

**ECONOMIC COMMISSION FOR EUROPE
CONFERENCE OF EUROPEAN STATISTICIANS**

Joint UNECE/OECD/Eurostat Working Group on Statistics for Sustainable
Development
Fifth meeting
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Items 2-8 of the Provisional Agenda

**COMMENTS OF THE JOINT UNECE/OECD/EUROSTAT WORKING
GROUP ON STATISTICS FOR SUSTAINABLE DEVELOPMENT**

Prepared by the UNECE secretariat

I. COMMENTS ON THE DRAFT REPORT

CZECH REPUBLIC

Slavoj Czesany, Czech Statistical Office

My comments on draft Report are focused on the importance of the subject, structure of the report and on some other aspects of the report, like its scope, clarity and consistency. There are also some suggestions and comments to the proposed set of indicators.

1. Significance of capital approach for the monitoring and analysis of sustainable development. Using the capital approach to monitor of long-term trends of sustainable development has its justification. The main advantages of such an approach are: i) possibility to construct a composite indicator of a national wealth (well being), ii) potential to broaden the knowledge of types of capital and of possibilities of their substitution. Its background lies in the theory of economic development and therefore has good argumentation basis.

The capital approach would support the need to focus the attention of policy-makers and investors on the determinants of a long-term development. Current trends of the majority of countries are aimed primarily at the well-being of current generation. The essence of capital approach to sustainable development is formed by estimates of a country wealth proceeding from state values of human, social, natural and production

capital. Increasing wealth of countries indicates that the development of countries is sustainable. Hence, the capital approach has a significant cognitive function in macroeconomic aspects.

Therefore, capital approach can complement and enhance the other approaches to sustainable development. Among these are mainly the following: i) three-pillar approach, which is based on the criteria of balance between economic, social and environmental dimensions of sustainable development. ii) approach based on mapping of progress in the separate thematic spheres, which bring an important analytic information about determinants and limits of the developmental processes. Integration of the bases of the three previously mentioned approaches i.e. capital, three pillars and mapping of progress represent a major challenge for the future.

2. Structure of the Report. The portion of the report about frameworks of sustainable development indicators appears to have an overly complicated structure. It might be useful to consider several suggestions:

- to remove duplicities in texts
- to rearrange several passages that have mainly reviewing character, for instance definitions or history of approaches to sustainable development measurements could be moved to the annex section
- to achieve a greater consistency of the report content

The above-mentioned structural changes could be used for elaboration of practical guidelines and recommendations for statistical offices.

3. The question of short-term trends versus long-term trends. The discussion of the focus attention, i.e. short-term horizon or the long-term trends, lacks arguments. It might be useful to monitor long-term trends of past development as well as long-term outlook. Advantage of such an approach would be that weaknesses of the developmental processes of the past could become the basis for perspective orientation of economic, social and environmental policies.

4. The chapter on selection of indicators for sustainable development. Selection of indicators to be included into a smaller set of indicators appears not to be based on beforehand determined criteria such as: relevance, data availability, credibility of data, effects and proportionality of representation of each type of capital. There could be also a greater usage of indicators in monetary expression.

5. Correction of some data. There is incorrect information (**page 20, table 2.1**) about the number of indicators used for monitoring of sustainable development in Czech Republic - it says 100 indicators. However in fact, 36 indicators have been used in the last two government reports about trends in sustainable development in Czech Republic. The number of indicators is stabilized, inclusion of a new indicator is always conditioned by elimination of a current one. The goal is a stable set of indicators which would guarantee a better validity of data about sustainable development.

EUROPEAN COMMISSION

Oliver Zwirner, ENV G.1 Sustainable Development and Economic Analysis

I am glad to see that the work has progressed significantly, views are converging, and the report now presents a solid starting point for our deliberations in Lisbon.

From a users and policy makers' perspective, I would like to make the following comments:

1) It is very important to measure the capitals, especially the natural capital, as it is important that we can analyse whether we earn our income from sustainable yields or from liquidating our (natural) capital.

2) However, the indicators and statistics that can be derived from the capital approach (as outlined in the draft final report) are not sufficient. They are necessary to measure our progress towards sustainable development, but not sufficient. The capital approach (CA) only covers the means for SD in the future, but not the ends of SD, i.e. “the needs of present” and those “of future generations”.

3) In addition, some important information for designing policies supportive to sustainable development are either not included in the CA, or in an obscure way (e.g. on transport, the international linkages, on poverty). Moreover, from a policy perspective, “a broad conceptual framework for sustainable development measurement” should include also statistics on policy measures. This is conceptually not foreseen in the CA.

4) The presentation in the report suggests that many modules of the CA are not yet ready for implementation. Therefore we should recommend to countries and statistical offices to step up efforts to support the currently existing indicator sets with improved (official) statistics and to integrate emerging indicators stemming from the capital approach as appropriate.

5) On the discussion whether “holistic” and “long-term” are the most adequate terms I would have following remark:

I'd prefer the terms “integrated” and “future oriented”.

The “holistic” view “integrates” the needs of the present and the need of future generations. While this is not “holistic”, which means “all-encompassing”, it is also long-term. Calling the “long-term” approach this way might be wrongly interpreted that the “holistic/integrated” view is not long-term. We should avoid this confusion. The proponents of the capital approach state clearly that the well-being of future generations is at the core of their approach, therefore I suggest “future oriented approach”. In addition, I think it is sensible to have different terms for interpretations of SD and indicator approaches. We could continue to say “policy monitoring approach” (for the existing indicator sets) and “capital approach” for the conceptual framework under investigation.

I would like to add that I support the various requests to include work on sustainability thresholds and sustainable yields into the final report. I consider them a vital part of statistics for sustainable development.

Besides these general remarks, I included various concrete suggestions for changes [and their rationale] in the structure and text of the draft report in track changes in the attached document.

II. COMMENTS ON FUTURE STEPS

CZECH REPUBLIC

Slavoj Czesany, Czech Statistical Office

Elaboration of practical guidelines and recommendations for statistical offices.

OECD

Candice Stevens, OECD

From the more policy-oriented standpoint of the OECD Annual Meeting of Sustainable Development Experts (AMSDE), the draft report makes a valuable contribution to defining and explaining the concept of sustainable development and will be key to shaping sustainable development policies. After reading all the comments, I am sure we can arrive at an agreed version at the Lisbon meeting. We then need an Executive Summary which clearly explains the conceptual framework and indicators to policy-makers. As this will be discussed by the AMSDE at its meeting on 20-21 October 2008, I would be happy to assist with the summary.

Regarding follow-up, we would very much like to see guidelines or recommendations for a short set of sustainable development indicators (as in **Table 4.1**) which governments (at all levels) can use for tracking their progress on sustainability and which would allow for comparisons. This is desperately needed to advance sustainable development itself. Further conceptual and development work could then be done on this short indicator set. To this end, the OECD proposes (in its 2009/10 sustainable development programme) to refine recommendations for measuring sustainable development and to further develop the capital approach, particularly the measurement of social capital.