

Greening the Recovery — and Beyond

Fifth Policy Forum on Natural Capital Accounting for Better
Decision-Making
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March 2021.....a milestone

Ecosystem Accounting in the News



No longer will we allow mindless
environmental destruction to be
considered as economic progress

*António Guterres, Secretary-General of the
United Nations*

Figure 21 Summary of Options for Change

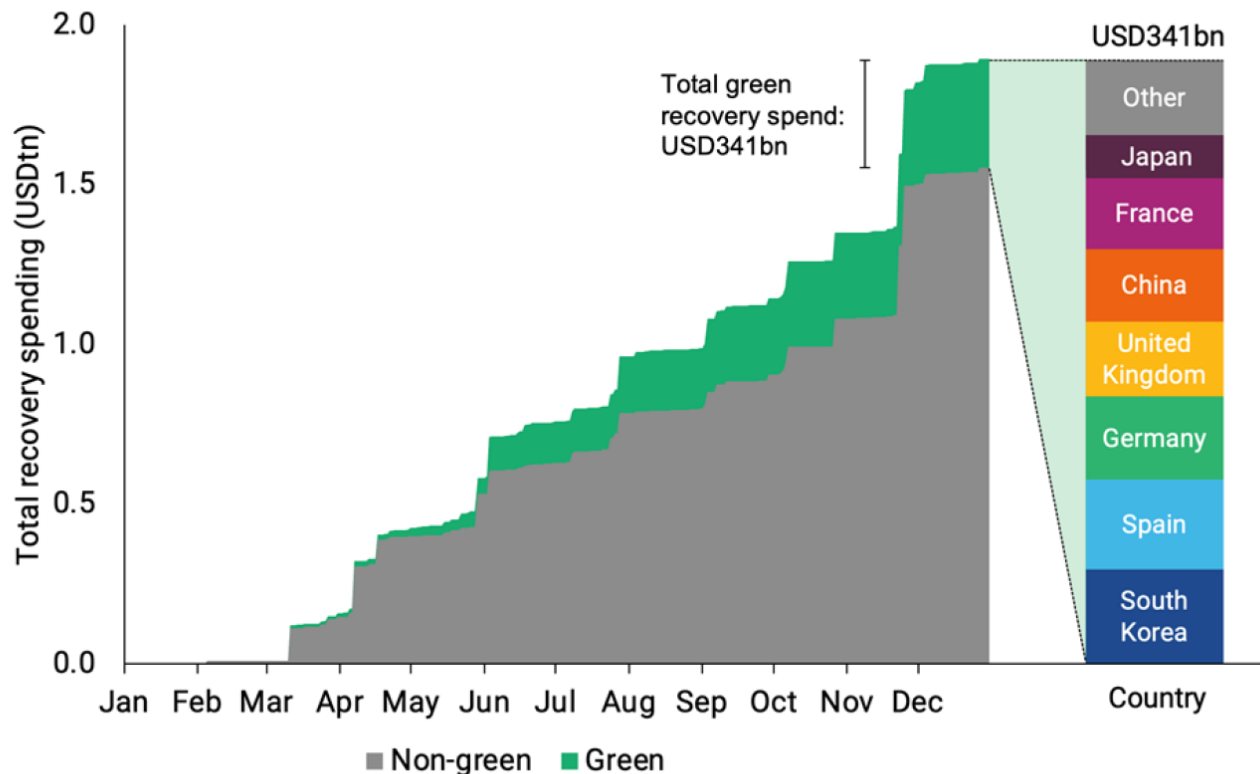


Dasgupta Review

Recovery spending: more grey than green

Figure 2.1

Global announced recovery spending and green spending, 2020



Source: O'Callaghan and Murdock (2021)

