental accounting and related statistics for the dissemination and sharing of information (good practices, methodologies etc.).

B. Promotion of the accounts to the users community

9. Raising awareness of the uses of the accounts beyond the statistical community was considered an important activity of the proposed Committee. The accounts were mostly supply driven, at least at the initial stage of compilation, and the users’ community was not fully aware of the potential uses of the accounts. The proposed Committee should play a more active role in raising awareness of the potential uses of a well defined internationally endorsed accounting framework that allowed integrating environmental perspectives within economic policies, including income distribution and poverty, international trade, employment, investment, wealth and fiscal policies.

C. Methodology

10. Although the publication of the *Handbook of National Accounting: Integrated Environmental and Economic Accounting* (SEEA 2003) was a major step forward towards the harmonization of concepts and practices in the implementation of environmental-economic accounting, a lot of work was needed to bring SEEA to the level of an internationally adopted standard. A research agenda should include both the harmonization of current practices in areas in which the methodology was already well advanced and the development of best practices in more experimental and high demand areas (valuation of natural resources, non-market services etc.).

D. Technical cooperation

11. The publication of SEEA-2003 had generated renewed interest in environmental-economic accounts. Countries had already and would be in increasing numbers requesting technical assistance in the implementation of the accounts. The proposed Committee should coordinate the development of training materials as well as foster exchanges of best practices.

E. Data harmonization

12. A major constraint to the implementation of accounts was the availability of data. Data were often produced by different agencies and were not always available and suited to be used as such in an accounting framework. Participants emphasized the importance of bringing environment statistics and environmental accounting closer, and urged the proposed Committee to coordinate its activities with other formal bodies dealing with environment statistics, such as the Inter-Secretariat Working Group on Environment Statistics.

13. The United Nations Statistics Division was working towards the harmonization of relevant environmental data-collection activities with concepts and definitions of environmental accounts. Such harmonization would result in substantial benefits in the quality of the data because it would introduce consistency checks to the environmental data and would also provide additional analytical value. The dissemination of national accounts, complemented with environment statistics information, was a very powerful analytical tool for the derivation of consistent and coherent indicators, such as resource efficiency indicators and resource use as percentage of value added. It would also allow for more in-depth analysis through scenario modelling using input-output techniques.

F. Organizational structure

14. During the meeting, the organizational structure of the proposed Committee was discussed. Various options were discussed. As for the composition of the proposed Committee, there was a general consensus that members should be senior managers from international agencies and developed and developing countries.

15. There was a clear feeling that the development of specific areas of environmental-economic accounting required technical expertise often available beyond the statistical community. The importance was therefore stressed of developing and maintaining the link with specialists and policy makers. The creation of specific subgroups composed of environmental accountants and other experts that would be responsible for specific time-bound projects was discussed.

16. There was a general concern among participants whether, by undertaking methodological work, the proposed Committee might duplicate the work of the London Group on Environmental Accounting since the London Group provided a forum for the exchange of experience in the field and played a major role in the advancement of methodology. There was general agreement

that the London Group should continue to exist and its role would be that of an expert body on which the proposed Committee could rely for the development of methodologies and the review of documents prepared by other subgroups. It was recognized that not all expertise lay in the London Group and the proposed Committee might have to form technical expert groups dealing with selected issues. Such subgroups could comprise members of the London Group, as well as academia and other experts (scientists, economists etc.).

17. During the meeting, the United Nations Statistics Division offered to serve as secretariat of the proposed Committee, and the United Nations Statistics Division and UNEP offered to co-chair it. Participants welcomed both proposals. The Committee would report to the Statistical Commission.

III. Future work

18. To ensure that, once created, the proposed Committee would operate efficiently and successfully, it was recognized that it should be endowed with additional resources. To that end, UNEP and the United Nations Statistics Division should actively seek funding in terms of either staff seconded to the Division or fund-raising with donor countries. In the meantime, in response to countries' demand, the Division would support the Committee's work until additional funds became available.

19. Detailed terms of reference for the proposed Committee, including time-bound outputs, would be prepared by the United Nations Statistics Division and UNEP. The draft terms of reference would be widely circulated and discussed at the first meeting of the proposed Committee, which was tentatively scheduled for mid-2005.

