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Project Management Framework Revision of the SEEA

<u>Prepared by the Bureau of the United Nations Committee of Experts</u> <u>on Environmental-Economic Accounting</u>

Project Management Framework Revision of the SEEA

A. Introduction

1. The United Nations Statistical Commission at its thirty-eighth session in February 2007 requested the UNCEEA to develop and submit to the next Statistical Commission a project management framework (PMF) for the revision of the SEEA¹. In response to this request, the UNCEEA discussed at its Second Meeting (New York, 6-7 July 2007) a proposal for the framework² which was reported to the Statistical Commission at its thirty-ninth session³. Further, the UNCEEA discussed an updated version of the project management framework at its Third Meeting (New York, 26-27 June 2008), detailing the timeline and budget⁴.

2. This paper reflects the discussions at the Third Meeting of the UNCEEA on the new governance of the Committee as well as the current funding situation. In particular, it outlines the role and responsibilities of the newly established Advisory Group on Environmental-Economic Accounting and Environment Statistics in the revision process and leaves out the Project Manager who in the short term will no longer be recruited by the Project because of lack of funds. The tasks and responsibilities of the project manager have been taken over by the Bureau with the support of the Secretariat of the UNCEEA.

3. The main thrust of the PMF is to detail the elements and phases of the revision process of the SEEA in order to ensure smooth and transparent process that has a broad support in the international statistical community and beyond. The consultation process is an important component of the work programme. It involves engaging and seeking views and inputs in all phases of the Project beyond the statistical community to include academia, the scientific community and corporations.

4. The paper is organized as follows: Section B of this paper discusses the guiding principles for the SEEA revision and criteria for inclusion of issues in the research agenda. Section C discusses the governance arrangements for the Project and in particular the roles and responsibilities of the Bureau, the Advisory Group on Environmental-Economic Accounting and Environment Statistics and the Editor. Section D discusses the decision-making process and coordination among the different groups involved. Section E outlines the work programme, including deliverables, timetable and finance.

¹ Statistical Commission Report on the thirty-eighth session (27 February – 2 March 2007). Economic and Social Council, Official Records 2007 Supplement No. 4. 38/107.

² Paper UNCEEA/2/5 available at http://unstats.un.org/unsd/envaccounting/ceea/meetings/UNCEEA_2_5.pdf.

³ Report of the Committee of Experts on Environmental-Economic Accounting to the Statistical Commission (E/CN.3/2008/25)

⁴ Paper UNCEEA/3/11 available at http://unstats.un.org/unsd/envaccounting/ceea/meetings/UNCEEA_3_11.pdf

B. Issues for review

5. The criteria for including the issues in the issue list for the revision of the SEEA include the following:

- (a) There should be no fundamental changes in the scope of the SEEA, however further development and standardization of classifications may be warranted (e.g. classifications of physical flows);
- (b) A broad base demand exists by users;
- (c) A significant number of country experiences exists and consensus on its resolution is expected;
- (d) Any recommendation should be assessed for coherence with the 2008 System of National Accounts (2008 SNA) and coherence with other macroeconomic statistical standards such as the Balance of Payments and International Investment Position Manual (BPM 6), the Government Finance Statistics Manual, International Standard Classification of all Economic Activities Rev.4 and the Central Product Classification version 2, etc. Similar considerations on coherence should also apply to the business accounting standards;
- (e) Any recommendation should take into account the feasibility of implementation and not compromise international comparability.

6. In addition, for those issues for which no methodological consensus is expected, the following criterion should be added:

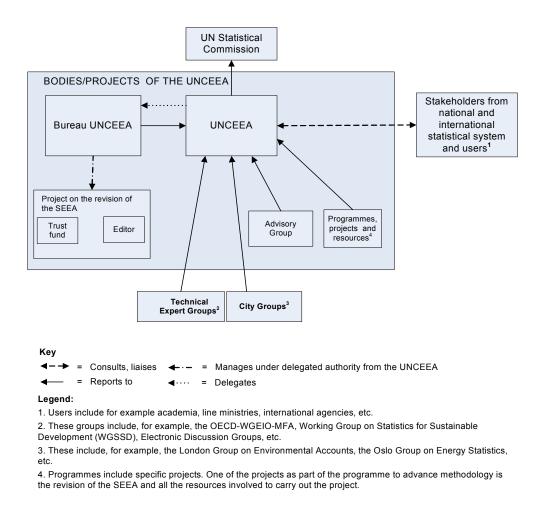
(f) Policy relevance has been demonstrated and country practices are well advanced to warrant further elaboration.

