

Harmonizing the National Footprint Accounts with the System of Integrated Environmental and Economic Accounting

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- Part I provides a background of the National Footprint Accounts (NFA), related research questions, and scope.
- Part II sets out Ecological Footprint (EF) accounting tool in combination with the System of National Account (SNA), and identifies differences, compatibilities, advantages and disadvantages of the potential harmonization.
- Part III: Final Remarks



#### Part I: EF Background

Part I provides a background of the National Footprint Accounts (NFA), related research questions, and scope.

# **Ecological Footprint**

#### **Research question**

How much of the biological capacity of the planet is demanded by the residents of a nation (state, city, etc.) ?

How much is available?

#### EF accounting tool

Part I: Background

To answer this question, the Ecological Footprint measures the amount of biologically productive land and water area a nation uses to produce the resources it consumes and to absorb the waste it generates with today's technology and resource management practices.

# **Components of the EF**



Land Type	Provision/Consumption of
Cropland	Plant-based food and fiber products
Grazing land	Animal-based food and other animal products
Fishing grounds (marine and inland) areas	Fish-based food products
Forest areas	Timber and other forest products
Carbon-uptake land	Anthropogenic CO <sub>2</sub> emissions
Built-up areas	Physical space for shelter and other infrastructure



The Ecological Footprint is a flows indicator, though it is measured in terms of the bioproductive land areas needed to generate such flows (expressed in the unit of global hectares - gha).



Input variable: flow of resource used by humans

Harmonizing NFA with SEEA means harmonizing P used in calculating the Footprint with P defined in SEEA. From FLOW to AREA:

- Y<sub>N</sub> is used to convert the consumption of a resource flow into the correspondent amount of area locally required to produce that flow
- YF is used to scale national to world average productivity for a given land use type
- EQF is used to arrive at gha.

# Scope of Ecological Footprint



- The Ecological Footprint is an indicator of human demand for ecological goods and services linked directly to ecological primary production.
- The EF addresses very specific aspects of the economy— (living) environment relationship, and should not be taken as a stand-alone overall sustainability indicator.
- It should be used in the context of a broader set of indicators that provide a more complete picture of sustainability.



### Part II: Methodology

Ecological Footprint accounting tool in combination with the System of Integrated Environmental and Economic Accounting: differences, compatibilities, advantages and disadvantages of the potential merge.





				Intermediate Demand				Final Demand		Totola			
				(T)		(111)		(17)	(177)	Households	Exports	Totals	
National Economy	onetary Input-Output Table	Agriculture Animal production Forestry Fishing Manufacturing Services	(I) (I) (III) (IV) (V) (VI)				z			y	e	x	
		Imports	(m)				m			m <sup>hh</sup>	e <sup>t</sup>	m <sup>t</sup>	
	Μ	Value Added	(V)				v					v <sup>t</sup>	
		Total Output	(X)				x					x <sup>t</sup>	
ivironment	Natural Resources	Crops (tonnes) Grazing (tonnes) Forest (m3) Fishing (tonnes)	(CR) (GR) (FR) (FS)	P <sup>CR,I</sup> 0 0	0 P <sup>CR,I</sup> 0 0	0 0 P <sup>FR,III</sup> 0	0 0 0 P <sup>FS,V</sup>	0 0 0 0	0 0 0 0	P <sup>CR,hh</sup> P <sup>CR,hh</sup> P <sup>FR,hh</sup> P <sup>FS,hh</sup>		$\frac{P^{CR,t}}{P^{CR,t}}$ $\frac{P^{FR,t}}{P^{FS,t}}$	
ational En	Residua Is	CO2	(CO)	e <sup>CO,I</sup>	e <sup>CO,II</sup>	e <sup>CO,III</sup>	e <sup>CO,IV</sup>	e <sup>CO,V</sup>	e <sup>CO,VI</sup>	e <sup>CO,HH</sup>		e <sup>CO,t</sup>	
N	Land Cover	Built-up land	(BL)	a <sup>BL,I</sup>	a <sup>BL,II</sup>	a <sup>BL,III</sup>	a <sup>BL,IV</sup>	a <sup>BL,V</sup>	a <sup>BL,VI</sup>	a <sup>BL,HH</sup>		a <sup>BL,t</sup>	$EF = \frac{P}{P} \cdot YF \cdot EOF$
oduction	int (EFp)	Cropland Grazing land Forest Fishing ground	(CR) (GR) (FR) (FS)	EFp <sup>CRL</sup> 0 0	BEFp <sup>GR,IV</sup> 0 0	0 EFp <sup>FR,III</sup> 0	0 0 EFp <sup>FS,V</sup>	0 0 0	0 0 0 0	EFp <sup>CR,hh</sup> EFp <sup>CR,hh</sup> EFp <sup>FR,hh</sup> EFp <sup>FS,hh</sup>		EFp <sup>CR,t</sup> EFp <sup>CR,t</sup> EFp <sup>FR,t</sup> EFp <sup>FS,t</sup>	Y <sub>N</sub>
National EF of pro	Production Footpri	Ecological services accounting - CO2.	(ES)	EFp <sup>ES,I</sup>	EFp <sup>ES,II</sup>	EFp <sup>ES,III</sup>	EFp <sup>ES,IV</sup>	EFp <sup>ES,V</sup>	EFp <sup>ES,VI</sup>	EFp <sup>CO,HH</sup>		EFp <sup>CO,t</sup>	
		Built-up land	(BL)	EFp <sup>BL,I</sup>	EFp <sup>BL,II</sup>	EFp <sup>BL,III</sup>	EFp <sup>BL,IV</sup>	EFp <sup>BL,V</sup>	EFp <sup>BL,VI</sup>	EFp <sup>BL,HH</sup>		EFp <sup>BL,t</sup>	
		Total Production Footprint	(EFp)	EFp <sup>.I</sup>	EFp <sup>.II</sup>	EFp <sup>.III</sup>	EFp <sup>.IV</sup>	EFp <sup>.V</sup>	EFp <sup>.IV</sup>	EFp <sup>.hh</sup>		EFp <sup>.t</sup>	
		Rest of the wor	ld Enviro	nment: N	latural R	esources	s. Residua	ls and B	iocapaci	tv.			

