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## Statistical Commission

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Item 3 (d) of the provisional agenda\*

### Items for discussion and decision:

**environmental-economic accounting**

## Report of the Committee of Experts on Environmental-Economic Accounting

### Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-ninth session (E/2008/24), the Secretary-General has the honour to transmit the report of the Committee of Experts on Environmental-Economic Accounting. The report elaborates on the mandate and governance of the Committee of Experts, describes the progress of its work, including progress on the revision of the System of Environmental-Economic Accounting and advances in energy and material flow accounts, reports on the results of the Global Assessment of Water Statistics and Accounts and the Global Assessment of Energy Accounts and Air Emission Statistics and Accounts and presents an update of the implementation strategy for the System of Environmental-Economic Accounting for Water, including an update on the drafting of the international recommendations for water statistics. Points for discussion are set out at the end of the report.

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\* E/CN.3/2009/1.



## Report of the Committee of Experts on Environmental-Economic Accounting

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## **I. Introduction**

1. At its thirty-eighth session, the Statistical Commission requested the Committee of Experts on Environmental-Economic Accounting to develop a project management framework for the revision of the System of Environmental-Economic Accounting (SEEA) and an implementation strategy for the System of Environmental-Economic Accounting for Water (SEEAW); and to continue, within its mandate, to coordinate with city groups and other expert groups working on environmental-economic accounting and related statistics. At its thirty-ninth session, the Statistical Commission took note of the report of the Committee of Experts, which included a proposed programme of work to advance methodology on energy accounts and material flow accounts and a proposed implementation plan for SEEAW and reported on the progress of work of the project management framework for the revision of SEEA.

2. In 2008 two events took place that called for a reconsideration of the mandate and governance of the Committee of Experts. These included the meeting of the Bureau of the Conference of European Statisticians in February 2008 and the Conference on Climate Change and Official Statistics (Oslo, 14-16 April 2008). The Bureau of the Conference of European Statisticians identified the issue of coordination in environment statistics, stemming primarily from the broad coverage of the subject matter and the many actors involved, and it requested the Committee of Experts to propose a way forward in environment statistics. Furthermore, the Conference on Climate Change and Official Statistics discussed the possible governance for the development of official statistics on climate change and recommended that the Committee oversee that work.

3. The present report is organized in four parts. Section II below elaborates the mandate and governance of the Committee of Experts in response to the requests outlined above. Section III summarizes the progress of work of the Committee on the revision of SEEA, in particular on the advances in energy and material flow accounts; on the coordination of the various groups working within its mandate on the development of environment, energy and related statistics; on the promotion and implementation of environmental-economic accounting and related statistics, and in particular presents the summary of the results of the Global Assessment of Water Statistics and Accounts and of the Global Assessment of Energy Accounts and updates on the implementation programme of SEEAW. Section IV provides an update on the process and status of the drafting of the international recommendations for water statistics. Section V presents the points for discussion for the Commission.

## **II. Mandate and governance of the Committee of Experts on Environmental-Economic Accounting and Environment Statistics**

4. At its third meeting, which took place in New York from 26 to 27 June 2008, the Committee of Experts on Environmental-Economic Accounting discussed its mandate and governance structure, in response to the request from the Bureau of the Conference of European Statisticians and the outcome of the Conference on Climate Change and Official Statistics. It agreed to cover as part of its mandate

environmental-economic accounting and environment statistics, including statistics on climate change. This is a further elaboration of the original mandate of the Committee, which covered environmental-economic accounting and related statistics.

5. To explicitly reflect this, the Committee agreed to change its name to Committee of Experts on Environmental-Economic Accounting and Environment Statistics. It, however, did not consider it necessary to change its acronym (UNCEEAA).

6. With the broadening of its mandate, the Committee affirmed the importance of keeping a focused work programme and reiterated that in the short and medium term the revision of SEEA should remain its highest priority.

## **A. Mandate**

7. The mandate of the Committee of Experts is to (a) provide strategic vision, direction and coordination to mainstream environmental-economic accounting and environment statistics in national, regional and international statistical systems; (b) develop normative international statistical standards and supporting methodological documents on environmental-economic accounting and environment statistics; (c) promote the development of integrated databases at the international, regional and national levels on environmental-economic accounting and environment statistics; (d) promote the implementation of international statistical standards of environmental-economic accounting and environment statistics in countries; and (e) promote the use of official statistics in scientific and policymaking communities.

8. To fulfil its mandate, the programme of work of the Committee of Experts encompasses six areas, namely (a) coordination; (b) methodological development for normative standards and other research; (c) development of integrated databases; (d) implementation of environmental-economic accounting and environment statistics and statistical capacity-building; (e) promotion of environmental-economic accounting and environment statistics; and (f) formulation of a statistical response on emerging policy issues. An elaboration of the Committee programme of work in the six areas is set out in annex I to the present report.

## **B. Governance**

9. The major elements of the governance arrangements are shown in the figure below. The description of the governance follows the diagram and it covers the managerial functions, roles and responsibilities of the various groups and organizations involved. The boxes in the shaded large box represent the bodies of the Committee of Experts or projects under its responsibility. The technical subgroups and city groups are presented outside the shaded box. These groups were established by bodies other than the Committee and have their own governance and reporting structure. Nevertheless, their programmes of work overlap with that of the Committee and, within its mandate, the Committee plays a coordination role as

mandated by the Statistical Commission.<sup>1</sup> The revised terms of reference of the Committee are presented in annex II.