C. Governance arrangements for the revision of the SEEA

7. This Section further elaborates the governance structure of the UNCEEA in the context of the project on the revision of the SEEA. Figure 1 below presents in schematic form the governance structure of the revision of the SEEA in a similar form as presented in the Report of the Committee of Experts on Environmental-Economic Accounting to the United Nations Statistical Commission at its fortieth session⁵.

⁵ See E/CN.3/2009/2.

Figure 1. Governance structure for the project on the revision of the SEEA



8. The United Nations Statistical Commission mandated the Project and is the entity that will adopt the Project's final output - the revised SEEA, as an international statistical standard. More specifically, the Statistical Commission is the entity that will approve the work programme and governance of the Project, a consolidated set of recommendations and the final revised draft of the SEEA. Further it is expected that the Statistical Commission will adopt the work on the Project outcomes including the implementation of the new manual in member countries with the assistance, as needed, by a number of international and regional organizations.

9. The Bureau, under delegated authority from the UNCEEA will carry out the activities and tasks in relation of strategic planning, programming and monitoring, reporting and resource mobilization for the project on the revision of the SEEA (further in the text indicated also as the Project). These include in particular the following:

- (a) Managing and providing strategic direction to the revision of the SEEA, ensure proper coordination and complementarities of work among the city groups and expert groups contributing to the revision of the SEEA;
- (b) Negotiating tasks of the city groups and technical expert groups and tracking progress made in the revision of the SEEA;
- (c) Reporting to the UNCEEA on decisions made in-between meetings;
- (d) Managing the trust fund for the revision of the SEEA held by one of the Bureau members, ensuring that the revision of the SEEA is adequately funded, raising funds as needed; recommending and managing staffing for the project and monitor cash and in-kind budget;
- (e) Developing a transparent communication strategy including liaising with stakeholders;
- (f) Ensuring overall consistency of the revised SEEA with the SEEA-Energy, SEEA-MFA and SEEA-W and coherence with other macro-economic standards.

10. The Advisory Group on Environmental-Economic Accounting and Environment Statistics supports the project by advising the Committee on methodological and technical matters concerning the revision of the SEEA. The role and responsibilities of the Advisory Group as well as those of the Editor are presented below.

Advisory Group on Environmental-Economic Accounting and Environment Statistics

11. The Advisory Group on Environmental-Economic Accounting and Statistics (AGEEA) advises the UNCEEA on all recommendations on the list of issues in the revision of the SEEA. The AGEEA plays a key role in carrying out the Project in a transparent way and ensuring that it is a world-wide undertaking. It considers the proposals for change of the revision of the SEEA and expresses views.

12. Issues come to the AGEEA from various existing city groups and expert groups—for example, the London Group on Environmental Accounting, the Oslo Group on Energy Statistics, other technical expert groups and electronic discussion groups that may be established. Each group has terms of reference, an agreed programme of work and timetable, and a designated chair/moderator to monitor discussions and submit the outcomes to the AGEEA.

Editor

13. The Editor drafts recommendations for change and prepares the draft text of the revised SEEA.

14. The Editor reports to the Bureau of the UNCEEA.

15. The Editor should: (a) have high standing in the area of environmental-economic accounting and national accounts; (b) be capable of reaching consensus; and (c) be impartial. The Editor is appointed by one of the members of the Bureau of the UNCEEA.

16. The terms of reference of the Editor are attached in Annex I. A letter with an invitation for nominations will be dispatched by the Secretariat to Heads of National Statistical Offices to identify suitable candidates. In addition, a call for candidates will be placed on the UNCEEA website and in the SEEA News and Notes.

- 17. The Editor has the following tasks and responsibilities:
 - (a) Progressively draft recommendations for change and clarification and prepare drafts of the text of the revised SEEA, according to the Project schedule;
 - (b) Carry through the preparations of the revised SEEA to the camera-ready copy (or its equivalent);
 - (c) Participate in technical discussions as needed;
 - (d) Participate in the UNCEEA and in the Advisory Group on Environmental-Economic Accounting and Environment Statistics meetings and in other technical considerations;
 - (e) Consult with chairs of city groups and other expert groups;
 - (f) Provide oversight of the overall internal consistency of the revised SEEA and consistency with the SEEA-Energy, SEEA-MFA and SEEA-W and of the coherence with other macroeconomic statistical standards.