IV. Points for discussion

20. The Commission may wish to endorse the creation of a Committee on Environmental-Economic Accounting.

Notes

¹ The questionnaire included questions on the status of implementation of environmental accounts in countries, constraints in the implementation of the accounts and possible roles of the Committee. All the replies to the questionnaire are available on the United Nations Statistics Division web site at <http://unstats.un.org/unsd/envAccounting/list-of-documents.htm>.

Appendix 3

Statistical Commission Report on the thirty-sixth session (1-4 March 2005) Economic and Social Council Official Records 2005 Supplement No. 4

Environmental accounting

1. The Commission considered item 6 (a) of its agenda at its 4th and 7th meetings, on 2 and 4 March 2005. It had before it the following documents:
 - (a) Report of the Secretary-General on environmental-economic accounting (E/CN.3/2005/15);
 - (b) Background document, prepared by the United Nations Statistics Division, containing the report of the Meeting on Environmental-Economic Accounting held in Copenhagen on 20 and 21 September 2004.
2. At the 4th meeting, on 2 March, the representative of the United Nations Statistics Division made an introductory statement.
3. At the same meeting, statements were made by the representatives of Germany, Algeria, the Netherlands, Japan, Spain and New Zealand and the observers for Lebanon, France, Mongolia, Australia and Canada. The observer for Palestine also made a statement.
4. Also at the 4th meeting, statements were made by the observers for the Organization for Economic Cooperation and Development and the European Community.
5. At the same meeting, the representative of the Economic Commission for Europe also made a statement.
6. Also at the 4th meeting, the representative of the United Nations Statistics Division responded to points raised and the Director of the Statistics Division made concluding remarks.

Action taken by the Commission

7. The Commission:
 - (a) Endorsed the creation of a Committee on Environmental-Economic Accounting and noted that the Committee should be regarded as having a programme of work with a long-term perspective;

- (b) Recognized the potential of the Committee in mainstreaming environmental accounting;
- (c) Expressed its appreciation for the good work being carried out by the London Group on Environmental Accounting and reconfirmed its role as an expert body in charge of methodological issues, which would support the work of the Committee;
- (d) Noted the complementarities of the Committee on Environmental-Economic Accounting and the Inter-Secretariat Working Group on Environment Statistics;
- (e) Requested that the terms of reference of the Committee be prepared and submitted to the Bureau of the Commission for approval, taking into consideration the terms of reference of the London Group and the Inter-Secretariat Working Group on Environment Statistics so as to avoid overlap and ensure close collaboration mechanisms among the three main groups;
- (f) Stressed the importance of promoting environmental accounting in the users' community and taking on board users' needs;
- (g) Recognized the need for assisting countries in the implementation of environmental-economic accounting through the development of detailed compilation manuals and coordinated technical assistance programmes;
- (h) Stressed the need for those developments to proceed in parallel with the improvement of environment statistics.

Appendix 4

London Group on Environmental Accounting

Purpose:

To play a leadership role in defining international best practices in the theory and practice of environmental accounting within the framework of the System of National Accounts. To provide a forum for the sharing of national and international expertise in this field. To encourage the adoption of best practices in the field by promoting the results of the Group's efforts via proceedings volumes, concepts and methods manuals, operational manuals and other means.

Year organized:

1994

Participants:

Australia, Canada, Denmark, Finland, France, Germany, Indonesia, Italy, Japan, Netherlands, Norway, Sweden, United Kingdom, United States, Statistical Office of the European Union (Eurostat), Organisation for Economic Cooperation and Development (OECD), World Bank, United Nations Statistics Division. (There are also other countries that have participated to one or two meetings of the Group, e.g., Austria, Chile, Korea (Republic of), Mexico, Philippines and South Africa).

