



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION
UNITED NATIONS

ESA/STAT/AC.108
UNCEEA/Prelim/5

**Preliminary Meeting of the UN Committee on
Environmental-Economic Accounting
New York, 29-31 August 2005
Two United Nations Plaza, Conference Room 23rd floor**

**OPERATIONAL GUIDELINES
UNITED NATIONS COMMITTEE ON
ENVIRONMENTAL-ECONOMIC ACCOUNTING**

United Nations Statistics Division

Preamble

1. At a meeting held in Copenhagen (20-21 September 2004), organized by the United Nations Statistics Division (UNSD) and the United Nations Environment Programme (UNEP) and hosted by the European Environment Agency, countries identified the need to elevate environmental-economic accounting and statistics to the rank of official statistics. The discussion at the meeting as well as the UNSD strategic response to the countries request were presented at the Statistical Commission in the Secretary General Report on Environmental-Economic Accounting in Appendix 2 of this document.
2. The United Nations Statistical Commission at its 36th Session in March 2005 discussed and endorsed the proposal of the creation a Committee on Environmental and Economic Accounting put forward in the Secretary General Report and endorsed it. In its decision, the Commission recognized the important role of the UN Committee in mainstreaming environmental-economic accounting and related statistics. The report to the Statistical Commission on Environmental-Economic Accounting is presented in Appendix 3 of this document.
3. The Statistical Commission requested that the terms of reference of the UN Committee 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.
4. This note has been prepared with the objective of facilitating the discussion on the objectives, broad areas of work, governance structure as well as the terms of reference of the UN Committee at the Preliminary Meeting of the UN Committee on Environmental-Economic Accounting (New York, 29-31 August 2005). An earlier version of this document was circulated and discussed among a selected group of countries and international organizations. The current version reflects comments and inputs received during the consultation with some stakeholders. This note will be further revised following the discussion during the Preliminary Meeting and submitted to the Bureau of the UNSC for its approval.
5. The draft terms of reference of the UN Committee on Environmental-Economic Accounting are included in Appendix 1.

Objectives

6. The objectives of the UN Committee are (i) to mainstream environmental-economic accounting and related statistics; and (ii) to elevate the *System of integrated Environmental and Economic Accounting (SEEA)* to an international statistical standard.

7. In order to achieve the above broad objectives, five components for the programme of work of the UN Committee have been identified. Each component will be discussed in detail during the Preliminary Meeting. Lead agencies have been identified to prepare issue papers on the different components.

- (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.

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

- (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 economic-environmental 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. In this regard, the Committee might consider the creation of a forum bringing together users and producers of environmental information on a regular basis to establish an on-going dialogue on the possible uses of the accounts and obtain feed-back on the users' needs.
- (c) *Methodological research:* The *SEEA 2003* has been issued as a handbook of national accounting in a white cover format. It represents a major step forward in the harmonization of concepts and methods in environmental-economic accounting. It reports best practices wherever possible and a list of options when a consensus could not be reached with a discussion of the advantages and disadvantages of different options. Building upon this achievement, the UN Committee should play a major role in further advancing methodologies in environmental-economic accounting. To this end, a research agenda should be developed, including issues where best practices exist as well as more experimental and emerging areas (e.g., measurement and valuation of ecosystem services). The UN Committee should prioritize the issues, identify working groups to resolve them (including the London Group, 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.

- (d) *Technical Cooperation:* An increasing number of countries have shown interest in implementing selected modules of the *SEEA 2003*. The UN Committee should 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 UN Committee should also encourage the implementation of the *SEEA 2003* in additional countries, starting from a set of simplified, standard tables and working toward to more complex and data demanding tables. In this context, the UN Committee should develop a programme of work for the preparation of training modules in the compilation of the accounts, consistent with the *SEEA 2003* that could be used for technical assistance purposes.
- (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 to bring environment statistics closer to the concepts, definitions and classifications of environmental-economic accounting. Harmonisation of the environment statistics to the accounting framework would introduce statistical checks and balances in the data and produce consistent data systems from individual sets of environment statistics across time and countries. Moreover, 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 should establish a programme of work that identifies differences and similarities between the environment statistics questionnaires and accounting tables and devise a strategy to bring data collection in line with the accounting concepts and definitions. For instance, a minimum set of standard tables could be designed and applied to as many countries as possible. In addition, more detailed tables covering 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.

Governance structure of the UN Committee

Organization of work

8. The UN Committee will report directly to the Statistical Commission. The Committee should develop and approve a long-term programme and annual work programme that reflect its ongoing priorities and objectives. In its activities, the UN Committee should seek the assistance of existing groups (e.g. the London Group, the Inter-secretariat Working Group on Environment Statistics, the Oslo Group 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. These should be given detailed terms of reference, an agreed time table for

delivering outputs and a moderator to monitor the discussions and to submit written contributions to the UN Committee.

9 . To ensure proper dissemination of the activities of the UN Committee, UNSD should develop over time a website that would contain all documents for discussion at the meetings of the UN Committee. Further, the website should 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.).

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

Composition

11 . In naming the members of the UN Committee, the need to ensure a broad range of experience in national accounting, environmental-economic accounting and related statistics as well as in the use of environmental-economic accounts should be considered. Equitable regional representation should be ensured to promote the accounts and statistics globally. At an initial stage, the proposal of 20-25 members was considered a good compromise.

12 . High-level institutional representation should be ensured given the strategic role of the UN Committee in setting priorities, bringing forward a research agenda, taking decisions on standards and developing strategic visions.

