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## ***GUEST EDITORIAL***



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### **Environment Statistics in the East European Transition Processes**

Almost ten years have passed since the beginning of the transition period of the formerly socialist countries in the east of Europe towards market economies – time for a tentative look at trends, successes and failures and cautious conclusions. The focus on the production of environment statistics means a concentration on one field of statistical information that is embedded in the transition of the statistical production process at large.

Environment statistics emerged as a new field in a situation of overall tight public budgets, so funds were largely unavailable for its development. Furthermore, environment statistics were a field, in which expertise was required in work areas that had not been traditionally covered by statistical offices. Finally, administrative user groups of environment statistics compiled by statistical offices were relatively slow to manifest themselves – impeding progress in the linkage of environment statistics with the traditional data treasures of statistical offices. Environment statisticians remained alone in developing needs for such statistics and in structuring the field, largely on the basis of scientific knowledge and not in response to administrative pressure.

However, fairly soon, two new circumstances occurred. On one side, large numbers of relevant data sources were gradually discovered. This situation – together with the scarcity of funds - made *co-ordination of data sources* the prevailing order of the day for the statistical offices. Here was the first problem for the socialist countries, in which coordination was not the strongest organizational feature of the public sector – a legacy that continues to haunt the transition world. On the other side, in some countries, the growing use of environment statistics led to increased use of *state-of-the-art statistical methods*. Here again, statistical offices of socialist countries did not easily follow suit. Their mainstream activities and, hence, their strengths – with notable exceptions like the family budget surveys – were more in the area of counting in terms of exhaustive surveys, rather than in sample surveys. Standard practices were therefore usually too expensive to apply.

Transition brought formidable changes to this situation. There was first of all a more or less gradual reduction in the scale as well as the competitive position of the public sector – many staff left or had to leave. Then, there was the reduction in the status of the statistical office within the structure of the public service. From being a somewhat privileged office in most countries, it was demoted to what the statistical service usually is in terms of hierarchy of public service in traditional market economies – with the predictable consequences on budget. Finally, there were new priorities for the work of statistical offices. The basic decision was to give absolute priority to the development of national accounts. Dissenting voices – which argued that revised information would be urgently needed in agricultural statistics, on food distribution, on health and other social services – were not numerous and not listened to. The basic decision implied a relatively strong re-orientation of statistical work in favor of monetary information. This is worth noting, because material flows and indicators had been much more prominent in socialist statistics than in those of market economies.





Environment statistics of the transition countries suffered on almost all accounts. New staff with the required expertise became more difficult to attract. Co-ordination of data sources inside or outside government became almost impossible, also for reasons of instability of the staffing situation in the potential partners. As environment statistics were previously often seen as a junior sub-area of social statistics, new developments became extremely difficult to finance, given the importance of national accounts and economic statistics in general. In addition, the data fund of 'material statistics' could neither be maintained, nor fully exploited. Finally, the economic recession considerably reduced the request for environment statistics, despite an ongoing surprising public quest for environmental quality.

However, encouraging signs have appeared. The first encouraging aspect is that the recovery seems to be user-prompted. Secondly, the NGO community is pressing hard for information on environmental quality that can be analyzed together with information on economic wellbeing. Thirdly, the choice of subjects for investing the scarce resources in environment statistics has become judicious.

These signs, positive as they are, are not sufficient for being very optimistic. Having turned from an international producer of environment statistics into an international user of such information, this author has only seen very few transition countries where the critical mass for a durable production of environment statistics in statistical offices seems to be attained. At present, the transition situation simply does not permit fully satisfactory progress in this area of work. The regrettable lack of relevant international statistical assistance aggravates the situation. The mechanisms of the existing programmes provide only limited, although much appreciated relief. Some statistical offices of traditional market economies engage in bilateral assistance – which may be a more cost-efficient and thus promising avenue. Hopefully, these positive examples will turn into a pronounced, comprehensive and satisfactorily monitored programme.

## WHAT?



### International compilation of environmental indicators

UNSD received a number of responses to a pilot Questionnaire on Environmental Indicators that was sent

to non-OECD members of the Inter-governmental Working Group on the Advancement of Environment Statistics. The questionnaire will be circulated to all non-OECD member and partner countries (to avoid duplication with OECD's survey of environmental indicators). Data thus gathered, together with those collected from international organizations (for indicators not included in the questionnaire), will be published in a "Compendium of Environmental Indicators" planned for 1999.

### Environment Statistics Project in Côte d'Ivoire

A representative of UNSD participated in a second mission to the Institut National de la Statistique (INS) of Côte d'Ivoire as the end of the six-months pilot phase of the project, funded by UNDP (Abidjan, 20-24 July 1998). The main objectives of the mission were to: (i) review and finalize the project proposal to UNDP for the establishment of a system of environment statistics in Côte d'Ivoire; (ii) evaluate the environmental indicators identified by INS and the questionnaires sent by INS to the different data producers; and (iii) meet the representatives of national, bilateral and international organizations to solicit support for the project and establish possible collaboration with these institutions.