Meetings:

March 1994, London, England
March 1995, Washington, D.C., USA
May 1996, Stockholm, Sweden
June 1997, Ottawa, Canada
May 1998, Fontevraud, France
November 1999, Canberra, Australia
May 2001 Voorburg, the Netherlands
November 2003, Rome, Italy
September 2004, Copenhagen, Denmark

October 2005, South Africa

The following papers and proceedings volumes have been compiled (for more information visit <http://www4.statcan.ca/citygrp/london/london.htm>):

- (a) Statistics Canada, 1994, National accounts and the environment: papers and proceedings from a conference held in London, England, March 1994.
- (b) U.S. Bureau of Economic Analysis, 1995, Second meeting of the London Group on Natural Resource and environmental Accounting: conference papers.
- (c) Statistics Sweden, 1996, Third meeting of the London Group on Natural Resource and Environmental Accounting: proceedings volume.
- (d) Statistics Canada, 1998, National Accounts and the Environment: Papers and Proceedings from a Conference, Ottawa, Canada, June 17-20, 1997
- (e) Institut français de l'environnement, 1999, Fifth Meeting of the London Group on Environmental Accounting, Fontevraud, France, May 25-29, 1998, Proceedings and Papers.

Topics considered:

Broadly speaking, the topics covered by the Group to date include:

- (a) Development of natural resource accounts in physical and monetary terms for forests, subsoil assets, water, fish and land
- (b) Development and use of physical flow accounts and hybrid flow accounts
- (c) Environmental protection expenditure accounting, including other environmentally related transactions (e.g., environmental taxes, property rights)
- (d) Comparison of various methods for the valuation of natural resource stocks and environmental degradation
- (e) Depletion of natural resources in physical and monetary terms and its proper treatment in the System of National Accounts
- (f) Environmental alternatives and adjustments to GDP and their pros and cons
- (g) Use of social accounting matrices for environmental accounting
- (h) Applications and policy uses of environmental and economic accounts.

Current activities:

The London Group continues the work it began during the SEEA revision by providing leadership in defining international best practices in the theory and practice of environmental satellite accounting within the framework of the System of National Accounts. It also continues to provide a forum for the sharing of national and international expertise and experience in this field.

Planned activities:

The London Group's priority objectives in the next two years are:

- (a) Consolidate work in those areas that are already advanced through the preparation of handbooks providing methodological and practical guidelines on the implementation of selected components of SEEA-2003 (e.g., water and mineral resources accounting);
- (b) Continue theoretical and practical development of components of environmental accounting that are not yet well advanced;
- (c) Assist in promoting the implementation of SEEA-2003 in countries and the use of environmental accounts to inform policy debates at the national and international levels.

As a mode of operation, the Group is using working groups on specific methodological issues to meet the first and second priority objectives above. The first two of these working groups are dealing with issues related to 1) water accounting (moderated by United Nations Statistics Division) and 2) energy and mineral resource accounting (moderated by Statistics Denmark)..

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<http://www4.statcan.ca/citygrp/london/london.htm>

Appendix 5

Statistical Commission

Thirty-sixth session

5 January 2004

Item 5 of the provisional agenda*

Natural resource and environment statistics

Report of the Interagency Working Group on Environment Statistics

Note by the Secretary-General

Summary:

In accordance with a request of the Statistical Commission at its thirty-fourth session,** the Secretary-General has the honour to transmit the report of the newly established Interagency Working Group on Environment Statistics. The Commission may wish to review the proposed terms of reference and plan of work of the Interagency Working Group.

^a *Official Records of the Economic and Social Council, 2003, Supplement No. 4 (E/2004/24), chap. IV, para 2(h).*

Report of the Interagency Working Group on Environment Statistics

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I. Introduction

1. The Statistical Commission at its thirty-fourth session agreed that the United Nations Statistics Division should set up an interagency working group on environment statistics, with a special focus on the development and harmonization of methods, concepts and standards, coordination of data collection and training. The present document is the report of the first meeting of the Interagency Working Group on Environment Statistics, at which the topics for the consideration of the Working Group were its objectives, its terms of reference, plan of work, as well as plans for the period 2004-2005.

2. The first meeting of the Interagency Working Group was held in Paris, on 18 December 2003, at the invitation of the Organisation for Economic Cooperation and Development (OECD), back-to-back with the meeting of the OECD Working Group on Environmental Information and Outlooks. The international organizations/ agencies participating in the meeting included the United Nations Statistics Division, OECD, the Statistical Office of the European Communities (Eurostat), the United Nations Economic Commission for Europe (ECE) and the United Nations Environment Programme (UNEP).

3. It was recognized at the meeting that despite significant developments in international environment statistics, much work, both methodological and practical, remained to be done. Progress in work on environmental indicators, indicators of sustainable development as well as work on integrated environmental and economic accounting is still hindered by the lack of sufficient good-quality, relevant and timely basic environmental data.