D. Decision-making process and coordination

1. Decision making process

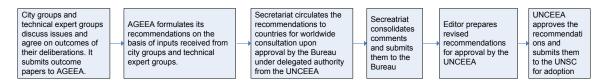
18. As approved by the UN Statistical Commission, the UNCEEA is responsible for managing and coordinating the revision process of the SEEA as well as for liaising with senior-level representatives of countries and international organizations. The UNCEEA is assisted by the Bureau to carry out its activities. Moreover, the United Nations Statistics Division, as the Secretariat of the UNCEEA, provides secretarial support to the revision process.

19. The UNCEEA is assisted by the AGEEA on technical and conceptual issues related to the revision of the SEEA. The AGEEA reports the outcomes of its deliberations to the UNCEEA. The UNCEEA will review the recommendations and upon its approval submit them to the United Nations Statistical Commission. The UNCEEA delegates the day-to-day management of the Project to the Bureau.

20. Issues are first deliberated by city groups or other technical expert groups, such as the London Group on Environmental Accounting and its Subgroups, the Oslo Group on Energy

Statistics, regional commission meetings, electronic discussion groups (EDGs), and possible new expert groups. The terms of reference of the contributions of every city group or other expert group will be formulated with an agreed timeline and a chair/moderator to monitor the progress of the discussions and to write the outcomes of the discussions to be submitted to the AGEEA. The recommendations of these city groups and other technical expert groups will then be considered by the AGEEA and the deliberations of this group will be brought to the UNCEEA for final recommendation. The chairs of the city groups and other technical expert groups are responsible for the preparation of papers outlining the position of the group. The AGEEA formulates its recommendations on the basis of the inputs received from the city groups and other technical groups and might refer back to them for further consultation. The AGEEA will strive for consensus to the highest extent possible. The recommendations of the AGEEA will be reviewed by the UNCEEA and upon its approval and circulated by the Secretariat on behalf of the UNCEEA to countries for discussion. Recommendations may also be discussed at regional commission meetings and at other international meetings with representation from the statistical community as well as academia, scientific and business accounting community. The final results of the consultation will be consolidated by the Secretariat, submitted to the Bureau and presented to the UNCEEA, which will make the final recommendations to the UN Statistical Commission. A flow of the decision-making process is presented in Figure 2.

Figure 2 –Flow of the decision making process



21. The recommendations for changes, which may include clarification beyond disputes, interpretation and real conceptual changes, should be formulated by a clear agreement of a majority of experts and applicability should be considered feasible in a number of countries.

22. The recommendations by AGEEA should indicate whether the recommendation warrants inclusion in the statistical standard (Volume 1) or consensus on the recommendation could not be reached but the issue warrants inclusion in Volume 2 because of its policy relevance.

23. Throughout the revision process of the SEEA, the UNCEEA assisted by the Bureau, the AGEEA and the Editor will assess and evaluate the coherence with other international macroeconomic standards, in particular the 2008 SNA, BPM6, International Standard Classification of all Economic Activities Rev.4 and the Central Product Classification version 2.

24. The revised SEEA will be the overarching framework covering all domains of environmental-economic accounting. The *System of Environmental-Economic Accounting for Water* (SEEAW), the *System of Environmental-Economic Accounting for Energy* (SEEA-E) and the *System of Environmental-Economic Accounting for Material Flow* (SEEA-MFA) are an elaboration of the overall system, the SEEA, and therefore by design they are fully consistent with the SEEA and between each other.

2. Consultation

25. The UNCEEA should inform and consult on the outcomes of the various expert groups ti ensure synergies and harmonization.

26. To ensure country involvement and general transparency, all documents for discussion in the meetings of the AGEEA will be publicly accessible through the AGEEA website. These documents include preparatory papers, minutes of the meetings and conclusions. After each meeting, conclusions on proposed changes, upon approval by the UNCEEA Bureau under delegated authority, will be circulated to all UN member countries for review, with a 60-day response period. To ensure smooth progress, issues on which general agreement has emerged will not be further discussed, unless inconsistency with other decisions on other issues requires further deliberation.

27. Efforts should be made to engage stakeholders beyond the statistical community, in particular academia, the scientific community and the business accounting community.