## Operational Manual of Integrated Environmental and Economic Accounting

The draft Manual has been posted on the Environment Statistics website at: [www.un.org/Depts/unsd/enviro](http://www.un.org/Depts/unsd/enviro). It was prepared by the so-called "Nairobi Group" of experts in the field to provide hands-on guidance on the implementation of the more practical modules of the System of integrated Environmental and Economic Accounting (SEEA). The manual also discusses possible uses of the accounting results in planning and policy analysis. It will include a user-friendly software, prepared by the Fondazione ENI Enrico Mattei and UNSD, for the compilation of the accounts.

## WHO?



**Eszter Horvath** has recently assumed the position of Chief of the Environment Statistics Section of UNSD. She studied economics at the Budapest University of Economics (Hungary) from which she received her diploma in 1977, and also studied sociology at the University of Sciences in Budapest from which she graduated in 1981. She began working on environment statistics during her university years and has since been involved in the conceptual, methodological and practical development of environment statistics, both at the national and the international levels. Prior to her current assignment, she worked in the Hungarian Central Statistical Office as Chief of Environment Statistics.

**Andreas Kahnert** studied economics and statistics at Tuebingen University (Germany), the London School of Economics, and Hamburg University, from which he graduated (diploma in 1969, PhD in 1972). He also obtained a diploma in Human Ecology of Geneva University (1992). After his employment as assistant professor at the Institute of Statistics and Econometrics at Hamburg University, he joined the Statistics Division of UNECE in 1974, where he worked in various assignments (notably environment and energy statistics). From 1990 to 1992, he served, as secretary to the Conference of European Statisticians, monitoring *inter alia* the adaptation of European statistical co-operation to the changes in formerly socialist Europe. Since 1995, he leads the ECE team for environmental performance reviews in the Environment and Human Settlements Division.

**Robert Smith** is Chief of Physical Environmental Accounts in the Environment Statistics Program of Statistics Canada. He is also Secretary to the London Group on Environmental Accounting. Mr. Smith has worked for the last 8 years on the development of Statistics Canada's system of environmental accounting. His particular focus is input-output based material and energy flow accounts.

## WHEN AND WHERE?



### **Meeting of the London Group on Environmental Accounting** (Fontevraud, 25-28 May 1998)

The London Group agreed to collaborate with UNSD in the revision of the *Handbook of National Accounting, Integrated Environmental and Economic Accounting*, published in 1993

as an interim version. The Group agreed on a work plan for the period 1998/1999 and on a broad outline of the revised handbook. The Group also established working groups to prepare drafts of the handbook chapters, for inclusion in a revised United Nations publication. In order to facilitate discussion by a broader constituency, the drafts will be put on a website managed by Statistics Canada.<sup>1</sup>

**Asian Development Bank Concluding Workshop for the Institutional Strengthening and Collection of Environment Statistics in Selected Developing Member Countries** (Manila, 25-27 May 1998). The workshop was organized to conclude a three-years project on environment statistics in the region. The goals of the project were to: (i) implement country-specific frameworks based on UNSD's FDES; (ii) produce compendia of environment statistics; and (iii) establish organizational linkages between data users and producers within the countries. A UNSD representative briefed the workshop on UNSD's work in the field of environment statistics and served as a resource person on methodological issues.

**FAO meeting on forest resources accounting** (Rome, 6-10 July 1998). The meeting reviewed a draft report on integrated environmental and economic accounting for forestry. Chapters of the report were prepared by a consultant to FAO's Statistics Division,

UNSD and Eurostat. The draft is available on the Internet: <http://www.fao.org/WAICENT/FAOINFO/FORESTRY/FAO-EEAC.pdf>

**FAO meeting on fishery resources accounting** (Rome, 13-14 July 1998). A UNSD staff member reviewed with a staff member of the FAO Fishery Department draft chapters of a manual on integrated environmental and economic accounting for fisheries. The manual is a joint effort of UNSD, FAO and UNU.

**International Conference on Internationalization of the Economy, Environmental Problems and New Policy Options** (Potsdam, 15-17 October 1998). The Conference was organized by the European Institute for International Economic Relations at the Potsdam University to explore the implications of globalization and new economic instruments of environmental policy on the sustainability of national economies, notably of the European Union. The Conference revealed a polarization into descriptive assessments of policy options and modelling. UNSD presented a paper on the policy use of green accounting. The proceedings of the Conference will be published by the Potsdam Institute.

