



UNITED NATIONS

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

ECLAC - ENVIRONMENTAL ACCOUNTING

1. Background

The Economic Commission for Latin America (ECLA) was established by Economic and Social Council resolution 106(VI) of 25 February 1948 and began to function that same year. The scope of the Commission's work was later broadened to include the countries of the Caribbean, and by resolution 1984/67 of 27 July 1984, the Economic Council decided to change its name to the Economic Commission for Latin America and the Caribbean (ECLAC); the Spanish acronym, CEPAL, remains unchanged.

ECLAC, which is headquartered in Santiago, Chile, is one of the five regional commissions of the United Nations. It was founded for the purposes of contributing to the economic development of Latin America, coordinating actions directed towards this end, and reinforcing economic relationships among the countries and with the other nations of the world. The promotion of the region's social development was later included among its primary objectives.

In June 1951 the Commission established the ECLAC subregional headquarters in Mexico City, which serves the needs of the Central American subregion, and in December 1966, the ECLAC subregional headquarters for the Caribbean was founded in Port-of-Spain, Trinidad and Tobago. In addition, ECLAC maintains country offices in Buenos Aires, Brasilia, Montevideo and Bogotá, as well as a liaison office in Washington, D.C.

The secretariat of the Economic Commission for Latin America and the Caribbean (ECLAC):

- (a) Provides substantive secretariat services and documentation for the Commission and its subsidiary bodies;
- (b) Undertakes studies, research and other support activities within the terms of reference of the Commission;
- (c) Promotes economic and social development through regional and subregional cooperation and integration;
- (d) Gathers, organizes, interprets and disseminates information and data relating to the economic and social development of the region;

- (e) Provides advisory services to Governments at their request and plans, organizes and executes programmes of technical cooperation;
- (f) Formulates and promotes development cooperation activities and projects of regional and subregional scope commensurate with the needs and priorities of the region and acts as an executing agency for such projects;
- (g) Organizes conferences and intergovernmental and expert group meetings and sponsors training workshops, symposia and seminars;
- (h) Assists in bringing a regional perspective to global problems and forums and introduces global concerns at the regional and subregional levels;
- (i) Coordinates ECLAC activities with those of the major departments and offices at United Nations Headquarters, specialized agencies and intergovernmental organizations with a view to avoiding duplication and ensuring complementarity in the exchange of information.

The 33 countries of Latin America and the Caribbean are member States of ECLAC, together with several North American and European nations that have historical, economic and cultural ties with the region. Thus a total of 41 members States; seven non-independent territories in the Caribbean are associate members of the Commission.

The Division of Statistics and Economic Projections is one of ECLAC's divisions, which mission is to help the countries of the ECLAC and to the international community in constructing, strengthening, and to harmonize the statistical and information systems necessary for the design, follow-up, and the evaluation of economic and social development policies and dynamics.

Statistics Division – Principal Objectives:

- To strengthen the statistical national capacities and harmonize the methodologies used in the national systems of statistical information, based on international and regional procedures.
- To promote the Statistical Conference of Americas as the regional forum of debate, interchange of experiences and cooperation.
- To systematize and to spread economic and social representative and comparable information at regional level.
- To cooperate with other multilateral organisms in the definition and diffusion of the methodological and operative recommendations on economic and social statistics.
- To support economic and social development research of the region making available to the public methodological references and documents of work.

Statistics Division – Principal areas of work:

- National Accounts: National and Satellites Accounts; External Sector; Price Statistics and PPAs.
- Emerging areas of statistics:
 - Environmental (Statistics, Indicators and Integrated Accounting)
 - Tourism
 - Health
 All currently under the Chief of National Accounts Unit

- Social Statistics: Householders Survey; Lines of poverty; Gender and equity; Millenniums Development Goals.
- Projection Center: Short term indicators database; Short and long run modeling; Factors of long-term growth.

Environmental management for sustainable development in Latin America faces important challenges in the next decade, noticeably the lack of reliable, up to date information for better decision-making. Information is relatively expensive in the region, so cost-effectiveness and efficiency are key target in the production of solutions to this need. Governments in the region are struggling through finance difficulties, and given the recent world economic slow down, money for environmental purposes tend to compete with social needs that are still perceived as more urgent than a sustainable environment.

This is where sound environmental statistics and indicators, and in some cases EEA, are used to monitor the environment vital signs, in order to achieve better sustainable development policies and management.

Environmental Accounting provide policy makers with sign posts providing synthesized, processed, meaningful information that is necessary to prioritize and fine tune both direct and market environmental instruments for sustainability. National-scale environmental accounting is needed in our countries to guide transectoral national policy making, and so are sub-national scale for decentralized policy making. But our environmental accounting need to be tailor made, in accordance to national priorities, resources and specific sustainability problems. Proceeding in this sensible manner, we can also induce fuller commitment and increase future use of this first pilot sets of environmental accounting.

Different countries and agencies in LAC, have produced sets of Statistics, indicators and EEA, not necessarily coordinately, most of which are being used in different ways and by different institutions. Notwithstanding, emerging initiatives of sustainability indicators, environmental statistics and EEA in our region are familiar experiences to the ECLAC team, including Mexico, Chile, Colombia and Brazil and more recently, Panama, Peru, Nicaragua and Belize.