10. The governance structure presented in this report has evolved from that presented in the report of the Secretary-General of December 2005 (see E/CN.3/2006/9, paras. 20-31). The Bureau of the Committee was established and met for the first time by teleconference in February 2008. The Bureau works under delegated authority from the Committee and was established to assist the Committee with the day-to-day management of its work programme. The Committee also agreed to establish an advisory group on environmental-economic accounting and environment statistics to provide the Committee advice on technical matters. The role and responsibilities of these two bodies, along with those of the others, are discussed in further detail below.

11. The broadening of the mandate and the proposal of the creation of the advisory group has implications for the various groups working under the auspices of the Committee. The Committee discussed the roles of those groups, and in particular considered it necessary that the terms of references of the Intersecretariat Working Group on Environment Statistics be reviewed. It thus requested the Working Group to submit a proposal to its next meeting in June 2009.

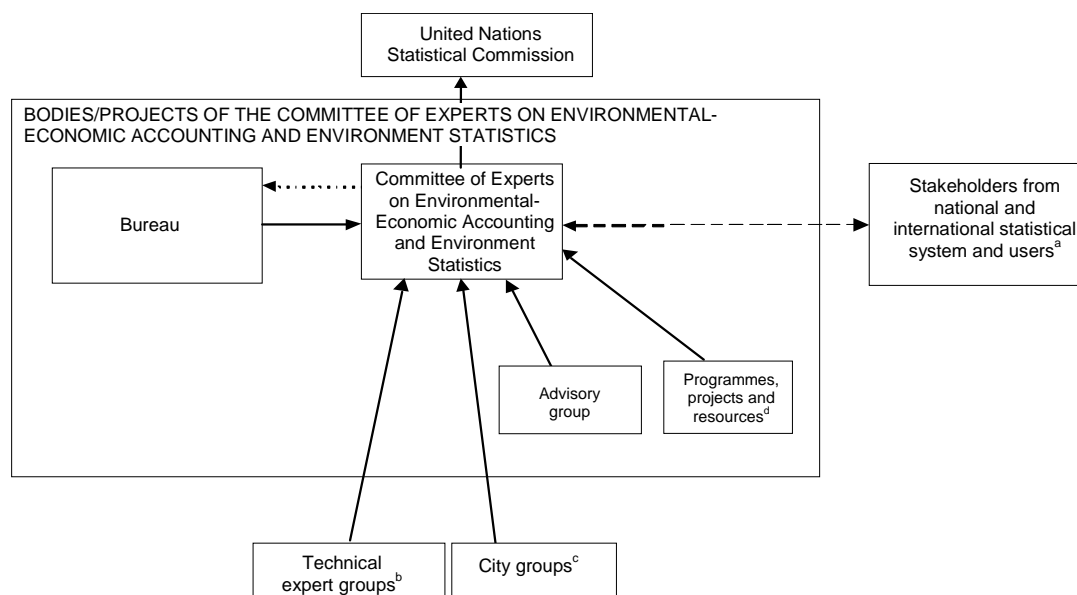
*United Nations Statistical Commission*

12. The United Nations Statistical Commission is the entity that established the Committee of Experts and approves its mandate, work programme and governance and monitors its progress of work.

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<sup>1</sup> See E/2006/24.

Figure  
**Governance structure of the Committee of Experts on Environmental-Economic Accounting and Environment Statistics**



**Key**

- ← → = Consults, liaises  
 ← = Reports to  
 ← ··· = Delegates

**Legend**

- a. Users include, for example, academia, line ministries, international agencies, etc.  
 b. These groups include, for example, the Organization for Economic Cooperation and Development-Working Group on Environmental Information on Outlooks-Material Flow Accounts, the Working Group on Statistics for Sustainable Development (WGSSD), Electronic Discussion Groups, etc.  
 c. These include, for example, the London Group on Environmental Accounting, the Oslo Group on Energy Statistics, etc.  
 d. Programmes include specific projects. One of the projects as part of the programme to advance methodology is the revision of SEEA and all the resources involved to carry out the project.

*Committee of Experts on Environmental-Economic Accounting and Environment Statistics*

13. The Committee of Experts on Environmental-Economic Accounting was established by the Statistical Commission at its thirty-sixth session in March 2005<sup>2</sup> to carry out the mandate and programme of work outlined in section II.A of the present report. The Committee is also responsible for reporting the progress of its programme of work to the Statistical Commission.

14. Within each area of its work programme, the Committee undertakes specific projects engaging existing city groups and/or other expert groups and establishing new groups as needed to carry out the work programme. For large projects, such as the revision of SEEA, it may be necessary to develop project management frameworks for adoption by the Committee.

<sup>2</sup> See E/CN.3/2005/15.

15. Broadly speaking, the Committee undertakes the following tasks in respect of the programmes under its responsibility:

(a) Strategic planning, including providing strategic direction to the projects; ensuring their complementarity and proper coordination; and agreeing on their governance arrangements;

(b) Programming and monitoring, including agreeing with the workplan, schedule, communication strategy and budget of the projects; assigning or negotiating tasks of the technical expert groups; tracking progress made by the projects; and ensuring adequate and effective review of technical matters;

(c) Reporting, including reporting to the Statistical Commission on the projects within its mandate; receiving regular reports from the technical groups; and liaising with stakeholders, managing their expectations and gaining their support;

(d) Resource mobilization, including ensuring that projects are adequately resourced; raising funds as needed; recommending staffing for the projects (e.g., editor for the SEEA revision); and monitoring cash and in-kind budgets.

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

17. Members of the Committee comprise high-level experts from national Governments and international organizations with a broad range of experience in statistics and accounts and their use. Members are also selected to ensure equitable regional representation.

18. Given the wide range of topics the Committee covers and the need to keep it manageable in size, to ensure in-depth discussion, it comprises initially 25 countries/organizations with a maximum representation of two experts per country.