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

Chair

14 . The preliminary meeting of the Committee will be chaired by Statistics Canada, as part of its role as Secretariat to the London Group. The Chair of the UN Committee will be chosen among the members present at the preliminary meeting and may be a representative of a country or an international organization. The role of the Chair, in close cooperation with the Secretariat, will be to develop an annual work programme for the Committee, to monitor progress of the various components of the programme, and set the agenda of the next meeting.

Secretariat

15 . UNSD will provide the day-to-day management and coordination as Secretariat of the UN Committee and will undertake all internal and external communication. UNSD will, 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 . In principle, the UN Committee will have a face-to-face meeting once a year. In between meetings, electronic discussions will be the preferred way of consultation. The venue and date of the first meeting of the UN Committee will be discussed during the preliminary meeting and subsequent meetings will be announced 12 months in advance.

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. Possibilities of funding will be explored during the Preliminary Meeting of the UN Committee.

Questions

- 1) *Do you agree with the objectives of the Committee?*
- 2) *Do you agree with the components of work of the Committee?*
 - a. *Coordination: should a scope and compliance survey be developed under the aegis of the UN Committee and sent to all countries and international organizations in order to assess the current status of international and national implementation, priorities and future plans?*
 - b. *Promotion: should the Committee consider creating a forum bringing together users and producers of environmental information on a regular basis.*
 - c. *Technical cooperation: should the Committee develop a programme of work for the preparation of training modules?*
 - d. *Harmonisation: should the Committee promote international data collection on a minimum set of standard table and supplementary tables by topic complemented by detailed tables for countries in more advanced stages of development of environmental statistics and accounting?*
- 3) *Do you agree with the governance structure of the Committee (including, organization of work, chair, secretariat, periodicity of the meeting, financing)?*
 - a. *To what extent should the tasks of the London Group, Interagency Working Group on Environmental Statistics and newly established city group and inter-secretariat working group on energy statistics be complementary to the Committee? How could coordination of their work programmes be ensured?*
 - b. *How many years should the chair serve? Have the functions of the Secretariat been adequately described?*
 - c. *Should a website and a Newsletter for the Committee be developed?*
 - d. *Which international institutions and countries could be approached for providing financial support of this initiative?*
- 4) *Do you agree with the draft TOR for the Committee presented in Appendix 1?*

Appendix 1

TERMS OF REFERENCE OF THE UN COMMITTEE ON ENVIRONMENTAL-ECONOMIC ACCOUNTING

DRAFT

1. The United Nations Committee on Environmental-economic Accounting was established by the United Nations Statistical Commission. Its broad objectives are to mainstream environmental-economic accounting and related statistics and elevate the *System of integrated Environmental and Economic Accounting (SEEA)* to an international statistical standard. To achieve these broad objectives, the UN Committee programme of work will focus on the following:
 - (a) Promote 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) Advance methodologies in environmental-economic accounting and statistics through identifying and prioritizing issues that need to be addressed, establishing appropriate mechanisms to address those issues, monitoring progress made and submitting recommendations to the United Nations Statistical Commission for approval.
 - (d) Promote technical cooperation by encouraging the implementation of the *SEEA* in countries;
 - (e) Work towards the harmonization of data collection activities of environment and related statistics with concepts and definitions of environmental-economic accounting.
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 best practices and, whenever possible, standards.
3. The Committee will develop and approve a long-term programme of work along with an annual work programme that will reflect on-going priorities and objectives. It will seek the assistance of existing technical expert groups, as well as forming its own technical expert groups, which will have time-bound and task-oriented terms of reference.

4. The selected members of the Committee comprise high-level experts from national governments and international organizations with a broad range of experience in national accounting, environmental-economic accounting and related statistics as well as in the uses of these 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 .. year-period [to be decided during the preliminary meeting].
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.

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

Summary:

The present report is submitted to the Statistical Commission in accordance with a request of the Commission at its thirty-fifth session.^a It presents a proposal for the creation of the Committee on Environmental-Economic Accounting, which was discussed at a meeting organized by the United Nations Statistics Division and the United Nations Environment Programme in September 2004. This technical body would coordinate the further development of the Accounting Framework, ensure its successful implementation in Member States to meet policy needs and facilitate the systematic compilation of related environment statistics. Points for discussion are included in paragraph 20.

^a *Official Records of the Economic and Social Council, 2004, Supplement No. 4 (E/2004/24), chap. I.A*

* E/CN.3/2005/1.

Contents

	<i>Paragraphs</i>	<i>Page</i>
Introduction	1–5	3
Committee on Environmental-Economic Accounting	6–17	3
A. Coordination	7–8	4
B. Promotion of the accounts to the users community	9	4
C. Methodology	10	4
D. Technical cooperation	11	5
E. Data harmonization	12–13	5
F. Organizational structure	14–17	5
Future work	18–19	6
Points for discussion	20	6

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 Intersecretariat 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

Report of the Statistical Commission at its Thirty-sixth Session (New York, 1-4 March 2005)

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 Intersecretariat 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 Intersecretariat 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 , Chili , 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)..

Point of contact:

Robert Smith
 Secretary, London Group on Environmental Accounting
 Director
 Environment Accounts and Statistics Division
 7-C R.H. Coats Building
 Statistics Canada
 Ottawa , Canada K1A OT6
 Telephone: (613) 951-2810
 Fax: (613) 951-0634
 e-mail: robert.b.smith@statcan.ca
 An internet web site is maintained by the London Group Secretariat at
<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

Contents

Paragraphs Page

I. Introduction	1–5
II. Objectives, terms of reference and plan of work	6–12
III. Organization of work	13–18
IV. Plans for 2004-2005	19–22
V. Points for discussion	23 26

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

