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DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION
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London Group Mandate and Governance Structure

LONDON GROUP MANDATE AND GOVERNANCE STRUCTURE

DRAFT

June 2006

1. This note has been prepared in response to the request of the UNCEEA to prepare a background document for discussion at the next London Group meeting outlining the new role and governance structure of the London Group in response to the changes in the international statistical environment.

Background

2. The London Group on Environmental Accounting was established in 1994 as one of the City Group in the context of the Statistical Commission, with the following objectives: (a) 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; (b) to provide a forum for the sharing of national and international expertise in this field; and (c) 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 (<http://unstats.un.org/unsd/methods/citygroup/index.htm>).

3. Between 1994 and 1997 the Group has been an informal group of statisticians from national statistical offices and international organization. With the agreement by the Statistical Commission in 1998 to undertake a review of the SEEA 1993, Statistics Canada took on the role of Secretariat of the London Group. Further, the management of the Group was under the responsibility of the Coordinating Committee composed of the most recent and future host of the London Group meetings, Statistics Canada as secretariat of the Group, the Statistical Office of the European Communities (Eurostat), the Organisation for Economic Co-operation and Development (OECD), the United Nations Statistics Division (UNSD) and the World Bank, the publishing agencies of the SEEA-2003. The International Monetary Fund was added as a publishing agency at a later stage and did not become a member of the Coordinating Committee. The mail responsibility of the Coordinating Committee was the steering the SEEA revision.

4. After the publication of the SEEA-2003, the Coordinating Committee was responsible for organising the meetings of the London Group. Because of this change in focus, the Coordinating Committee was reduced in size and composed of the past and future host of the London Group's meetings, Statistics Canada as secretariat and the UNSD. Three sub-groups of the London Group were established in 2003 to address specific issues and develop compilation guidelines. They include:

- (a) Sub-group on water accounting, moderated by UNSD. The Sub-group contributed to the handbook of national accounting *Integrated Environmental-Economic Accounting for Water Resources*, which has recently been finalized;
- (b) Subgroup on mineral and energy accounts, moderated by Statistics Denmark. The Sub-group carried out a survey on country practices in the implementation of mineral and energy asset accounts and developed guidelines for a handbook on mineral and energy asset accounts;
- (c) , Subgroup on the expansion of the SEEA to social aspects, moderated by Statistics Sweden. The Subgroup prepared discussion papers for discussion at the London Group.

5. An important event in the international environment having repercussions on environmental-economic accounting and related statistics is the creation of the United Nations Committee of Experts on Environmental-Economic Accounting (UNCEEA) which was established by the UN Statistical Commission at its 36th Session in March 2005. The objectives of the UNCEEA 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 at the global level.

6. The programme of work of the UNCEEA encompasses the following elements: (a) coordination of groups working on environmental-economic accounting and related statistics; (b) promotion and implementation of the SEEA; (c) methodological research; and (d) harmonisation of data collection activities with environmental-economic accounting concepts and definitions. Of particular relevance to the London Group are the coordination and the advancement of methodology.

7. With regard to coordination, the “UNCEEA has within its mandate an umbrella function in coordinating and providing vision, direction and prioritization to ensure that existing groups work in complementary fashion” (UNSC Report of the Secretary General, E/CN.3/2006/9 para 7). To this end, the UNCEEA has been in contact with the London Group to establish cooperation in the advancement of the research agenda.

8. With regard to the advancement of methodological research, the role of the UNCEEA is to 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 will prioritize the issues, identify working groups to resolve them, monitor progress of the working groups, review their recommendations and report to the UN Statistical Commission on the proposed solutions.

9. A research agenda consisting of a list of issues compiled from contributions received as a result of a widely distributed call for issues has been prepared and submitted for discussion at the meeting of the London Group in June 2006.

Mandate and governance of the London Group

10. Given the expertise of the London Group and its role in advancing the methodologies in environmental-economic accounting, the UNCEEA has requested that the London Group consider accepting a significant number of issues of the research agenda as part of its work program. Further, the UNCEEA calls for a re-evaluation of the London Group's role and governance structure in order to meet the request of the Committee to undertake the research within an agreed time schedule (see letter from Chair and Secretariat of UNCEEA in Annex 1).