28. The Bureau will manage the revision process including drawing up of time schedules, monitoring resource use and needs, liaising with and coordinating the contributions of the various expert groups, etc. The AGEEA will formulate the recommendation for change, which will be submitted by the UNCEEA to the UN Statistical Commission and the rewriting of the revised SEEA will be the main responsibility of the Editor.

E. Work programme

1. Deliverables

29. The **final output** of the Project is the revised SEEA. The revised SEEA will consist of 3 volumes: Volume 1 consisting of the international statistical standard; Volume 2 consisting of those topics for which consensus could not be reached but which are highly policy-relevant; and Volume 3 consisting of the applications of the accounts presented in volume 1 and 2. The draft outline of the revised SEEA is presented in Annex II.

30. **Intermediate outputs** are outcome of the deliberation of the city groups and other technical expert groups, the recommendations of the AGEEA. Recommendations of the AGEEA are produced after each of its meeting and will be circulated to countries for information.

2. Timetable

31. The UN Statistical Commission upon recommendation of the UNCEEA in March 2005 identified 2010 as the target date for the publication of the revised SEEA. However, the coordination of the various groups involved in the revision process of the SEEA as well as the development of a work programme for these groups has taken longer than expected. Further, different schedules and timetables of different parallel processes as well as a closer evaluation of the work programme and the financing of the project, led to the consideration that the target date for the publication of the SEEA should be delayed to 2012 instead of the originally proposed

2010. Priority should be given to the completion of Volume 1 consisting of the international statistical standard and of those parts of Volume 3 related to the applications of the standard. Volume 2 consisting of those topics for which consensus could not be reached but which are highly policy-relevant and the parts of Volume 3 related to the applications of Volume 2 could be completed soon after Volume 1.

32. The timetable and work schedule are presented in Tables 1 and 2 below.

3. Finance

33. The updating process will be financed partly from contributions in kind by members of the UNCEEA and partly from a trust fund which is held by one of the members of the Bureau.

Trust fund

34. The trust fund will be set up to mainly finance the following activities:

- Recruitment and travel of the editor (4 man year and participation in meetings of the UNCEEA, London Group, Oslo Group and other topic-specific meetings)
- Possible recruitment of consultants and their travel (specific assignments to be determined as needed)
- Participation of experts from the developing countries in the meetings of the UNCEEA as well as in the meetings of city groups and other technical expert groups;
- Consultancies for the electronic version and index of the revised SEEA.

35. The estimated resource requirement to be financed amount to approximately to \$400,000 dollars for the first year with equal requirements for the remaining 3 years. Some of the resources will need to be financed in kind by the members of the Bureau. Member States are encouraged to contribute to the trust fund to ensure the feasibility of the Project.

Table 1Timetable for the revision of the SEEA

	2007	2008-2009	Mid 2010	End 2010	March 2011	Mid 2011	End 2011	March 2012	Mid 2012	End 2012	March 2013
Establishment of the scope and governance of the Project	 Discussion on the list of issues in the city groups and the UNCEEA meetings Recommendations on selected issues 	 Agreed TORs, including deliverables and timeline, of the technical expert groups (2008) Selection and start appointment of the Editor (2009) 									
Recommendations by all technical expert groups		 Project Management Framework is submitted to UNSC for approval (2009) Outcome of discussions of the city groups and other technical expert groups are submitted to the AGEEA as soon as they are ready Recommendations of the AGEEA are sent to countries, upon approval by the UNCEEA for comments as soon as they are ready 	Outcome of the discussion of city groups and other technical expert groups are submitted to the AGEEA (Vol.2 and part of Vol.3)	Recommenda tions of the AGEEA are sent to countries for comments, upon approval by the UNCEEA as soon as they are ready (Vol.2 and part of Vol.3)			meline for V d part of Vc				
Consolidated recommendations of the UNCEEA	Timeline and part of		Recommendations are reviewed for consistency by the AGEEA and circulated to countries for review (Vol.1 and part of Vol. 3 related to Vol.1)	Consolidated recommendati ons are submitted to UNSC by the UNCEEA for approval (Vol.1 and part of Vol. 3)	UNSC approves the recommenda tions on issues for Vol. 1	Recommendatio ns are reviewed for consistency by the AGEEA and circulated to countries for review, upon approval by the UNCEEA (Vol.2)	Consolidated recommenda tions are submitted to UNSC by the UNCEEA for approval (Vol.2)	UNSC approves the recommenda tions on issues for Vol. 2	V		
First draft revised SEEA		V				Complete draft sent to countries for comments on consistency and readability (Vol.1 and part of Vol.3)	UNCEEA approves Vol. 1 and part of Vol. 3		Complete draft sent to countries for comments on consistency and readability (Vol.2 and part of Vol.3)	UNCEEA approves Vol. 2 and part of Vol.3	
Final draft revised SEEA					V			UNSC adoption of Vol. 1			UNSC endorsement of Vol. 2 and Vol.3