4. Some of the major reasons behind this situation are the lack of harmonized and globally relevant methods, concepts, definitions and classifications; insufficient information and guidance on best practices; insufficient training and capacitybuilding; and problems of coordination at both the national and the international level.

5. The creation of the Interagency Working Group should enable the enhanced coordination of international work in the field, by helping to establish cooperative working relations in the areas where the avoidance of unnecessary duplication and the pooling of resources can provide faster progress. Against this background, the Group agreed on the following objectives, terms of reference and programme of work.

II. Objectives, terms of reference and plan of work

6. The main objective of the Interagency Working Group on Environment Statistics is to firmly anchor environment statistics as part of official statistics by improving and strengthening basic environmental data,

and thus to make an important contribution to the development of environmental indicators, indicators of sustainable development and integrated environmental and economic accounting.

7. The Group intends to accomplish its objective by enhancing cooperation and by the pooling of knowledge bases and resources in the areas of methodological work, data collection and dissemination, training and capacity-building, and the organization of joint events.

8. The Interagency Working Group will take fully into account relevant work of other international networks and forums, and give priority to the specific areas set out below.

Improvement of methodological practices in international environment statistics

9. The Interagency Working Group will focus on consolidating work in those subject areas that are fairly advanced, through the dissemination of international recommendations on definitions and methodologies, guidelines and best practices. It will identify priority areas for further methodological work and initiate work in those areas by organizing subgroups and providing a regular forum for discussion and exchange of expertise.

Harmonization of international environmental data collection

10. The Interagency Working Group will review international data collection mechanisms in priority areas of environment and sustainable development information and, where appropriate, will draw up proposals to streamline and to further harmonize international data collection through the application of joint data collection activities such as questionnaires, the establishment of shared responsibilities and distribution of work among its members at both the geographical and the subject-matter level.

Technical cooperation, training and capacity-building

11. The members of the Interagency Working Group will participate in each others' technical cooperation activities as appropriate and feasible and undertake joint technical cooperation projects to make better use of the knowledge base and resources available at each international organization.

Organization of joint events

12. The Interagency Working Group will organize, when appropriate and feasible, joint events (seminars, workshops) to enhance communication about and raise the profile of environmental data issues, promote the exchange of information, particularly concerning best practices in important subject areas, and further discussions on selected issues in environment statistics.

III. Organization of work

13. The permanent members of the Interagency Working Group on Environment Statistics are in principle those international organizations or agencies that have a well-established international programme on environment statistics including direct and regular collection of comprehensive environment statistics from countries. The initial members of the Group are the United Nations Statistics Division, OECD, Eurostat, ECE and UNEP. The Interagency Working Group can extend membership to other interested organizations with international environment statistics programmes.

14. International organizations or agencies that have programmes focusing on specific areas of environment statistics as well as countries with outstanding experience should be associated with the work of the Interagency Working Group as required and feasible and will be invited on an ad hoc basis to join the subgroups set up by the Working Group on a geographic or subject-matter basis.

15. The Interagency Working Group will maintain strong collaboration with other groups active in related fields, and in particular with the London Group on Environmental Accounting, as well as with groups working on indicators of sustainable development.

16. The Interagency Working Group will propose topics and subgroups for action and will be responsible for overall coordination of these subgroups.

17. The Secretariat of the Interagency Working Group will be provided by the United Nations Statistics Division. The Division will report annually to the United Nations Statistical Commission on the work of the Group. Tools to facilitate communication and exchange of information among members of the Interagency Working Group will be developed.

18. The Interagency Working Group on Environment Statistics will meet regularly, at least once a year, preferably back-to-back with convenient international meetings.

IV. Plans for 2004-2005

19. In its methodological work the Interagency Working Group will focus on the joint development of consolidated guidelines for international water statistics based mainly on work carried out by Eurostat, the United Nations Statistics Division, the Food and Agriculture Organization of the United Nations (FAO), and earlier by ECE. Land use is an area where there is a rapidly growing demand for reliable and coherent statistics, and work on definitions and methodologies is urgently needed. It is therefore proposed to consider land use as a priority area for further work.

20. In data collection and dissemination, the Interagency Working Group will draw up an inventory of major official international environmental data collection activities and will prepare a consolidated data collection calendar for the participating organizations. It will continue to develop a core set of variables to be jointly collected for international purposes, without prejudice to specific data collection by the different organizations to satisfy their special needs.

