

Statistical Commission
Forty-eighth session
7 – 10 March 2017
Item 3 (k) of the provisional agenda
**Report of the Committee of Experts on
Environmental-Economic Accounting**

Background document
Available in English only

London Group Mandate and Governance Structure: An update

Prepared by the London Group on Environmental Accounting



London Group Mandate and Governance Structure – an up-date

February 6, 2017

Background

1. The London Group was created in 1993, as a UN City group¹, to provide an informed forum for practitioners to share their experience of developing and implementing environmental satellite accounts linked to the economic accounts of the System of National Accounts. It convened its first meeting in 1994 in London, England. Participation includes representatives from statistical offices, environment agencies, and international organizations as well as research institutes, universities, and individual researchers. Originally, the objectives of the London group were 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, and to encourage the adoption of best practices in the field by promoting the results of the Group's efforts via concepts and methods manuals, operational manuals, material on websites and other means.

2. At the 21st meeting of the London Group in 2015, members were asked for their input so that the terms of reference and governance structure of the group could be updated to reflect the completion of the revision process of the System of Environmental-Economic Accounting: Central Framework (SEEA-CF) and to more clearly define the relationship to United Nations Committee of Experts on Environmental-economic Accounting (UNCEEA) and the two SEEA technical committees (Central Framework and Experimental Ecosystem Accounting) going forward.

Mandate of the London Group

3. Broadly speaking, the topics covered by the Group to date include:
 - a. Physical flow accounts (air emissions, materials use, water use and energy use);
 - b. Asset accounts for natural resources such as fossil fuels, forest, fish and land;
 - c. Environmental activity accounts (environmental sector jobs and trade, environmentally related taxes and subsidies, emissions trade);
 - d. Ecosystem accounts;
 - e. Applications and extensions of environmental accounts (e.g. environmental pressure from consumption through input-output analysis, social data in the accounts);
 - f. Training and implementation material.

¹ <http://unstats.un.org/unsd/methods/citygroup/index.htm>

4. The current objectives of the London Group are to:
 - a. support the further methodological development of the SEEA-CF
 - b. support the promotion and implementation of SEEA-CF
 - c. contribute to the development of SEEA: Experimental Ecosystem Accounting (SEEA-EEA)
 - d. provide a forum for the sharing of national and international expertise and experience;

5. In order to achieve the above objectives, three components for the programme of work of the London Group have been identified.

a. **Methodological research.** The London Group will conduct research into issues both conceptual in nature as well as related to implementation of the SEEA. The research focus has traditionally been on the SEEA-CF, but going forward it will be a more balanced mix of work related to the Central Framework, Applications and Extensions, and Experimental Ecosystem Accounting; particularly in areas where there is a strong linkage across these domains. The group will draft and review technical papers based on the SEEA-CF and SEEA-EEA research agendas. This work will be done in close cooperation with the related technical committees.

b. **Implementation advice and best practices for SEEA.** The London Group will encourage the adoption of best practices in the field by promoting the results of the Group's efforts via websites, through its meetings, and other means such as contributing to training.

c. **Development and sharing of uses, applications, and extensions of the environmental-economic accounts.** The London Group will continue to explore means of applying the accounts to practical issues. These experiences will also be shared through the annual meeting and through contribution to various technical and compilation materials being developed for the SEEA. This will also entail working towards describing policy applications.

Governance of the London Group

6. The London Group will be managed by a Chair, a Bureau and a Secretariat. The roles and responsibilities of each of these functions are outlined below.

The Chair

7. The Chair, in cooperation with the Bureau, will develop the programme of work and related time schedule for the London Group, organize and develop the agenda for the meetings, facilitate the discussion during and in-between meetings, and ensure that the programme of work is implemented according to schedule.

8. The Chair in consultation with the London Group will evaluate requests made from the UNCEEA with regards to the participation of the London Group in working on the UNCEEA work programme and research issues. For the areas accepted for further development by the London Group, specific project management plans to implement these areas will be developed.

9. The Chair, in working out the programme of work of the LG and setting priorities for the Group, should strike a balance between the short-term research agenda and requests from UNCEEA and the long-term perspective and independent research goals of the Group.

10. The Chair should seek input from leading developing countries to ensure appropriate developing countries' participation in the activities of the Group. He/she will also make an effort to enhance communication with the Chairs of other statistical entities to ensure consistency, coordination and cooperation. This could be achieved through the UNCEEA forum.

11. The process for selecting the Chair of the group will proceed as follows. Expressions of interest in the position will be sought from group members at least two months before the intended change in leadership. The Bureau will then consider the candidates, aiming to ensure an appropriate rotation of representation in the position. If an obvious successor emerges from this process, the candidate will be acclaimed and communicated to the London Group in writing and at the following annual meeting. The change will also be communicated to the UNCEEA members. If there are several expressions of interest and no clear replacement can be decided by the Bureau, an internet-based vote will be held, with each country/organisation that normally attends the London Group meeting being given a vote for the successor. The new Chair will then be announced by e-mail and will take on the Chair in conjunction with the up-coming new meeting.