19. Members are appointed to the Committee for an initial period of three years, which may be renewed.

#### *Chair*

20. The Committee elects, from among its members, the Chair for a period of three years, renewable for one term.<sup>3</sup> The role of the Chair is to develop, in close cooperation with the secretariat, a multi-year and an annual work programme for the Committee, monitor progress of the various components of the programme and set the agenda for the meetings.

21. The Chair represents the Committee in international meetings and plays a key role in promoting and communicating the work of the statistical community with other communities, namely the scientific, academic, business and policymaking communities. He or she engages the various stakeholders and seeks supports for Committee projects.

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<sup>3</sup> At its last meeting in June 2008, the Committee elected Peter Harper, Deputy Australian Statisticians, as its new Chair, replacing Walter Radermacher, currently Director General of Eurostat and previously President of the Federal Statistical Office Germany, who had completed one term.

*Bureau of the Committee of Experts on Environmental-Economic Accounting and Environment Statistics*

22. The Committee agreed on the creation of a Bureau to execute tasks and activities between meetings for which it has received delegated authority from the Committee, including the oversight and day-to-day management of the projects under its responsibility. Decisions taken by the Bureau under the delegated authority from the Committee should be reported back to the Committee.

23. The Bureau, under delegated authority from the Committee, will carry out the activities and tasks in relation of strategic planning, programming and monitoring, reporting and resource mobilization for the projects within its mandate.

24. The Bureau consists of Committee members at the senior level in national and international statistical offices. It includes the Chair, the secretariat, and senior officials from four to five countries/international organizations endorsed by the Committee from among its members for a three-year period.<sup>4</sup> The Chair may invite experts and Chairs of the city and expert groups to participate in the Bureau meetings.

*Secretariat*

25. The permanent secretariat of the Committee and its Bureau is the United Nations Statistics Division. It is the main source of logistical and administrative support and receives guidance for that support from the Committee and its Bureau. Among the tasks that the secretariat undertakes are the following:

- (a) Circulate decisions to countries and/or regional and other expert meetings for discussion;
- (b) Manage the Committee website;
- (c) Prepare correspondence with the Statistical Commission members and national statistical offices;
- (d) Prepare reports for the Statistical Commission on behalf of the Committee and its Bureau;
- (e) Provide logistical and other support to the Committee and its Bureau.

*Advisory group on environmental-economic accounting and environment statistics*

26. The Committee of Experts agreed to establish an advisory group to support it in its deliberations on normative and methodological matters concerning environmental-economic accounting and environment statistics, including climate change statistics and to advise it on proposals in that regard for submission to the United Nations Statistical Commission. It is a body of the Committee and as such

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<sup>4</sup> Since February 2008, the Bureau consists of: Peter Harper (Chair and Deputy Australian Statistician), Rashad Cassim (Deputy Director General, Statistics South Africa), Estrella Domingo (Assistant Secretary-General, National Statistical Coordination Board, Philippines), Pieter Everaers (Director, Eurostat), Peter van de Ven (Head of National Accounts, Statistics Netherlands), Karen Wilson (Assistant Chief Statistician, Statistics Canada), Ivo Havinga (Secretariat, Committee of Experts on Environmental-Economic Accounting and Environment Statistics). The position left vacant by Mr. Radermacher, outgoing Chair of the Committee, is in the process of being filled.



falls under its overall management and coordination. It is proposed that the advisory group be implemented as soon as projects other than the SEEA revision are taken up by the Committee.

27. The advisory group will consist of experts in environmental-economic accounting and environment statistics appointed as members by the Bureau of the Committee, with balanced regional representation taken into consideration. The advisory group will be a standing body of the Committee advising it on technical matters discussed by the various city groups and other expert groups. It will be chaired by one of the members of the Bureau on a rotating basis. Its terms of reference and composition are in the process of being developed.

*City groups and other technical expert groups*

28. Existing city groups and other technical expert groups may be engaged to work on specific projects under the responsibility of the Committee. New groups may also be created to assist the Committee in carrying out its work programme. The Committee, while respecting the informal character of the city groups, will coordinate, within its mandate, the city groups and other expert groups working in environment statistics and environmental-economic accounting as mandated by the Statistical Commission.

29. Specific tasks and responsibilities of the city groups and technical expert groups will be agreed with the Committee. The terms of reference for the tasks related to the projects will be formulated with every expert group. They will include specifications on deliverables, timelines and work arrangements for monitoring the technical discussions and for reporting recommendations to the Committee.

30. The work of the city groups and other technical expert groups will be discussed by the advisory group on environmental-economic accounting and environment statistics, which in turn will present its recommendations on the proposals of the various groups for consideration to the Committee.

### **III. Progress of work of the Committee of Experts**

31. At its third meeting, held in New York at United Nations Headquarters from 26 to 27 June 2008, the Committee of Experts discussed, in addition to its mandate and governance structure, the funding strategy and the project management framework for the revision of SEEA; the progress of work in energy accounts and statistics, material flow accounts, and land and ecosystem accounts; activities of the various groups working within its mandate; and climate change statistics. These topics, with the exception of climate change statistics, are discussed in detail below. Climate change statistics are discussed in the programme review paper prepared by the Australian Bureau of Statistics.<sup>5</sup>

#### **A. Revision of the System of Environmental-Economic Accounting**

32. The Committee discussed the strategy for funding the SEEA revision. As a follow-up to the Committee decision to seek funding, a letter was sent from the

<sup>5</sup> See E/CN.3/2009/2.