21. In the area of technical cooperation, the workshops to be held by the United Nations Statistics Division in the Economic and Social Commission for Western Asia and Economic Community of West African States regions, the ongoing environment assessment and capacity-building activities of UNEP in the developing regions under the Global Environmental Outlook (GEO) and related projects, Eurostat's environment statistics project in the Mediterranean countries organized through the UNEP-supported Plan Bleu, and the work of OECD on environmental data to support environmental performance reviews in non-OECD countries offer possibilities for joint activities.

22. A training workshop on material flow analysis in 2004 (organized by Eurostat together with the European Environment Agency) and a seminar on concepts, methods and best practices in water statistics in 2005 are the proposed joint events. The revitalization of the working sessions on methodological issues in environment statistics (organized in the past by ECE, later jointly by ECE and Eurostat) could be considered under the aegis of the Interagency Working Group.

V. Points for discussion

23. The Statistical Commission may wish to review the suggested terms of reference and plan of work of the Interagency Working Group on Environment Statistics.

Appendix 6

ENERGY STATISTICS

Recommendations from the Ad-hoc Energy Group Meeting

Goal: *To improve the quality of energy statistics at the national and international level to better meet the needs of the users by:*

Tools:

- Developing global international standards for official energy statistics;
- Strengthening official energy statistics as part of the system of national statistics;
- Adopting performance measures for countries;
- Formalizing international collaboration and coordination to reduce response burden and make most efficient use of existing resources;
- Creating an international community of energy statisticians.

Organization of work:

The work will be carried out by two complementary working groups:

1. A City Group to contribute to the development of improved methods and international standards for national official energy statistics;
2. An Inter-secretariat Working Group to enhance international collaboration and coordination.

1. CITY GROUP ON ENERGY STATISTICS - TERMS OF REFERENCE - DRAFT

Objective: To address issues related to energy statistics and contribute to improved international standards and improved methods for official energy statistics by pooling expertise in the energy community.

Actions:

- To identify users' needs;
- To define scope of official energy statistics;
- To identify and collect national and international best practices;
- To review and contribute to the updating of UNSD handbooks and manuals on energy statistics;
- To identify gaps in coverage (e.g. fuel types, flows) and to develop methodology to cover gaps;
- To adopt link or develop bridges to international standard concepts and classifications in economic/ environment statistics to facilitate the integration and interface of energy statistics with other statistical systems;
- To recommend a core set of tables as minimum requirement at national and international level to satisfy major users' needs.

Participants:

- Experts from national statistical offices and/or energy ministries/authorities
- Experts from international organizations engaged in energy statistics
- Experts from academia: energy sciences, energy economics, statistics

- Energy experts from the private sector to be invited to participate as advisers.

Time frame: 5 years, 2006 – 2010
 Working method: Electronic discussions and annual meetings

First meeting: January 2006
 Host: Statistics Norway (to be confirmed)

2. INTER-SECRETARIAT WORKING GROUP ON ENERGY STATISTICS- TERMS OF REFERENCE - DRAFT

Objective: To enhance coordination of international energy statistics and collaboration of international (global, regional and sectoral) organizations with a view to improve the availability and quality of energy statistics without increasing the response burden of countries and by making best use of resources.

Actions:

- To make inventory of the current data collection-processing-dissemination system of the major organizations working on energy statistics;
- To reduce reporting burden by harmonizing (when possible) data collection, data processing and dissemination by limiting duplication and/or by building links/bridges between the existing energy statistics questionnaires, concepts and methods and timetables;
- To improve distribution of the collecting/processing work between organizations and enhance data sharing and transmission once data validation procedures have been agreed and implemented;
- To improve coordination of energy statistics with social, economic and environmental statistics on the international level;
- To promote training and capacity building and coordinate the related efforts;
- To create joint fora to promote the dialogue of statisticians and the user community;
- To raise the profile of energy statistics and energy statisticians at all levels.

Participants: International organizations/agencies involved in collecting energy statistics at the global/regional/subregional/sectoral level or user of energy statistics.

Secretariat: Biennial rotation

Time frame: Permanent

First meeting: November 2005

Host: IEA, Paris