

**CONFERENCE OF EUROPEAN STATISTICIANS**

For discussion

First meeting of the 2009/2010 Bureau  
Washington, D.C., 15-16 October 2009

Item 3(l) of the Provisional  
Agenda

**UNECE STATISTICAL PROGRAMME 2009:  
ACTIVITY 7.1. SUSTAINABLE DEVELOPMENT STATISTICS**

**PROGRESS REPORT OF THE TASK FORCE FOR MEASURING SUSTAINABLE  
DEVELOPMENT**

Note prepared by Statistics Netherlands<sup>1</sup>

**I. SUMMARY OF THE FIRST MEETING OF THE TASK FORCE**

1. The first meeting of the joint UNECE/OECD/Eurostat Task Force for Measuring Sustainable Development (TFSD) was held on 23-24 September 2009 in Geneva. The meeting was attended by invited experts and representatives from Eurostat, the European Commission, World Bank, UNSD, UNECE and the OECD. There was a general satisfaction with the outcome of the meeting and the progress made. The list of participants and the agenda of the meeting are provided in Annexes III and IV.

2. The first meeting set the stage for the work of the group. An important conclusion was that the Task Force will explore the “future oriented approach” for sustainable development (future wellbeing) as well as the “integrated approach” (which includes current wellbeing).

3. In accordance with the Terms of Reference, the Task Force made the following decisions:

- On the advancement of the human capital measurement - the Task Force will work closely with the OECD project on Human Capital. It was noted that the non-monetary dimensions of human capital are also important in the field of sustainable development.
- On the advancement of the social capital measurements - the group decided to follow the approach of operationalising social capital according to networks, trust and collective action. The issue of institutions will also be explored.
- On further development of an indicator set based on the capital approach - this issue will be explored later in the process. It was agreed to produce indicator sets for both the integrated and the future oriented approach.

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<sup>1</sup> Rutger Hoekstra (Chair) and Jan Pieter Smits (Editor)

4. Furthermore, the Task Force discussed the users of the report. These will be primarily statisticians, but the report should also include summaries for different audiences such as policy makers.

## **II. WAY FORWARD**

5. The group identified a number of issues to be addressed during the two year mandate. This will be done on the basis of issue papers that will be prepared in the course of the next six months. The issues and the authors of the issue papers are presented in Annex I.

6. In the beginning of 2010, the Task Force will hold two “virtual sessions” in which the members of the Task Force will provide feedback to the authors of issue papers.

7. Once the issue papers are finalized, the editor will start drafting the first version of the final report. A second face-to-face meeting will be held in the last quarter of 2010 to discuss the first draft of the report.

## **III. QUESTIONS FOR CONSULTATION WITH THE BUREAU**

8. Annex II contains a list of issues which the Task Force considered important but for which authors were not identified. The Task Force would appreciate if the Bureau members could recommend persons who could possibly contribute on these topics.

## ANNEX I ISSUE PAPERS

The Task Force identified a number of issues which were deemed important. The institutions and members that volunteered to prepare the papers are mentioned in brackets.