Chair of the Committee to its members requesting financial assistance. As a result of the letter, as of October 2008, 60 per cent of the estimated resources for the first year had been committed by countries and organizations, with one international organization committing more than half of the resources. The Bureau did not consider it appropriate to launch the project and agreed to actively pursue funding between October and February, re-evaluate the situation at the time of the Statistical Commission meeting and decide on the feasibility of having the revised SEEA completed by 2012.

33. The Committee agreed on the project management framework for the revision of SEEA, which was developed in response to the request from the Statistical Commission at its thirty-eighth session.<sup>6</sup> The project management framework outlines the elements and phases of the revision process in order to ensure a smooth and transparent process that has broad support within the international statistical community and beyond. The consultation process is an important component of the work programme and calls for the active engagement of national, regional and international organizations in all phases of the project.

34. The project management framework comprises four parts: (a) criteria for inclusion of issues in the research agenda; (b) the governance arrangements, including roles and responsibilities of all groups and organizations involved; (c) the decision-making process and coordination among the different groups involved; and (d) the outline of the work programme, including deliverables, a timetable and financing. A summary of the proposal of the framework was presented in the report of the Committee of Experts at its thirty-ninth session.<sup>7</sup> The agreed project management framework is available as a room document at the fortieth session of the Statistical Commission.

35. In March 2005, the Statistical Commission, upon the recommendation of the Committee of Experts, 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, and the development of a work programme for these groups have 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 SEEA should be delayed to 2012. The Committee decided to issue SEEA in three volumes: volume 1, consisting of the international statistical standard; volume 2, consisting of those topics on which consensus could not be reached but which are highly policy-relevant; and volume 3, consisting of the applications of the accounts presented in volumes 1 and 2. Priority should be given to the completion of volume 1 and of the parts of volume 3 that are related to the applications of the standard. Volume 2 and the parts of volume 3 that are related to the applications of volume 2 are expected to be completed soon after volume 1 in 2013.

## **1. Energy accounts and statistics**

36. The Committee discussed the scope, coverage, process of preparation and timeline of the System of Environmental-Economic Accounting for Energy and the

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<sup>6</sup> See [http://unstats.un.org/unsd/envaccounting/ceea/meetings/UNCCEEA\\_3\\_4.pdf](http://unstats.un.org/unsd/envaccounting/ceea/meetings/UNCCEEA_3_4.pdf).

<sup>7</sup> See E/CN.3/2008/25.

international recommendations for energy statistics. The Committee was pleased with progress made in the drafting of the System of Environmental-Economic Accounting for Energy, with good coordination achieved in the preparation of both the System of Environmental-Economic Accounting for Energy and the international recommendations for energy statistics. It reiterated the need for close coordination between the work on the System of Environmental-Economic Accounting for Energy by the London Group on Environmental Accounting, the work by the Oslo Group on the international recommendations for energy statistics and the work by the Intersecretariat Working Group on Energy Statistics (InterEnerStat) on the harmonization of the definition of energy products and flows.

## **2. Material flow accounts**

37. The Committee of Experts discussed the scope, coverage, process of preparation and timeline of the System of Environmental-Economic Accounting for Material Flow. It considered the system to be a useful input to the SEEA revision process, and that standard tables and text could literally be taken from the System of Environmental-Economic Accounting for Material Flow and used in SEEA. The Committee stressed the need for continued cooperation with Eurostat and OECD to ensure that only one manual on accounting for material flow is produced in order to avoid confusion among the users of such manuals. It was agreed that the System of Environmental-Economic Accounting for Material Flow will replace volume 2 of the OECD guidance documents.

## **B. Coordination**

38. As mandated by the Statistical Commission, the Committee of Experts discussed the progress of activities carried out by city groups and other technical expert groups that fall within the Committee's purview. These include activities of the London Group on Environmental Accounting, the Oslo Group on Energy Statistics, the subgroup of the OECD Working Group on Environmental Information and Outlooks working on material flow accounts and of the Intersecretariat Working Group on Environment Statistics.

### **1. London Group on Environmental Accounting**

39. The London Group on Environmental Accounting met in Rome from 17 to 19 December 2007 and in Brussels from 29 September to 3 October 2008 to discuss issues related to the treatment of depletion of non-renewable and renewable resources, material flow and energy accounts and the treatment and definition of economic instruments, such as environmental taxes and subsidies, emission permits, etc. The London Group was able to reach an agreement on a number of issues, and it is in the process of developing outcome papers summarizing the conclusions of the London Group.

40. In 2009 the London Group will meet two times with the purpose of formulating recommendations for the remaining issues on the SEEA volume 1 issue list. The next meeting of the London Group is scheduled to take place in Canberra in the last week of April 2009.

## **2. Oslo Group on Energy Statistics**

41. The Oslo Group on Energy Statistics met in Vienna from 4 to 6 February 2008 to discuss the guiding principles of the international recommendations for energy statistics and agreed on a drafting schedule for the preparation of the recommendations. The next meeting of the Oslo Group will take place in Ottawa, from 2 to 6 February 2009. It will discuss issues related to the classification of energy products, including renewables, the scope of nuclear fuels and draft text of the international recommendations for energy statistics.

42. To ensure communication between the Oslo Group members between meetings, the secretariat of the Oslo Group, Statistics Norway, has launched a new website. The website will support the drafting of the international recommendations for energy statistics and the accompanying Energy Statistics Compilers Manual.

## **3. OECD Working Group on Environmental Information and Outlooks: work on material flow accounts**

43. The work of OECD on material flows and resource productivity, including the preparation of guidance documents on the implementation and use of material flow accounts, is being undertaken in response to the recommendation of the OECD Council of April 2004 on material flows and resource productivity. The guidance documents on measuring material flow and resource productivity have been released. They consist of four volumes, which are complemented by a synthesis report that summarizes the work carried out and includes selected examples of applications of material flow accounts.