TADIC 2. WOLK SCHCUUIC IOF THE FEIER	Table 2.	Work schedule for th	e revision of the SEEA ⁶
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	Meetings of the London Group	Meetings of the AGEEA	Meetings of the UNCEEA	Bureau UNCEEA	Countries
2007	 26-30 March Johannesburg Definition of environmental taxes and subsidies Classification of natural resources management expenditures Permits leases and licences Environmental industry Material Flow Accounts Classification of physical flows Definition of energy resources Valuation of energy resources Energy flow accounts Forest accounts Classification of degradation Indicators Valuation of degradation Indicators Classification of physical flows Energy flow accounts Classification of assets Classification of degradation Indicators Classification of natural resources and subsidies Classification of natural resources management expenditures Definition of environmental taxes and subsidies Classification of natural resources Permits leases and licences Environmental industry Ownership of non-renewable resources Forest accounts Classification of assets Depletion of assets Desplication of assets Desplication of natural resources Permits leases and licences Environmental industry Ownership of non-renewable resources Forest accounts Classification of assets Depletion of renewable resources Indicators 		5-6 July New York Depletion of non-renewable resources		
2008	 30 September - 3 October Brussels Issues on Material Flow Accounting Consumer durables Modified harvest approach Energy accounts Renewable energy Classification of energy products by purpose Classification of physical flows Definition of environmental taxes and subsidies Classification of natural resources management expenditures Permits leases and licences Emission permits Environmental industry Depletion of non-renewable 		 26-27 June New York Agreed on timeline and project management framework. Discussed draft outcome papers on: 1. Draft paper on ownership of non-renewable resources 2. Draft paper on depletion of renewable resources 	Bureau established in February 2008, agreed on Project Management Framework for the revision of the SEEA	

⁶ The work schedule presented in this paper is preliminary and may change for future meetings.

	9. Ownership of non-renewable				
	 9. Ownership of non-renewable resources 10. Depletion of renewable resources 11. Valuation of stocks 12. Decomposition of the changes in stock value 13. Decommissioning cost 14. Forest accounts 15. Fish accounts 16. Soil 17. Land and ecosystem accounts 				
2009	April Canberra		June New York		
	 Material Flow Accounts Energy accounts Classification of physical flows Environmental taxes and subsidies Permits leases and licences a. Emission permits Classification of natural resources management expenditures Classification of fassets Definition of physical resources Artificial water reservoirs Treatment of losses Forest Soil Land and ecosystem accounts Valuation of degradation December Wiesbaden Material Flow Accounts Energy accounts Classification of natural resources management expenditures Classification of physical flows Permits leases and licences Emission permits Classification of natural resources management expenditures Classification of natural resources Emission permits Classification of assets Depletion of renewable resources Forest Soil Land and ecosystem accounts Valuation of degradation 	 Outcome papers to be discussed Material Flow Accounts - treatment of biological resources Energy accounts - bridge tables Valuation of stocks Depletion of non- renewable and renewable resources Fish stock valuation Environmental taxes Classification of physical flows Permits leases and licences - Emission permits Classification of natural resources management expenditures Treatment of losses Classification of assets Depletion of renewable resources Classification of land use/land cover Fish 	Recommendations from the AGEEA meeting to be approved by the UNCEEA	Bureau to appoint the editor on behalf of the UNCEEA and manage the project	Country consultation on recommendations with 60-days response period
2010	September1. Soil2. Land and ecosystem accounts3. Valuation of degradation	Review by the AGEEA of all recommendations of Volume 1 and their mutual consistency and review issues in Volume 2, namely: 1. Soil 2. Land and ecosystem accounts 3. Valuation of degradation	June New York Review by the UNCEEA of the recommendations of the AGEEA for Vol. 1 and part of Vol. 3.	Same as above.	Recommendations circulated to countries for comments with 60- day response period.