11. As recommended by the UN Statistical Commission, the target date for the publication of the updated SEEA is 2010. This sets the deadline for the London Group to address and solve the issues that it agrees to take on by mid 2008 so as to leave enough time to draft the new handbook.

12. The mandate of the London Group will be between now and mid 2008 to resolve those issues in the research agenda that the Group will agree to cover at its meeting in June 2006 and at its next meeting scheduled in South Africa in early 2007.

13. In order to meet the request of the UNCEEA to resolve methodological issues and to facilitate the work of the London Group, a new governance structure is proposed, consisting of a Chair, a Secretariat and active involvement of the members of the group.

14. The Chair will develop the programme of work and time schedule for the London Group on the basis of the agreed list of issues, facilitate the discussion during and in-between meetings, contribute substantively to the solution of the issues, make sure that agreements on issues are reached, monitor that the issue and outcome papers are prepared according to schedule, report on progress made to the UN Committee. The Chair will be elected during the meeting of the London Group in June 2006.

15. The Secretariat will assist the Chair in its tasks, including providing day-to-day management of the Group, the design of the agenda and organization of the London Group meetings, establish a website for the update of the SEEA, designed following the model of the 1993 SNA update and maintain internal and external communication on behalf of the Group.

16. Members of the London Group will actively contribute to solving the issues on the research agenda, prepare issue and outcome paper according to an agreed format and time schedule, actively participate in electronic discussion groups (EDG) that will be created as appropriate.

17. This note will be updated on the basis of the discussion at the London Group meeting in June 2006 and will include the list of issues that the London Group has agreed to cover in its mandate.

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Dear Members of the London Group Coordinating Committee,

It is our pleasure to inform you that the United Nations Committee of Experts on Environmental-Economic Accounting (UNCEEA) has been established with the approval of the Terms of Reference by the Bureau of the Statistical Commission.

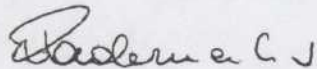
The UNCEEA recognized that the SEEA-2003 represents a major step forward towards the harmonization of concepts, definitions and classification of environmental-economic accounting and praised the excellent work done by the London Group in preparing the publication. In light of this accomplishment, the UNCEEA endorsed the update of the SEEA-2003 to allow for its release as a statistical standard in 2010. It endorsed the undertaking of a programme of research focusing on refining and clarifying those issues that will permit elevating it to the level of a statistical standard. 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. Although priority should be given to the issues that could be solved between now and 2008, it was considered important to also establish a longer-term research agenda.

The role of the UNCEEA is to prioritise the issues, identify working groups to resolve them, monitor progress of the working groups, review their recommendations and report to the UN Statistical Commission on the proposed solutions. Given the expertise of the London Group and its role in advancing the methodologies in environmental-economic accounting, the UNCEEA anticipates that the London Group would like to consider accepting a significant number of issues of the research agenda as part of its work program.

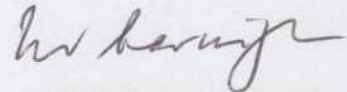
The Committee has already agreed on a preliminary list of issues and clarifications, outlined in document UNCEEA/Prelim/9 and urged an early start on addressing those issues. Moreover, the Secretariat will make a widely circulated call for research issues and clarifications to establish a comprehensive and definitive list.

These events, namely the creation of the UNCEEA and the agreement on the update the SEEA-2003 by the year 2010, call for a re-evaluation of the London Group's role and governance structure in order to meet the anticipated request of the Committee to undertake the research within an agreed time schedule. The Chair and the Secretariat of the UNCEEA suggest that the Coordinating Committee prepare a background document for discussion at the next London Group meeting outlining the new role and governance structure of the London Group in response to the changes in the international statistical environment.

We look forward to your favorable response and cooperation in advancing the methodological agenda in environmental-economic accounting.



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