44. The accounting framework is presented in volume 2. It is seen as a work-in-progress that will evolve as a result of the ongoing work in connection with the revision of SEEA and the drafting of the System of Environmental-Economic Accounting for Material Flow. Volume 2 of the guidance documents will be replaced by the System of Environmental-Economic Accounting for Material Flow once completed.

45. In 2009 and 2010, OECD will focus on the implementation of the 2008 OECD Council Recommendation on Resource Productivity. In particular, it will develop an information base and methods for assessing environmental impacts and costs of resource use. The work will encompass a policy dialogue on material flow and resource productivity indicators and a review of Government and business applications for indicators, as well as a fact-based analysis of material flows and resource productivity in important areas.

## **4. Intersecretariat Working Group on Environment Statistics**

46. The main task of the Intersecretariat Working Group on Environment Statistics in 2008 was the coordination of different data collection activities. The fifth round of the United Nations Statistics Division/United Nations Environment Programme Questionnaire on Environment Statistics, focusing on water and waste, were distributed to all countries that are not covered by the OECD/Eurostat Questionnaire on the State of the Environment. Agreements with OECD, the MEDSTAT environment statistics programme and the Economic and Social Commission for Western Asia (ESCWA) covered the comparison and harmonization of

questionnaires, collaboration in the data collection, data validation and data sharing. Deviations from scheduled data collection activities made coordination difficult.

47. During the past year, a first draft of the metadata for the exchange and dissemination of environment statistics, developed as part of the Intersecretariat Working Group on Environment Statistics work programme, was discussed by the Eurostat Task Force on Water Accounts and was presented to the environmental subgroup. This work will also contribute to the recommendations on metadata for water statistics included in the international recommendations for water statistics.

48. Owing to the ongoing reorganization of the Food and Agriculture Organization of the United Nations, the subgroup on land use and land cover statistics will be established in 2009.

## 5. Joint Working Group on Statistics for Sustainable Development

49. The Joint Economic Commission for Europe/Eurostat/OECD Working Group on Statistics for Sustainable Development was established by the Bureau of the Conference of European Statisticians in 2005 to (a) identify good concepts and practices to assist national Governments and international organizations in the design of sustainable development indicator sets; (b) develop a broad conceptual framework for measuring sustainable development with the concept of capital at its centre; and (c) identify a small set of indicators that might become the core set for international comparisons. The group had more than 90 members from 48 countries and international organizations, and it met five times during the period April 2006 to March 2008. It was led by a Steering Committee, which provided governance and continuity between the meetings.

50. As a result of this work, the Working Group prepared a report on measuring sustainable development. Following a consultation process with countries and international organizations, the Conference of European Statisticians, at its plenary session in June 2008, endorsed the report and considered the mandate of the Working Group completed. The report will be published as a joint Economic Commission for Europe/OECD/Eurostat publication. The final version will be posted on the website of the Economic Commission for Europe in December 2008 and the print version of the publication is expected to be available in March 2009.

51. At its meeting in October 2008, the Bureau of the Conference of European Statisticians decided to establish a new task force, which should start its work at the beginning of 2009, to refine the indicators proposed in the report and follow-up on the dimensions unresolved in the present report.

## C. Promotion and implementation

52. The Committee has continued to demonstrate the contributions of official statistics to the international debate, in particular in the area of climate change. The Conference on Climate Change and Official Statistics identified SEEA as a promising framework for climate change statistics and analysis. The role of the Committee in climate change statistics is discussed in the programme review paper prepared by the Australian Bureau of Statistics.<sup>8</sup>

<sup>8</sup> See E/CN.3/2009/2.

53. During the past year, and as part of its work programme on the promotion of environmental-economic accounts, the Committee of Experts has continued to update and expand its website; has undertaken phase 2 of the Global Assessment of Environment Statistics and Environmental-Economic Accounting for water statistics and accounts and for energy accounts; and has advanced in the implementation of SEEAW following the strategy presented in the report of the Committee of Experts on Environmental-Economic Accounting to the thirty-ninth session of the Statistical Commission.<sup>9</sup> The latter two activities are discussed below.

#### **1. Progress of work of the Global Assessment of Environment Statistics and Environmental-Economic Accounting**

54. The Global Assessment of Environment Statistics and Environmental-Economic Accounting is an activity of the United Nations Statistics Division under the auspices of the Committee of Experts. It aims to assess the status of national implementation of environment statistics and environmental-economic accounting in countries. In order to reduce the reporting burden on countries, the Global Assessment was designed in two phases. Phase 1 was carried out in October 2006 and the results were presented to the Statistical Commission at its thirty-eighth session. A detailed report is available at <http://unstats.un.org/unsd/envaccounting/ceea/assessment.asp>.

55. Phase 2 consists of several in-depth follow-up questionnaires focusing on specific subject areas identified in phase 1. Phase 2 questionnaires are dispatched to those countries that indicated in phase 1 that they collect and compile or disseminate statistics or accounts in the specific subject area. As part of phase 2, the Global Assessment of Energy Statistics and Balances was completed in 2008 and the results were presented at the thirty-ninth session of the Statistical Commission.<sup>10</sup>

56. This report briefly presents some of the preliminary conclusions of the Global Assessment of Water Statistics and Accounts and the Global Assessment of Energy Accounts, conducted as part of phase 2. More detailed reports and analysis for both of these assessments will be presented as background documents at the fortieth session of the Statistical Commission in February 2009.

