

**11th Meeting of the London Group on
Environmental Accounting
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London Group Governance Structure

Mark de Haan

LONDON GROUP GOVERNANCE STRUCTURE

Background

1. The London Group on Resource Accounting was established in 1993 as a city group (by the UN Statistical Commission) with the objectives of
 - (a) playing 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;
 - (b) providing a forum for the sharing of national and international expertise in this field;
 - (c) Encouraging the adoption of best practices in the field by promoting the results of the Group's efforts via proceedings volumes, concepts and methods manuals, operational manuals and other means.

2. 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.

3. Between 1994 and 1997 the Group has been an informal group of statisticians from national statistical offices and international organizations. With the agreement by the Statistical Commission in 1998 to undertake a review of the SEEA 1993, Statistics Canada took on the role of Secretariat of the London Group. Further, the management of the Group was under the responsibility of the Coordinating Committee composed of the most recent and future host of the London Group meetings, Statistics Canada as secretariat of the Group, the Statistical Office of the European Communities (Eurostat), the Organisation for Economic Co-operation and Development (OECD), the United Nations Statistics Division (UNSD) and the World Bank, the publishing agencies of the *Handbook of National Accounting: Integrated Environmental and Economic Accounting 2003* (SEEA-2003). The International Monetary Fund was added as a publishing agency at a later stage and did not become a member of the Coordinating Committee. The main responsibility of the Coordinating Committee was steering the SEEA revision.

4. After the publication of the SEEA-2003, the Coordinating Committee was responsible for organising the meetings of the London Group. Because of this change in focus, the Coordinating Committee was reduced in size and composed of the past and

future host of the London Group's meetings, Statistics Canada as secretariat and the UNSD. Three sub-groups of the London Group were established in 2003 to address specific issues and develop compilation guidelines. They include:

- (a) Sub-Group on Water Accounting, moderated by UNSD. The Sub-Group contributed to the *System of Environmental-Economic Accounting for Water* (SEEAW), which has recently been adopted as an interim international statistical standard by the UN Statistical Commission at its 38th session in February 2007;
- (b) Sub-Group on Mineral and Energy Accounts, moderated by Statistics Denmark. The Sub-Group carried out a survey on country practices in the implementation of mineral and energy asset accounts and is in the process of developing a handbook on mineral and energy accounts;
- (c) Sub-Group on the Expansion of the SEEA to Social Aspects, moderated by Statistics Sweden. The Sub-Group prepared discussion papers for discussion at the London Group.

5. An important event in the international environment having repercussions on environmental-economic accounting and related statistics is 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.

6. The programme of work of the UNCEEA encompasses the following elements: (a) coordination of groups working on environmental-economic accounting and related statistics; (b) promotion and implementation of the SEEA; (c) methodological research; and (d) harmonization of data collection activities with environmental-economic accounting concepts and definitions. Of particular relevance to the London Group are the coordination and the advancement of methodology.

7. Given its mandate, expertise and role in advancing the methodologies in environmental-economic accounting, the London Group has accepted the request of the UNCEEA to develop a list of issues and solving a significant number of those issues in the research agenda for the revision of the SEEA-2003 as part of its work programme. Further, the London Group has re-evaluated its governance structure following the request of the Committee to undertake the research within an agreed time schedule. The governance structure has been discussed at the 10th London Group meeting (19 - 21 June 2006, New York). The new governance structure of the London Group is presented below.

Governance of the London Group

8. The governance structure of the London Group consists of a Chair, a Secretariat and Subgroups and Electronic Discussion Groups (EDGs) established by the group to address specific issues. As in the past, the active involvement of the members of the Group is key in advancing the programme of work of the Group.

Chair

9. The Chair 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.

10. 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 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.

11. The Chair has a limited tenure of 3 years renewable once for an additional 3 years. Given the close relationship in terms of programme of mandate of the UNCEEA and the London Group, the Chair of the UNCEEA and the Chair of the London Group should be elected in different years to ensure continuity.

12. The Chair, when formulating the programme of work of the Group, should seek a broad-based consensus with the members of the Group keeping in mind the past management style of the Group. The Chair should also consult the members of the LG on regular basis and develop an appropriate mechanism of reporting and consulting if necessary.

13. 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 of the London Group and the long-term perspective of the Group.

14. The Chair should seek input from leading developing countries to ensure appropriate developing countries' participation in the activities of the Group. He/she will coordinate activities with the Chairs of other statistical entities to ensure consistency, coordination and cooperation.

Secretariat

The Secretariat will assist the Chair in his/her tasks, including providing day-to-day management of the Group; developing the agenda and organizing London Group meetings; establishing and maintaining a website for the London Group; and maintaining internal and external communication on behalf of the Group.

Working Groups and members of the London Group

15. Members of the London Group will actively contribute to the work programme of the London Group to advance methodologies in environmental-economic accounting through the preparation of papers, active participation in electronic discussion groups (EDG) and coordination of Subgroups that will be created as appropriate to address specific issues.

Reporting structure

16. Within the mandate of the UNCEEA, the London Group will report progress made to the UNCEEA. The UNCEEA in turn will report progress made in its activities to the Statistical Commission on an annual basis, including progress made by the London Group.