12. The position of Chair has a tenure of 3 years.

The London Group Bureau

13. The formation of the Bureau was agreed to by London Group members at the 21st meeting at the request of the Chair who felt the need for such a body given the complexity of the work plan and the need for coordination and consideration of the many activities currently ongoing in the field.

14. The Bureau of the London Group takes on a function similar to the original coordinating committee of the Group in that it will assist the Chair in the realisation of his or her responsibilities related to the London Group mandate.

15. In particular, the Bureau will be a decision making body with the tasks of helping coordinate the work plan for the Group, assisting with agenda setting for the annual meeting, arranging for hand-over of the Chair responsibilities, and other administrative decisions related to the management of the Group.

16. Representation in the Bureau will include both countries and international organisations. The current membership will be posted to the London Group website. The group is not closed and consideration should be given to rotate countries in depending on interest, but it should be kept to no more than 9 members to facilitate communication and decision making.

17. The London Group meetings take place once a year, but it is within the mandate of the Bureau to propose additional or complementary meetings.

18. Several London Group members are also members of the SEEA Technical Committees formed in March 2014, so there is a degree of overlap between the three groups. To help coordinate efforts of these bodies, the Chairs of the two SEEA Technical Committees should be also members of the London Group Bureau.

The Secretariat

19. The Secretariat will assist the Chair and the Bureau in their tasks, including input on developing the agenda and organizing London Group meetings; maintaining a website for the London Group; and maintaining internal and external communication on behalf of the Group (*e.g.* posting meeting materials and organising official correspondence). UNSD is currently providing the Secretariat function for the London Group.

Reporting structure and relationship with UNCEEA and the Technical Committees

20. The London Group is an independent technical expert group working in close collaboration with the UNCEEA. The UNCEEA will provide guidance with regard to the work programme of the London group and the agenda for its meetings. However, there remains a degree of flexibility for the Group to identify its own avenues of research in addition to the work suggested by the UNCEEA.

21. The London Group will continue to report its work progress and meeting outcomes to UNCEEA for submission to the UNSC. This will be done in close cooperation with the two SEEA Technical Groups to ensure clear communication. In addition, the Chair of the London Group will attend the UNCEEA meetings whenever possible to facilitate agenda setting for the following London Group meeting.

Annex: A short history of the London Group.

22. The London Group was created in 1993 to provide an informed forum for practitioners to share their experience of developing and implementing environmental satellite accounts linked to the economic accounts of the System of National Accounts. It convened its first meeting in March 1994 in London, England. Participation includes representatives from statistical offices and international organizations, as well as research institutes, universities, and individual researchers. Originally, the objectives of the London group were 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, and to encourage the adoption of best practices in the field by promoting the results of the Group's efforts via concepts and methods manuals, operational manuals, material on websites and other means.

23. In 1993 the United Nations published *the Handbook of National Accounting: Integrated Environmental and Economic Accounting* (SEEA). The discussion of concepts and methods had not come to a final conclusion and the handbook was issued as an "interim" version. After the publication of the SEEA - 1993, several developing and developed countries started experimenting with the compilation of the SEEA. This work eventually contributed to the production of a revised volume of the SEEA (SEEA-2003).

24. An important event in the international environment having repercussions on environmental-economic accounting and related statistics was the creation of the United Nations Committee of Experts on Environmental-Economic Accounting (UNCEEA), established by the UN Statistical Commission in March 2005 with the objectives of: (a) Mainstreaming environmental-economic accounting and related statistics; (b) Elevating the *System of integrated Environmental and Economic Accounting* (SEEA-2003) to an international statistical standard; (c) Advancing the implementation of the SEEA at the global level.

25. Given its mandate, expertise and role in advancing the methodologies in environmental-economic accounting, the London Group accepted the request of the UNCEEA to assist in the SEEA revision. The London Group re-evaluated its governance structure following the request of the Committee to undertake the research within an agreed time schedule (LG11/1).

26. The input of the London Group helped with the successful adoption of the *System of Environmental-Economic Accounting 2012: Central Framework* (SEEA-CF) as a statistical standard at the 43rd session of the UNSC in 2012.

27. Since 2012, the London Group has continued to work on projects related to the SEEA-CF research agenda, experimental ecosystem accounting, the exchange of practical experience and technical guidance, and capacity building related to SEEA implementation.

28. At its March 2014 meeting, the UNCEEA Bureau agreed to establish the following committees to aid in SEEA implementation:

- a. Technical Committee on the SEEA Central Framework with a mandate to 1) Advance the research agenda for the SEEA Central Framework; 2) Advance the development of the implementation materials/tools, including the development of core tables and accounts and associated technical notes, in support of the implementation of the SEEA Central Framework and ensure consistency with the SEEA Central Framework; and 3) Lead the development of the communication strategy for the SEEA Central Framework.
- b. Technical Committee on the SEEA Experimental Ecosystem Accounting with a mandate to 1) Advance the research agenda on ecosystem accounting within the general framework provided by SEEA Experimental Ecosystem Accounting; 2) Identify and recommend best practices related to the testing of the SEEA Experimental Ecosystem Accounting in countries in particular concerning the use of models and tools as well as testing of methods for measuring ecosystem services, ecosystem conditions and ecosystem capacity; 3) Promote the SEEA framework and the associated research and ensure sound relationships with other similar initiatives and projects; and 4) Assist in organizing relevant meetings and conferences to advance the research agenda.