The Statistic Division has worked towards the development of environmental statistics for years, but has increased its volume and complexity of work through the REDESA project, particularly since 2003 and is currently preparing to construct a regional environmental database (BADEIMA – Environmental Statistics and Indicators Database). At present time is working in the collection of data from the countries in the region through a questionnaire of 65 key variables.

2. Current Activities

Statistic Division is responsible for economic and social accounts, and it is progressively developing environmental statistics, progressively embracing the EEA methodologies to both guide its work with environmental statistics and indicators. However,

environmental statistics is not yet part of the regular working program of the Division, and thus still relies on project and program budgetary lines.

Most importantly, with the collaboration of experts and countries in the region, ECLAC's Statistics Division is carrying out a regional project for the development of environmental statistics (REDESA). Key regional field experts from Colombia, Mexico, Brazil and Chile provide expertise and know-how to the ECLAC team and to the Network, participating substantially in the elaboration of conceptual frameworks and methodologies. We have been concentrating our work mainly in general statistics and to a lower degree, on environmental and economic accounts.

In the field of general environmental statistics, throughout last year, significant progress was achieved in developing the experts and institutions directory (currently, 48 experts and 26 institutions are registered) and the document database (currently 35 documents are abstracted and reside in our site). A database of environmental statistics is in preparation and is expected to be available by the end of 2004, drawing from the available information from the countries and regional agencies, and is based on a set of selected key variables that can progressively grow in time. The team is networking with an increasing number of experts and institutions that either lead or participate in the process of producing environmental data for statistics, indicators and environmental accounts in each country. Constant communication and interchange of information, ideas and methodologies is at the core of the project. Most participants in the network find this to be one of the most important strengths of REDESA.

We also have included the methodology of EEA as an integral part of our capacity building and technical meetings activities, particularly in the last year. Covering environmental statistics, indicators and EEA, in the last year alone, three regional expert meetings were held and eight missions of technical assistance and identifying data sources have been carried out in the region, and 4 additional missions are planned for this and next year. In the field of capacity building, 5 programs were designed and developed in a modular fashion to accommodate national needs. Overall, more than 160 participants and 6 instructors were involved in these courses delivered in Peru, Bolivia, Ecuador, Colombia and Argentina. Finally, all products will be officially launched at the regional meeting of Environmental REDESA planned for April 2005 (to be announced).

In general, the project received positive feedback, and requests of the countries to sustain the network and provide capacity building and technical assistance are increasing. Therefore, ECLAC is working towards the continuation of these efforts and results in time. Nevertheless, the need for a more specific program of activities focusing on EEA in selected countries with stronger technical and data resources is perceived to be beneficial to catalyze these efforts within the region.

3. Obstacles to the implementation of EEA

To our understanding, the main obstacles for the implementation of EEA in Latin America could be summarized as follows. Please note that LAC countries are very

heterogeneous, so some of the obstacles apply to some of the countries and not necessarily to all of them.

- Developing economies and its governments place a hierarchical first-rate importance on growth and social needs and tend to postpone environmental issues (and accounts) for the time being.
- Political support is more sensible to economic and social demands that compete for scarce governmental resources (human and financial).
- EEA is perceived as capable of making evident the complex connections amongst economic activities and environmental degradation, an image that can be adverse to macroeconomic expansive policies, currently strong in our region.
- Lack of basic environmental data in some countries, even when the will to develop EEA is strong. This makes the implementation of EEA more difficult.
- EEA is seen as a major technical and financial effort for the statistical and environmental offices. Somehow it can be perceived as a luxury some countries can afford, in this sense other parallel initiatives that are more cost-effective, such as developing sets of environmental or sustainable development indicators, is preferred.
- Insufficient development of the System of National Accounts to further built satellite or integrated environmental accounting.
- EEA are simply unfamiliar to the less developed countries, which do not count on sufficient environmental data either.
- Insufficient development of technical capacities to develop and sustain a program of EEA.
- Insufficient financial resources.

4. Future Activities

ECLAC is committed to keep working with the countries in developing Environmental Statistics, Indicators and Environmental and Economic Accounts.

With regard to EEA, at the very least, ECLAC can follow up and disseminate the processes and results of ongoing EEA in LAC countries (Mexico, Colombia, Panamá and others).

ECLAC intends to disseminate the SCAEI and simplified training material within ECLAC and to the LAC countries, provided SCAEI is translated to Spanish.

The following activities depend upon obtaining financial cooperation to be able to develop them with substantial technical capacities:

- Identify international partners, to cooperate with ECLAC both technically and financially to potentiate capacity building and technical assistance in EEA for selected LAC countries (sub regional sets).

- Explore the possibility of developing a pilot of EEA with of 4-5 countries¹ in order to systematize the experience and know how on EEA implementation. This pilot program can develop EEA in a progressive and partial way, including parts of the assets and flows for relevant environmental functions depending on productive structure and ecological dynamics at the national level.
- Sensitizing and providing a regional forum to develop high level users (Ministers, Congress and Regional Governments) on EEA, to induce demand and built political and financial support at the national level.

¹ The criteria for selecting these countries include level of development of the core SNA (1993), the availability of basic environmental data, and the institutional capacities.