- **The policy and capital approach to sustainability (Statistics Netherlands, Jan Pieter Smits and Rutger Hoekstra).** This paper will evolve into the conceptual backbone of the report. The paper will also include issues such as the future and integrated view of sustainability.
- **Market and non-market aspects of human capital (Barbara Fraumeni and other contributors of the OECD Human Capital Accounts project: Marco Mira d'Ercole, Wulong Gu, Jason Russo, Mads Greaker and others).** In this paper the market and non-market aspects of the J-F framework will be explored as well as possibilities for non-monetary indicators.
- **The UN Commission for Sustainable Development (UN CSD) indicator set viewed from a capital perspective (UNSD, Branko Milicevic).** UNSD will review the CSD set from both future oriented and integrated perspectives.
- **The international dimension of global capital stocks (public goods) (Statistics Norway, Mads Greaker).** Certain capital stocks are global by nature (climate, biodiversity), and therefore, exhibit the properties of a public good. This poses problems for the capital approach from a national perspective. Statistics Norway is already in the process of writing a paper on this issue and will submit it to the Task Force.
- **Sustainability and social capital (Statistics Netherlands, Statistics New Zealand and Australian Bureau of Statistics (Jan Pieter Smits, Rachael Milicich and Jason Russo)).** The paper will explore the theory, importance and measurement issues involved in social capital. Apart from issues such as networks, trust, bridging and bonding social capital, the paper will also explore the issue of institutions.
- **Critical capital (Statistics Canada, Rowena Orok).** The group discussed the importance of "critical capital" several times and Statistics Canada will explore this issue in depth.
- **Distribution (Eurostat, Andrea Scheller).** Eurostat will review the issue of inequality and the distribution of income and assets in society and will stress the important role of the integrated approach to sustainable development.
- **Communication of SDI sets (Australian Bureau of Statistics, Jason Russo and Statistics New Zealand, Rachael Milicich).** The experiences of the Australian Bureau of Statistics and Statistics New Zealand will provide a useful input into ways of communicating sustainable development indicator sets to the general public and policy makers.
- **The limitations of the capital approach (Eurostat, Vincent Tronet).** The paper will discuss the conceptual reservations about the applicability of monetization techniques and issues related to the difference between a policy-based indicator set and a conceptual approach.

## ANNEX II

### IMPORTANT ISSUES FOR WHICH AUTHORS HAVE NOT BEEN IDENTIFIED

A number of issues were identified which were deemed important but for which there are currently no authors.

- **Health.** The area of human capital is usually dominated by education and skills but health is also an integral part of the equation. In this paper the author should be looking for indicators for health status and the “investments” made.
- **Time use.** Time is one of the most fundamental scarce resources. From a conceptual point of view it should be possible to split time use into current consumption (e.g. recreation) or production (e.g. working hours) or investment (particularly in human capital (e.g. education) and social capital). In this paper the author should identify the relationship between time use and the conceptual sustainable development approach. Barbara Fraumeni suggested a UK group which Jan Pieter Smith and Rutger Hoekstra will follow-up on.
- **Measuring "broad" capital.** In the sustainable development debate there is a broadening of the scope of "assets" from the narrow definitions in the SNA and the "measuring capital" handbook to issues such as natural capital (for which a definition exists in the SEEA), intangibles and human and social capital. It is important to examine what binds these different types of capital and what measurement aspects they share. The Task Force suggested that this should be left to the second round of deliberations.
- **Technology and Sustainability.** Ministry of Finance, Norway (Thorvald Moe) suggested that the relationship between technology and sustainability should be explored further.
- **Trade-offs and commonalities.** One of the most important aspects of sustainability policy is the fact that positive direction in one area can lead to negative repercussions in another (win-win or lose-lose are however also possible). Eurostat and Statistics Netherlands have experiences in looking at these commonalities.
- **Limits of monetization/understanding the residual.** Not all capital stocks lend themselves to be easily monetized. In the area of natural capital there is the issue of critical capital and for social capital no direct methods (apart from the residual approach) exist. The World Bank is currently working on "reducing the residual", which could provide an input to a possible issue paper.
- **Biodiversity indicators.** During the meeting the problem of measuring biodiversity was raised several times. DEFRA (Stephen Hall) and Statistics Norway (Torstein Bye) indicated that there are groups working on these issues in the UK and Norway respectively. They offered to contact them and ask for their cooperation.
- **Risk and uncertainty.** A complex matter in the sustainable development debate is how to cope with risk and uncertainty. This was also stressed by Stern at the presentation of the Stiglitz commission. INSEE (Louis de Gimel) offered to check whether a member of the Stiglitz Commission could perhaps contribute.