#### *Global Assessment of Water Statistics and Account: main conclusions*

57. Water issues are high on national and international agendas. Water pollution and water scarcity were identified in this assessment as the two most important water issues globally (93 per cent and 87 per cent of respondents, respectively). The need for water information in support to integrated water resources management has led to water statistics and accounts becoming increasingly mainstreamed in the national statistical systems of both developed and developing countries.

58. Seventy countries indicated that they have a regular programme of water statistics, 33 countries reported that they have a regular programme of water accounting, and an additional 11 indicated that they intended to start a programme of water accounting in the next two years. Linking the physical hydrological information with the monetary information of the national accounts in an integrated

<sup>9</sup> See E/CN.3/2008/25.

<sup>10</sup> See <http://unstats.un.org/unsd/statcom/doc08/BG-Energy.pdf>.

information system better supports integrated water resources management allowing for the evaluation of trade-offs of different sectoral policies.

59. Water statistics and accounts cover a broad range of data, which is collected and compiled by different agencies in countries around the world. Meteorological and hydrological data are most commonly compiled by meteorological and water agencies through monitoring stations, while water abstraction by industries and households, and water supplied, reused as well as water discharged to sewerage or to the environment, are most often collected by national statistics offices through regular business or household surveys or specialized water surveys. With water data often collected and compiled by various agencies for their own purposes to derive sector-specific indicators (e.g., agricultural agencies collect information on irrigation water, water ministries collect information to construct water balances, etc.), gaps and overlaps in the water information system are commonly observed. Moreover, and equally important, the terminology, definitions and classifications used seem to differ between agencies and do not comply with international statistical standards (i.e., International Standard Classification of all Economic Activities (ISIC) and the Central Product Classification (CPC)).

60. The assessment clearly demonstrated that integrating water statistics presents its challenges. The national statistics offices have a role to play in bringing together the various stakeholders to design a common multi-purpose information system. The system should ensure that data is collected once and used repeatedly based on commonly accepted concepts, definitions and classifications. With a large number of the countries indicating that there exists a formal or informal cooperation mechanism among the various agencies collecting and compiling water statistics, the national statistics offices seem to be well placed to build on these existing mechanisms.

#### *Global Assessment of Energy Accounts: main conclusions*

61. Energy statistics and accounts are high on the statistical agenda. Ninety-nine countries indicated in the Global Assessment of Energy Statistics that they have a programme of energy statistics and the number of countries that compile energy asset or flow accounts as part of their regular programme of work is increasing. Approximately 20 countries of the 38 responding countries compile energy accounts on a regular basis and 18 countries have indicated that they plan to either expand or start compiling energy accounts in the next two years.

62. This may be due to the growing attention that countries are placing on issues such as wealth management, especially for countries rich in energy resources, as well as an increased policy interest in the development of indicators of efficiency and input-output type of analyses. These policy analyses range from the effect of the introduction of economic instruments (e.g., energy taxes and subsidies, emission permits) on physical energy use and the amount of emissions to the emissions embodied in imports and exports of products. These policy demands have come to the fore as a result of the increased public interest in the understanding of the link between economic development and the impact on the environment, such as the measure of emissions on climate change.

63. The Global Assessment identified the lack of agreed methodology as one of the most pressing impeding factors in the implementation of energy accounts. Moreover, the methods used in the implementation of the accounts and the

definitions and classifications of energy resources and products, as well as their valuation (e.g., calculation of resource rent and net present value calculations), vary considerably across countries. For example, all countries use a definition of reserves that is broader than the definition of proven reserves that was recommended in the 1993 System of National Accounts and the 2008 System of National Accounts. Therefore, the revision of SEEA and the drafting of SEEA-E are timely and very relevant activities.

## **2. Progress in the implementation of the System of Environmental Economic Accounting for Water**

64. At its thirty-eighth session, the Statistical Commission adopted the System of Environmental Economic Accounting for Water as an interim international statistical standard and recommended its implementation in countries. It further “requested the United Nations Statistics Division to develop and submit to the next Statistical Commission an implementation strategy for the System of Environmental Economic Accounting for Water, taking into account the fact that countries were at different stages of development of environment statistics and environmental-economic accounting”.<sup>11</sup>

65. In response to the request by the Statistical Commission, the Statistics Division prepared an implementation strategy, which was presented in the report of the Committee of Experts to the Statistical Commission at its thirty-ninth session.<sup>12</sup>

66. The implementation strategy for SEEAW included, among other elements, the development of international recommendations for water statistics, accompanied by guidelines on data collection and compilation material. The outline and process of development of the international recommendations for water statistics were discussed by the Committee in June 2008 (see ESA/STAT/AC.157). These are discussed separately in section IV of the present report.

67. In addition to working on the drafting of the international recommendations for water statistics, the Statistics Division, in line with the implementation strategy for SEEAW, continued to provide assistance and to develop materials to support countries in the implementation of SEEAW.

68. Furthermore, the Statistics Division has worked in close cooperation with the regional commissions, in particular the Economic Commission for Latin America and the Caribbean (ECLAC) and ESCWA, international organizations and MEDSTAT II, a statistical capacity-building initiative of the European Union (EU), in conducting regional workshops and country missions. In particular ESCWA, MEDSTAT II and the Statistics Division have run joint workshops and assisted with the implementation of water accounting in several countries in the Mediterranean region.

69. In the ECLAC region, it is important to note the establishment of a working group on environment statistics under the auspices of the Statistical Conference of the Americas. Countries in the region considered the development of environment statistics as a priority in the region and highlighted the need to develop a step-by-step implementation of environment statistics, indicators and accounting.

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<sup>11</sup> E/2007/24.

<sup>12</sup> E/CN.3/2008/25.



