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Item 5 of the provisional agenda*

Environment statistics**London Group on Environmental Accounting****Note by the Secretary-General**

The Secretary-General has the honour to transmit to the Statistical Commission the report of the London Group on Environmental Accounting (secretariat: Canada), which is contained in the annex. The report is transmitted to the Commission in accordance with a request of the Statistical Commission at its twenty-ninth session,¹ and a request of the Working Group on International Statistical Programmes and Coordination at its nineteenth session (E/CN.3/1999/20, para. 13 (c)).

The Statistical Commission is invited to discuss whether the mandate of the group is focused and whether its objectives are clear and attainable. The Commission may also wish to comment on the proposals for future work.

* E/CN.3/1999/1.

¹ See *Official Records of the Economic and Social Council, 1997, Supplement No. 4 (E/1997/24)*, paras. 13 (e) and 23 (d).

Annex

Report of the London Group on Environmental Accounting

Purpose

To provide an annual forum for leading countries and international organizations to exchange practical and conceptual expertise with respect to the development of environmental accounts linked to the System of National Accounts. To make available to the general public in print and electronic forms the material brought forth for discussion by these countries and organizations. To play a leadership role in defining international standards in the theory and practice of environmental accounting.

Year organized

1994.

Participants

Australia, Austria, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America, Statistical Office of the European Communities, Organisation for Economic Cooperation and Development, World Bank, United Nations Statistics Division and various invited representatives of other organizations.

Meetings

London, March 1994.

Washington, D.C., March 1995.

Stockholm, May 1996.

Ottawa, June 1997.

Fontevraud, France, May 1998.

Topics considered

Broadly speaking, topics covered by the Group to date include:

- (a) Environmental alternatives and adjustments to gross domestic product, and their pros and cons;
- (b) Development of natural resource (or natural patrimony) accounts in physical and monetary terms for forests, sub-soil assets, water and other resources;
- (c) Use of input-output techniques in environmental accounting, particularly in material flow accounting;

(d) Measurement of depletion of natural resources in physical and monetary terms and its proper treatment in the System of National Accounts;

(e) Comparison of various methods for the valuation of environmental degradation;

(f) The use of social accounting matrices for environmental accounting;

(g) Environmental protection expenditure accounting.

In addition to these specific topics, the Group discusses each year the conceptual and empirical progress made in each member country.

Products

A collection of papers and proceedings has been compiled after each meeting, as follows:

(a) United States Bureau of Economic Analysis, "Second meeting of the London Group on Natural Resource and environmental Accounting", conference papers, March 1995;

(b) Statistics Canada, "National accounts and the environment", papers and proceedings from a conference held in London, March 1994;

(c) Statistics Sweden, "Third meeting of the London Group on Natural Resource and Environmental Accounting" proceedings, May 1996;

(d) "National accounts and the environment", papers and proceedings from a conference, Statistics Canada, 1998 (also available on the Internet).

The proceedings of the 1998 London Group meeting held at Fontevraud, France will be published in late 1998 or early 1999 by the Institut français de l'environnement.

An internet Web site is maintained by the London Group secretariat (Statistics Canada) at:

www.statcan.ca/secure/english/citygrp/london/london.htm

Planned activities

The next meeting of the London Group will be hosted by the Australian Bureau of Statistics, from 15 to 19 November, 1999 at Canberra.

The Group's work plan for the period 1998/1999 is centred on the planned revision of the United Nations draft

handbook on the system of integrated environmental-economic accounting (SEEA). The Group has proposed a chapter structure for a revised version of this handbook, and has established working groups to begin drafting the material that will eventually be recommended to the United Nations Statistics Division for inclusion in a revised SEEA manual.

Beyond contributing to the SEEA revision, the work of the Group in the next few years will focus on:

(a) Resolving outstanding issues that the Group has already discussed: depletion of market resources, valuation of market resources, valuation of degradation etc.

(b) Exploring new areas: uses and applications of environmental accounts, more complex accounts covering non-market and/or qualitative aspects of the environment, and linkage of environmental expenditure and waste flow data.

Expected future products (dates)

The following schedule has been established for the release of material related to the SEEA manual revision:

15 December 1998	Draft annotated chapter outlines
15 March 1999	Revised draft annotated chapter outlines or draft chapters
15 August 1999	Final annotated chapter outlines or draft chapters submitted for review at Canberra

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