ANNEX III

AGENDA AND TENTATIVE TIMETABLE

Wednesday 23 September 2009			
Time	Topic	Contributors	Document
<b>9:30-12:30</b>	<b>Opening of the meeting and introduction</b>		
9:30-9:40	Welcome	Rutger Hoekstra, Chair/ UNECE secretariat	
9:40-9:50	Personal introductions of participants	All	
9:50-10:00	Review of meeting agenda	All	
10:00-11:00	Discussion of WGSSD final report and comments by countries and international organizations	All	ECE/CES/2008/2 9/Add.2
<i>11:00-11:20</i>	<i>Coffee/tea break</i>		
11:20-12:30	Discussion of working program and Terms of Reference	All	ECE/CES/BUR/2 009/FEB/10
<i>12:30-14:00</i>	<i>Lunch</i>		
<b>14:00-15:30</b>	<b>Session I: Country presentations</b>		
14:00-14:15	Sustainability indicators – the Norwegian example	Torstein Bye, Statistics Norway	WP.2
14:15-14:30	Monitoring sustainable development in Switzerland – the long way from a conceptual framework to sustainable development analysis	André de Montmollin, Swiss Federal Statistical Office	WP.3
14:30-14:45	Measuring sustainable development: country experience	Rowena Orok, Statistics Canada	WP.4
14:45-15:30	<i>Questions and answers</i>	All	
<i>15:30-15:50</i>	<i>Coffee/tea break</i>		
<b>15:50-17:30</b>	<b>Session II: Institution presentations</b>		
15:50-16:05	Measuring sustainable development: wealth and adjusted net savings	Glenn-Marie Lange, World Bank	WP.5
16:05–16:20	Eurostat experience and capital approach issues in measuring sustainable development	Andrea Scheller, Eurostat	WP.6
16:20-16:35	Measuring sustainable development – experiences with CSD indicators	Branko Milicevic, UN Division for Sustainable Development, New York	WP.7
16:35-17:30	<i>Questions and answers</i>	All	

<b>Thursday 24 September 2009</b>			
<b>Time</b>	<b>Topic</b>	<b>Contributors</b>	<b>Date sent</b>
<b>9:30-11:00</b>	<b>Session III: Human capital</b>		
9:30-9:45	Construction of human capital accounts in the measurement of sustainable development	Barbara Fraumeni, Muskie School of Public Service	WP.8
9:45-10:00	Developments in the estimation of the value of human capital for Australia	Jason Russo, Australian Bureau of Statistics	WP.9
10:00-10:15	Measuring the stock of human capital for Norway: a lifetime labour income approach	Mads Greaker, Statistics Norway	WP.10
10:15-11:00	<i>Questions and answers</i>	All	
<i>11:00-11:20</i>	<i>Coffee/tea break</i>		
<b>11:20-12:30</b>	<b>Session IV: General capital issues</b>		
11:20-11:35	BEA's Measures of Capital: A Brief Overview	Robert Kornfeld, Bureau of Economic Analysis, US	WP.11
11:35-11:50	Stiglitz Commission - Sustainable Development and Environment	Louis de Gimel, Insee, France	Report of the Stiglitz Commission
11:50-12:30	<i>Questions and answers</i>	All	
<i>12:30-14:00</i>	<i>Lunch</i>		
<b>14:00-15:30</b>	<b>Session V: Social capital</b>		
14:00-14:15	Social capital and sustainable development: a contribution by New Zealand	Rachael Milicich, Statistics New Zealand	WP.12
14:15-14:30	Exploring measures of low social capital for Australia	Jason Russo, Australian Bureau of Statistics	WP.13
14:30-14:45	Towards a social capital framework	Jan Pieter Smits, Statistics Netherlands	
14:45-15:30	<i>Questions and answers</i>	All	
<i>15:30-15:50</i>	<i>Coffee/tea break</i>		
<b>15:50-17:30</b>	<b>Session V: Conclusion and way forward</b>		
	Discussion of working program	Rutger Hoekstra, Chair and Jan Pieter Smits, Editor	

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ANNEX IV

**LIST OF PARTICIPANTS**

	<b>Name</b>	<b>Organisation</b>	<b>Email</b>
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