# **Differences between EF and SEEA**



- EFc relies on a consumption-based approach, while SEEA and the production footprint rely on a production-based approach.
- A consumption approach implies the necessity of a modeling technique for exports and imports, i.e. trade.
- EF consumption = EF production +

Biocapacity embodied Imports (EF imp.) -Biocapacity embodied Exports (EF exp.)

# **Differences between EF and SEEA**



Currently used in the National Footprint Accounts (NFA): Life Cycle Assessment (LCA)

- Advantage: Detailed import and export flows of goods
  - 625 commodities measured for embodied import / export of carbon Footprint.
  - 413 crops measured for embodied import / export of cropland Footprint.
  - 156 livestock products measured for embodied import / export of grazing land Footprint.
  - 117 fish products measured for embodied import / export of fishing grounds Footprint.
  - 33 forest products measured for embodied import / export of forest land Footprint.
- Disadvantage: Apparent consumption.

# Input-Output Analysis based on the UN's System of National Accounts (SNA)



- Comparability of results due to the standardized national accounting.
- Input-Output Analysis (IOA) lies in consistent accounting of all upstream life-cycle impacts, including services – currently omitted in the NFA.
  - There is sufficient data on consumer and other final demand expenditure.

Part II: Methodology

 In a environmental extended MRIO model based on the SNA data, it would possible to calculate EF intensities for all imports, considering different technologies and techniques of production.

Source: Wiedmann, 2009.

### Compatibilities



- We consider direct biological materials that enter to the economic system, excluding unused biological material flows.
- Boundaries: the borderline between the nature and the economy is defined by the harvest of the finished crops, considering thus the agriculture sector as a part of the environment.

# NFA: Data Sources and Classifications



Data Sources	Description	Bridge tables Between NFA and SNA
FAOSTAT - FAO ProdSTAT - FAO ForesSTAT - FAO FishSTAT	<ul> <li>- 164 crop products,</li> <li>- 41 livestock products,</li> <li>- 33 forest products and</li> <li>- 1439 fish products expressed in tonnes produced or harvested per year.</li> </ul>	CPC v2
International Energy Agency (IEA)	-45 products and categories expressed in tonnes of carbon dioxide emissions per year.	ISIC
UN COMTRADE	-625 commodities	SITC
FAO LCCS	Built-up land types	????



# Part III: Final Remarks

# **Final Remarks**



- One of the challenges at combining NFA and SNA is the estimate of the biocapacity embodied in imports.
- Harmonizing the National Footprint Accounts with the SEEA will enable the Ecological Footprint and biocapacity indicators to follow internationally agreed upon agreed practices.
- Ecological Footprint within an input-output model based on SNA provides useful information on the economyenvironment interactions that are needed at various stages of the 'policy cycle'.
- Resource Constraints







# How much of Biocapacity is available?



#### Biocapacity = Area \* Yield Factor \* Equivalence Factor

eesa