**Caribbean Regional Workshop on Sustainable Development Indicators** (Barbados, 22-23 October 1998). The meeting was organized by the Caribbean Development Bank. Among the participants were planners, sustainable development focal points and statisticians from the countries of the region, as well as representatives from international agencies active in the region. The meeting reviewed and amended a proposed common list of sustainable development indicators (economic, social and environmental) for the Caribbean. A medium-term cooperation programme for the implementation of this list of indicators was launched.

**ECA Seminar on Environmental and Natural Resource Accounting** (Addis Ababa, 26-28 October 1998). The main objective of the Seminar was to raise awareness of African governments about the contributions of the United Nations System of integrated Environmental and Economic Accounting (SEEA) to development planning. The Seminar thus focused on the policy relevance and applicability of the SEEA in the region, keeping technical considerations to a minimum. Participants consisted of senior government officials from ministries of finance, economic planning, and environment and natural resources, officials from national statistical services, and intergovernmental organizations.

**UNSD/ESCWA Workshop on Environmental Statistics, Indicators and Accounting** (Cairo, 1-5 November 1998). The workshop was organized by UNSD and ESCWA to familiarize data users and producers in the region with the concepts and methods of environmental statistics, indicators and accounting, and to provide a forum for exchange of information on the status of national environment statistics.

**ECLAC Workshop on Environmental Indicators on Land and Soil** (Santiago, Chile, 11-13 November 1998). The main purpose of the Workshop, was to review the concepts, definitions, classifications, data sources, and measurement methods for the production of selected

environmental indicators related to land use, soil degradation, and particular agricultural practices.

### Planned meetings

**30<sup>th</sup> session of the Statistical Commission** (New York, 1-5 March 1999).

**International Workshop on Integrated Environmental and Economic Accounting** (tentatively scheduled in Italy, May 1999).

The workshop is to test the concepts, methods and software advanced by the operational manual of environmental accounting (see "what").

**The Expert Group meeting on the Manual of Environmental Statistics and Indicators** (June 1999).

## POINT OF VIEW



### The London Group – One Player in the SEEA Revision

By Robert Smith

Earlier comments here by Dr. Joy Hecht ("Point of View," *envstats* 4) portrayed the London Group in a somewhat negative

light. Such comments are welcome of course, as they offer an opportunity to clarify several issues, particularly the Group's role in the revision of the SEEA.

The London Group was formed in 1993 as an independent forum for practising national and environmental accountants. Its *raison d'être* was and still is the informal exchange of experience among these individuals. Initial membership was restricted to the most active nations and international organizations at the time. As Dr. Hecht points out, this membership has become too narrow with the passage of time. Several developing-world nations have since emerged as leaders in the implementation of environmental accounts. As a result, six new countries will be invited to join the Group as of 1999.

However, it is not fair to argue as Dr. Hecht does that the Group's past membership did not reflect the global range of environmental concerns. Questions of sustainable forestry and agriculture, biodiversity and ecotourism are important for Australia, Canada, the United States and other original London Group members. The degree to which some of these questions can be addressed in environmental accounts is debatable, but any suggestion that the debate is of no concern to the original members is overstated.

Turning to the revision of the SEEA, it is worth recounting a bit of history to clarify the exact role of the London Group. When the UN Statistical Commission decided in 1996 (independently of the London Group) to revise the SEEA, it agreed to approach the Group for a review of the existing handbook. The Group accepted this task at its 1997 meeting. Subsequently, it decided that the most constructive review it could offer would be a revised version of the handbook reflecting its thinking and experience over the last five years. In deciding this, the Group of course recognized that the UNSD will retain final editorial control over the revised manual's content. It also recognized that the UNSD must and will consult other interested parties in the overall process of revising the SEEA.

Dr. Hecht suggests in her note that it is the UNSD's responsibility to ensure that the London Group's review is open to all interested parties. There are two responses to this. First, it has to be said that the

London Group is not a body of the United Nations. Thus, although it is a member, the UNSD has no particular responsibility to ensure the Group's "openness." Second, the Group fully recognizes this responsibility as its own. For this reason, its web-site<sup>1</sup> allows for public input at various points during the SEEA review.

To conclude, Dr. Hecht is correct when she suggests that the UNSD must ensure an open process for the revision of the SEEA. As a major participant in the process, the London Group is already doing its part to this end. It would be helpful now if the UNSD clarified the means by which others can make their voices heard.

### Quick response by UNSD

Mechanisms for information exchange on the work of the London Group include:

- UNSD's website ([www.un.org/Depts/unsd](http://www.un.org/Depts/unsd))
- a special e-mail address on city groups <[citygroup@un.org](mailto:citygroup@un.org)>
- international fora served by UNSD, notably the Statistical Commission and the ACC Subcommittee on Statistical Activities.

Also, UNSD is planning to convene an international expert group to discuss the final draft of the revised SEEA.

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<sup>1</sup> ([www.statcan.ca/secure/english/citygrp/london/london.htm](http://www.statcan.ca/secure/english/citygrp/london/london.htm))