2011	 Soil Land and ecosystem accounts Valuation of degradation Review of any inconsistency issues. 	Review draft chapters Vol.1 and parts of Vol. 3 Review of all recommendations of Volume 2 and their mutual consistency. Review outcome papers on 1. Soil 2. Land and ecosystem accounts 3. Valuation of degradation	June New York Review by the UNCEEA recommendations of the AGEEA for Vol. 2 and parts of Vol. 3. First draft of the Vol.1 and part of Vol. 3approved by the UNCEEA for submission to the UNSC for adoption (end 2011).	Same as above	Recommendations circulated to countries for comments with 60- day response period. Draft chapters circulated to countries for comments on consistency and readability. (Vol.1 and part of Vol. 3)
2012	April Review of any inconsistency issues	Review draft chapters Vol.2 and parts of Vol. 3	June New York First draft of the Vol.2 and part of Vol. 3approved by the UNCEEA for submission to the UNSC for adoption (end 2012).	Same as above.	Draft chapters circulated to countries for comments on consistency and readability

ANNEX I

TERMS OF REFERENCE

Editor of the Revised SEEA

Reporting and working relationship

The Editor reports to the Bureau of the United Nations Committee of Experts on Environmental-Economic Accounting. On a day-to-day basis, he/she works with UNSD as the Secretariat of the UNCEEA and its Bureau.

Responsibility:

The Editor is responsible for:

- Preparing progressively drafts of the text of the revised System of Environmental-Economic Accounting (SEEA), drawing on textual inputs from the Advisory Group on Environmental-Economic Accounting and Environment Statistics (AGEEA), the London Group on Environmental Accounting, the Oslo Group on Energy Statistics, other technical expert groups and electronic discussion groups that will be created as needed;
- Consulting with authors of the substantive reports of the expert groups to clarify ambiguities and rectify substantive errors;
- Ensuring internal consistency and integrity of the revised SEEA, consistency with the System of Environmental-Economic Accounting for Energy (SEEA-E), System of Environmental-Economic Accounting for MFA (SEEA-MFA) and the System of Environmental-Economic Accounting for Water (SEEA-W) and coherence with the 2008 System of National Accounts (2008 SNA), as well as consistency with other macroeconomic statistical standards like the Balance of Payments Manual Rev.6, the Government Finance Statistics Manual and the Monetary and Financial Statistics Manual, the International Standard Classification of all Economic Activities Rev.4, the Central Product Classification version 2 and international (business) accounting standard;
- Participating in the expert group meetings related to the revision of the SEEA;
- Participating in the regional consultation meetings on the revision of the SEEA;
- Preparing the master copy of the revised SEEA by revising the text of the SEEA and consolidating and integrating the recommendations of the AGEEA in the text to be submitted to the UNCEEA for clearance by May 2009 and finalizing the draft of Volume 1 and parts of Volume 3 related to Volume 1 by October 2011 for approval by Statistical Commission in 2012 and the draft of Volume 2 and the parts of Volume 3 related to Volume 2 by October 2012 for approval by the Statistical Commission in 2013.

Qualifications:

The Editor must be an internationally recognized expert on national accounts with some knowledge of environmental-economic accounting. Excellent drafting skills in English are required. The candidate must have advanced university degree and at least 10 years of experience in research in economic statistics particularly national accounting. Experience in environmental-economic accounting and related statistics is desirable.

Remuneration: Remuneration is negotiable but commensurate with standards of international organizations.

Duration of services: 3 and ½ person-years starting in 2009.

ANNEX II

DRAFT OUTLINE REVISED SEEA

Chapter 1 – Introduction Chapter 2 – The accounting structure

PART I: Statistical Standard

Chapter 3 – Physical flow accounts (and their linkage to national accounts) Chapter 4 – Accounting for environmentally related activities and products, including environmental protection expenditure accounts

Chapter 5 – Physical and monetary asset accounts for natural resources Chapter 6 - A full sequence of monetary current and accumulation accounts

PART II: Non-standard accounts

Chapter 7 - Valuation techniques for environmental degradation

 $Chapter \ 8-Accounting \ adjustments \ for \ environmental \ degradation$

PART III: Applications and policy uses

Chapter 9 – Applications and policy uses Annexes Glossary and Index