70. Since SEEAW has been adopted by the Statistical Commission, the number of countries that have produced or are producing water accounts has increased to 33, from 22 in 2006. Eleven more countries plan to start producing water accounts in the next two years (see results of the Global Assessment of Water Statistics and Accounts in section 1).

#### **IV. International recommendations for water statistics**

71. The international recommendations for water statistics are being developed as part of the regular work programme of the Statistics Division to assist countries in the establishment and strengthening of an information system for water in support of integrated water resources management. In particular, the draft international recommendations for water statistics: (a) support the collection, compilation and dissemination of internationally comparable water statistics in countries; (b) support the implementation of SEEAW; and (c) provide the necessary information for deriving coherent and consistent indicators over time and across countries, either directly from an agreed list of data items or resulting from the compilation of SEEAW. The international recommendations for water statistics are therefore an integral component of the implementation strategy of SEEAW.

##### **A. Structure of the international recommendations for water statistics**

72. The international recommendations for water statistics are organized into two parts. Part I, covering the international recommendations, provides a brief overview of the hydrological system and SEEAW; describes the main statistical concepts and provides recommendations on the statistical units relevant to water statistics and on an agreed list of data items, including their definitions that countries are encouraged to compile. Part II will provide general guidelines on data sources, data quality, data collection strategies, and dissemination. Annexes will address supplementary data items and the links between the data items and SEEAW, and data collected by international agencies, including commonly used water indicators.

73. The structure of the international recommendations for water statistics is similar to that of other recently developed international recommendations (e.g., the International Recommendations for Industrial Statistics and the International Recommendations for Distributive Trade Statistics), but it has been tailored to suit the needs of water statistics.

74. SEEAW and the international recommendations for water statistics will be accompanied by compilation guidelines, based on best practices and country examples, on how to collect and compile the data items. It is planned that the compilation guidelines will be a part of a knowledge-base platform on the Statistics Division website. This will enable the guidelines to be easily updated and accessed. The knowledge base will build on existing functions of the Statistics Division website; for example, the searchable archive of publications on environmental-economic accounts and the knowledge base on economic statistics.

75. Together, SEEAW, the international recommendations for water statistics and the compilation guidelines will provide a suite of publications for the standard definition, presentation, compilation, analysis and description of water statistics.

## **B. Process of development of the international recommendations for water statistics**

76. The Statistics Division has prepared the first draft of the international recommendations for water statistics. A reference group consisting of experts in water statistics and water accounting from national statistical offices, water ministries and international organizations was invited to provide comments on the first draft of part I, and the chapter on indicators of part II, during the period July-August 2008. Members of the reference group included experts from the national statistical offices, water ministries and international organizations.

77. The second draft of part I, including the comments received from the reference group and the first draft of some chapters of part II of the international recommendations for water statistics, were discussed at an expert group meeting that was held in New York from 4 to 6 November 2008. The meeting was attended by experts on water statistics and water accounts from countries and international organizations.

78. In follow-up to the expert group meeting, the Statistics Division will produce a new complete draft of the international recommendations for water statistics, which will be circulated for worldwide consultation to ensure universal relevance, applicability and feasibility of implementation of the international recommendations. The final draft and the comments received through the worldwide consultation will be submitted to the Committee of Experts for its approval. Subsequently the Committee may request the adoption of the international recommendations for water statistics by the Statistical Commission.

## **V. Points for discussion**

79. **The Commission may wish to express its views on:**

- (a) **The mandate, governance and change of name of the Committee of Experts (section II);**
- (b) **The project management framework on the revision of SEEA, in particular on the funding of the SEEA revision project;**
- (c) **The progress of work of the Committee.**

## Annex I

### **Programme of work of the Committee of Experts on Environmental-Economic Accounting and Environment Statistics**

To fulfil its mandate, the programme of work of the Committee of Experts on Environmental-Economic Accounting and Environment Statistics is organized according to the following six areas:

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

The Committee coordinates and provides vision, direction and prioritization to ensure that existing and newly established groups work in a complementary fashion. These groups include the soon-to-be established advisory group on environmental-economic accounting and environment statistics, the London Group on Environmental Accounting, the Oslo Group on Energy Statistics, the Intersecretariat Working Group on Environment Statistics, the Intersecretariat Working Group on Energy Statistics and other expert groups that may be established within the scope of its mandate;

(b) *Methodological development for normative standards and other research*: the role of the Committee is to oversee the methodological development of environmental-economic accounting and environment statistics, including statistics on climate change. This involves managing the current and future revisions of SEEA and its elevation to the level of an international statistical standard, as well as contributing to the international debate on measuring sustainability. It also involves managing and setting the direction for the preparation of the suite of publications in support of the new SEEA standard. These include publications on specific resources or SEEA modules (e.g., SEEAW, SEEA for Energy, SEEA for Material Flow, etc.), as well as international recommendations for basic statistics (e.g., international recommendations for water statistics, international recommendations for energy statistics, etc.) and compilation guidelines and quality assessment frameworks providing best practices on data collection and compilation;

(c) *Development of integrated databases*: until recently environment statistics and environmental-economic accounting have developed in separate tracks. The statistical community recognized the need to harmonize methodologies and data collection of environment statistics and link them to the concepts, definitions and classifications of environmental-economic accounting. The role of the Committee is to ensure that international data collection activities are carried out in line with the standard(s) and the accompanying international recommendations and ensure that information is produced and used in the most efficient and cost-effective way. The set of standard tables should be used as the reference set of information that countries should compile, taking into consideration the priorities and environmental concerns of countries. The Committee should promote the

establishment of national, regional and international databases in support of evidence-based decision-making, in particular in the context of sustainable development, climate change and Millennium Development Goals;