29. Meetings held since 1994

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
 June 2006, New York, USA
 March 2007, Pretoria, South Africa
 December 2007, Rome, Italy
 October 2008, Brussels, Belgium
 April 2009, Canberra, Australia
 November 2009, Wiesbaden, Germany
 October 2010, Santiago, Chile
 September 2011, Stockholm, Sweden
 October 2012, Ottawa, Canada
 November 2013, London, England
 October 2014, New Delhi, India
 November 2015, The Hague, The Netherlands

30. In 2015, the London Group agreed to review its mandate and governance structure to reflect ongoing developments in the field of environmental-economic accounting.

Annex: Other groups with linkages to the London group - NEW

With regards to the technical committees under the UNCEEA, the following are participating in this work, some of which are also London group members:

- **The Technical committee on SEEA CF:** Chair Sjoerd Schenau (CBS Netherlands), Carolyn Cahil (Statistics Canada), Joe St Lawrence (Statistics Canada), Josef Schmidhuber (FAO), Suzanne Vancliffé Toresi (FAO), Francesco Tubiello (FAO), JP Castaneda (World Bank), Sofia Ahlroth (World Bank), Mark Lound (ABS, Australia), Pierre-Alain Pionnier (OECD), Anton Steurer (Eurostat), Carl Obst (IDEEA), Nancy Steinbach (Statistics Sweden), Viveka Palm (Statistics Sweden), Alessandra Alfieri (UNSD), Sokol Vako (UNSD), Leila Rohd-Thomsen (UNSD), Julian Chow (UNSD)
- **The Technical committee on SEEA EEA:** has not yet been formed, but the UNCEEA in June 2016 asked the editorial board of the Technical Recommendations on SEEA EEA to continue its work until the Technical Committee on the SEEA EEA is operational. The members of the SEEA EEA editorial board were: Carl Obst (IDEEA), Michael Vardon (ANU, Australia), Warwick McDonald (Bureau of Meteorology, Australia), Michael Bordt (ESCAP Bangkok), Bram Edens (CBS Netherlands), Per Arild Garnåsjordet (Statistics Norway), Lars Hein (Wageningen University, Netherlands), Jawed Khan (ONS, UK), Jock Martin (European Environment Agency), Anton Steurer (Eurostat), Glenn-Marie Lange (World Bank) and Alessandra Alfieri (UNSD).

It is anticipated that through these people the knowledge and information flow will be sufficient. In addition, meeting information from the different groups are available to some extent on-line. The technical committees do not publish any minutes.

Below follow a brief summary of the prioritized groups.

The UNCEEA

The United Nations Committee of Experts on Environmental-Economic Accounting was established through the UNSC 36th session in 2005. The committee has an umbrella function in providing overall vision, coordination, prioritisation and direction in the field of environmental-economic accounting and related statistics (ToR UNCEEA²).

Groups established by the UNCEEA

In more recent years the UNCEEA has created topical groups

Technical committee SEEA CF established in 2014 with the mandate to:

- Advance the research agenda for the SEEA Central Framework;
- Advance the development of the implementation materials/tools, including the development of core tables and accounts and associated technical notes, in support of the implementation of the SEEA Central
- Framework and ensure consistency with the SEEA Central Framework;
- Lead the development of the communication strategy for the SEEA Central Framework.

² http://unstats.un.org/unsd/envaccounting/ceea/documents/torunceea_final.pdf

Technical committee SEEA EEA

- Advance the research agenda on ecosystem accounting within the general framework provided by SEEA Experimental Ecosystem Accounting;
- Identify and recommend best practices related to the testing of the SEEA Experimental Ecosystem Accounting in countries in particular concerning the use of models and tools as well as testing of methods for measuring ecosystem services, ecosystem conditions and ecosystem capacity;
- Promote the SEEA framework and the associated research and ensure sound relationships with other similar initiatives and projects;
- Assist the Steering Committee in organizing relevant meetings and conferences to advance the research agenda.

Expert Forum on Experimental ecosystem accounts

- Showcasing advances in research and testing on the SEEA-Experimental Ecosystem Accounting;
- Highlighting to the potential for more definite methods and guidelines;
- Providing recommendations for the revision of the SEEA Experimental Ecosystem Accounting.

Other groups and conferences

The UNSD has for the 11th UNCEEA meeting in 2016 made a summary of which groups work with topics that touch upon SEEA.

These are groups established by e.g. the World Bank, the OECD, the UNECE and Eurostat

http://unstats.un.org/unsd/envaccounting/ceea/meetings/eleventh_meeting/BK-11-5-3.pdf