(d) *Implementation of environmental-economic accounting and environment statistics and statistical capacity-building*: the increased demand by the national, regional and international agenda for environment information has produced a challenge and an opportunity for the statistical community to mainstream environmental-economic accounting and environment statistics. The elevation of SEEA to the level of an international statistical standard and the development of supporting international recommendations (e.g., international recommendations for water statistics and international recommendations for energy statistics) call for its widespread implementation and statistical capacity-building in countries. The Committee should develop a concerted implementation strategy encompassing basic environment statistics and their integration in SEEA in support of decision-making at the country level and for international comparisons. This implementation strategy should be linked to that for basic economic statistics and for the System of National Accounts;

(e) *Promotion of environmental-economic accounting and environment statistics*: environmental-economic accounting and environment statistics are relatively new areas of statistics that often do not enjoy the same priority as other statistics (i.e., economic statistics or social statistics) within the national and global statistical systems. There is a need to mainstream these statistics within the statistical systems, in particular in response to the new challenges posed by the users' community, particularly with regard to measuring sustainable development and climate change.

At the same time, the statistical community has a role to play vis-à-vis the users' community represented by policymakers, academia and scientists. It has to raise awareness of the uses of the statistics it produces. SEEA has proven its potential and added value for environmental-economic analysis. Building on existing experiences, the statistical community should take an active role in the promotion of SEEA for environmental-economic analysis and for formulating international priorities based on users' needs. The Committee should start by actively engaging on behalf of the statistical community with the International Panel on Climate Change to promote the use and usefulness of official statistics in climate change statistics and policies;

(f) *Formulation of a statistical response on emerging policy issues*: the national and international communities have placed several emerging issues related to the environment high on their political agenda. These include cross-cutting issues such as climate change and sustainable development. Until today, the statistical community has responded to these needs in an uncoordinated and ad hoc manner. There is a need for the statistical community to engage more prominently in the international debate and articulate a statistical response, based on the international statistical standards, to better meet the users' needs.

## Annex II

### **Terms of Reference of the United Nations Committee of Experts on Environmental-Economic Accounting and Environment Statistics**

1. The mandate of the Committee is to: (a) provide strategic vision, direction and coordination to environmental-economic accounting and environment statistics, including statistics on climate change; (b) provide the international community with international statistical standards for environmental-economic accounting and environment statistics, including statistics on climate change; (c) mainstream environmental-economic accounting and environment statistics in national and international statistical systems; promote the implementation of international statistical standards for environmental-economic accounting and environment statistics in countries; and promote the use of official statistics in scientific and policymaking communities.

2. To fulfil its mandate, the Committee programme of work focuses on the following six areas:

(a) Coordination: foster coordination, integration and complementarity of programmes in environmental-economic accounting and environment statistics, including statistics on climate change among international and regional agencies and countries;

(b) Methodological development for normative statistical standards and other research: oversee the methodological development of environmental-economic accounting and environment statistics, including statistics on climate change;

(c) Development of integrated databases: ensure that international data collection activities are carried out in line with the normative standards and accompanying international recommendations and ensure that information is produced and used in the most efficient and cost-effective way;

(d) Implementation of environmental-economic accounting and environment statistics and statistical capacity-building: develop concerted implementation strategy encompassing basic environment statistics and their integration into the System of Environmental-Economic Accounting;

(e) Promotion of environment statistics and environmental-economic accounting: mainstream environmental-economic accounting and environment statistics within the statistical systems and raise awareness of its uses in the users' community represented by policymakers, academia and scientists;

(f) Formulation of a statistical response on emerging policy issues: engage prominently in the international agenda and articulate a statistical response based on the international statistical standards.

3. The Committee brings to the attention of the United Nations Statistics Division and the United Nations Statistical Commission new developments that impact the development of standards and compilation practices of environmental-economic accounting and environment statistics.

4. The Committee has an umbrella function within its mandate in providing overall vision, coordination, prioritization and direction in the field of

environmental-economic accounting and environment statistics. The Committee ensures that existing or new groups working in environmental economic accounting and environment statistics work with the Committee in a complementary fashion.

5. The selected members of the Committee comprise high-level experts from national Governments and international organizations with a broad range of experience in statistics. Members would also be selected so as to ensure equitable regional representation.

6. The Committee elects a Chair who serves for a three-year period, renewable for an additional three years. The Chair represents the Committee in international meetings and plays a key role in promoting and communicating the work of the statistical community with other communities, namely the scientific, academic, business and policymaking communities. He or she engages the various stakeholders and seeks supports for the Committee projects.

7. The Committee is assisted by a Bureau composed of members of selected Committee members at the senior level in the national and international agencies. The Bureau executes those tasks and activities for which it has received delegated authority from the Committee, including oversight and day-to-day management of the projects under its responsibility. Decisions taken by the Bureau under the delegated authority from the Committee should be reported to the Committee.

8. The Committee is supported by an advisory expert group that advises it on conceptual issues concerning environment and energy statistics and environmental-economic accounting and on proposals for submissions to the United Nations Statistical Commission.

9. The United Nations Statistics Division serves as the permanent secretariat of the Committee. It provides the day-to-day management and coordination and undertakes all internal and external communication on behalf of the Committee. In cooperation with the Chair, the secretariat coordinates, monitors and reports on the activities of the various expert groups, organizes meetings, develops the agenda for the meetings, maintains the Committee website and issues the newsletter.

10. The Committee prepares an annual report for presentation to the Statistical Commission. It reports progress made in its activities, including progress made by the various city groups, intersecretariat working groups and other groups working with the Committee within its mandate.

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