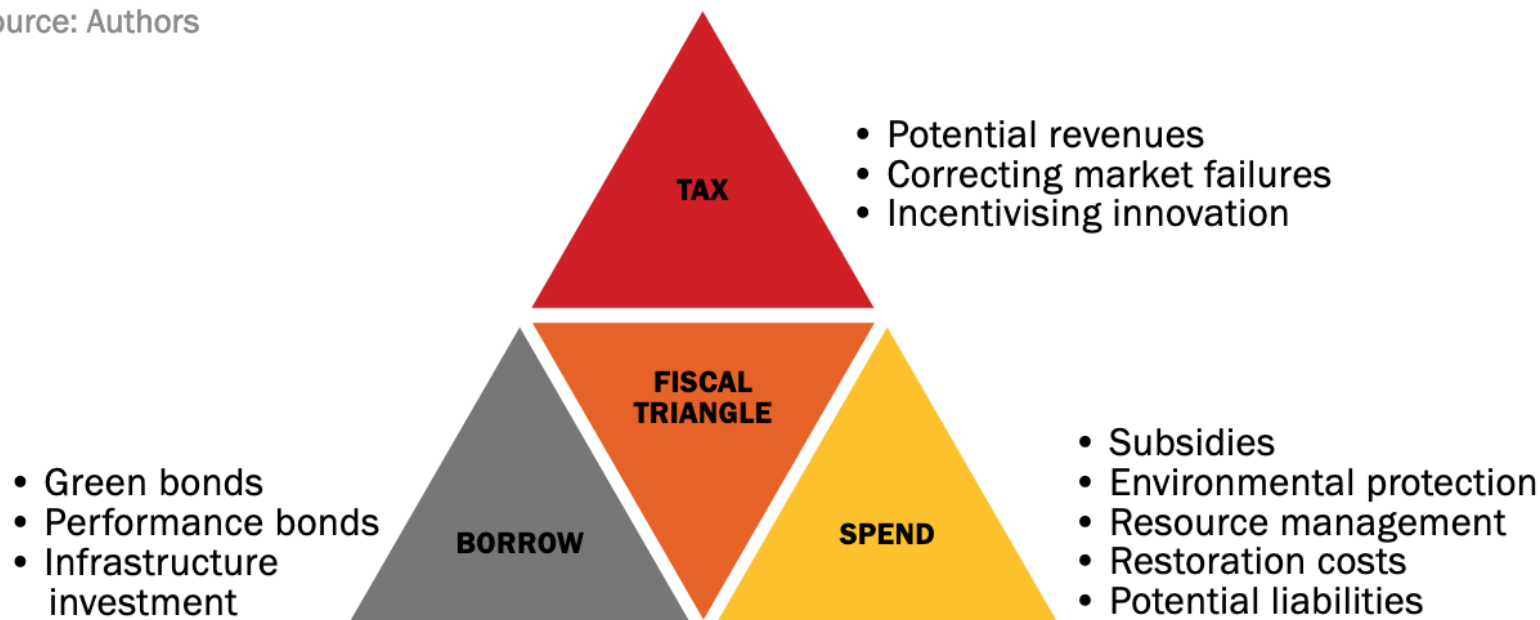
Background report, Lucas & Vardon

But many green recovery options

Figure 1: SEEA accounts and the fiscal triangle

SEEA ACCOUNTS ORGANIZE DATA FOR MACROECONOMIC PLANNING

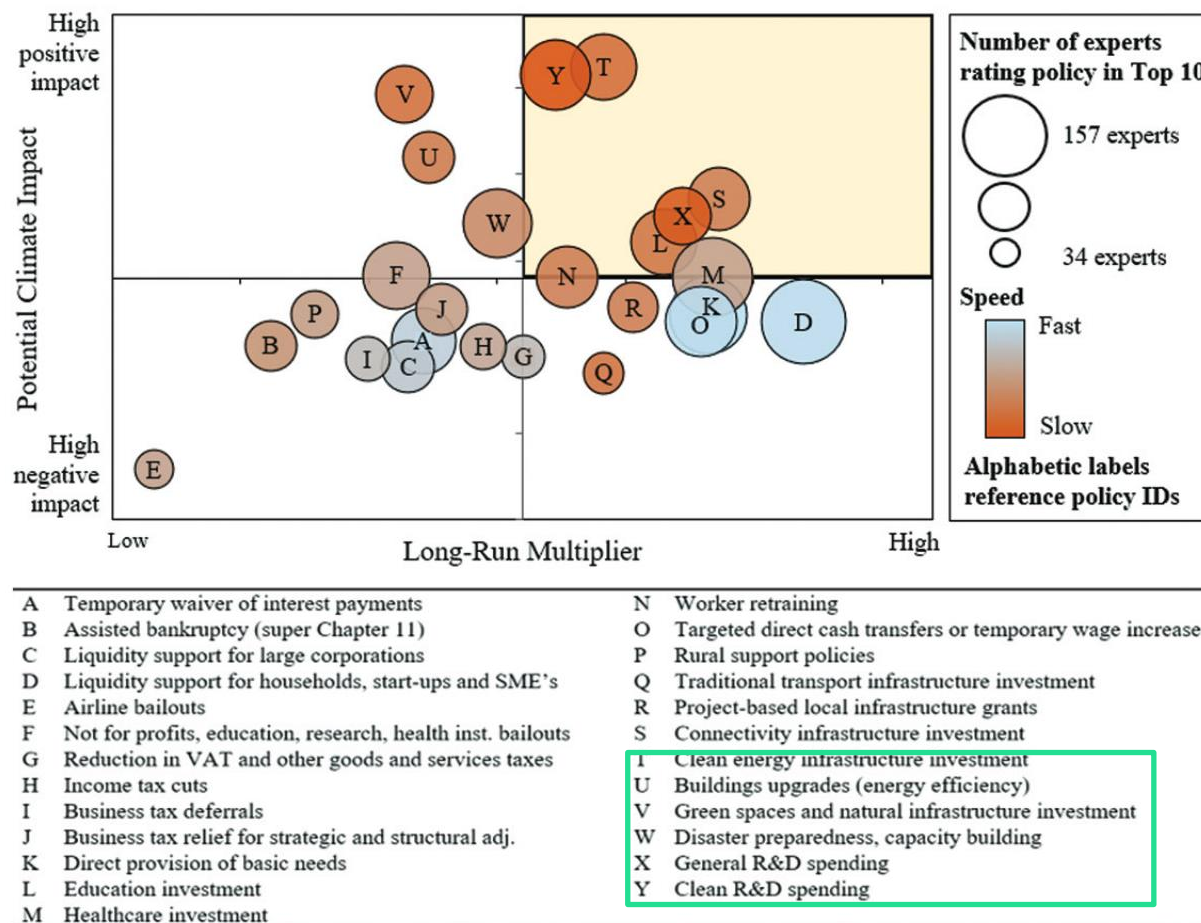
Source: Authors



Agarwala & Zenghelis, UN SEEA 2021

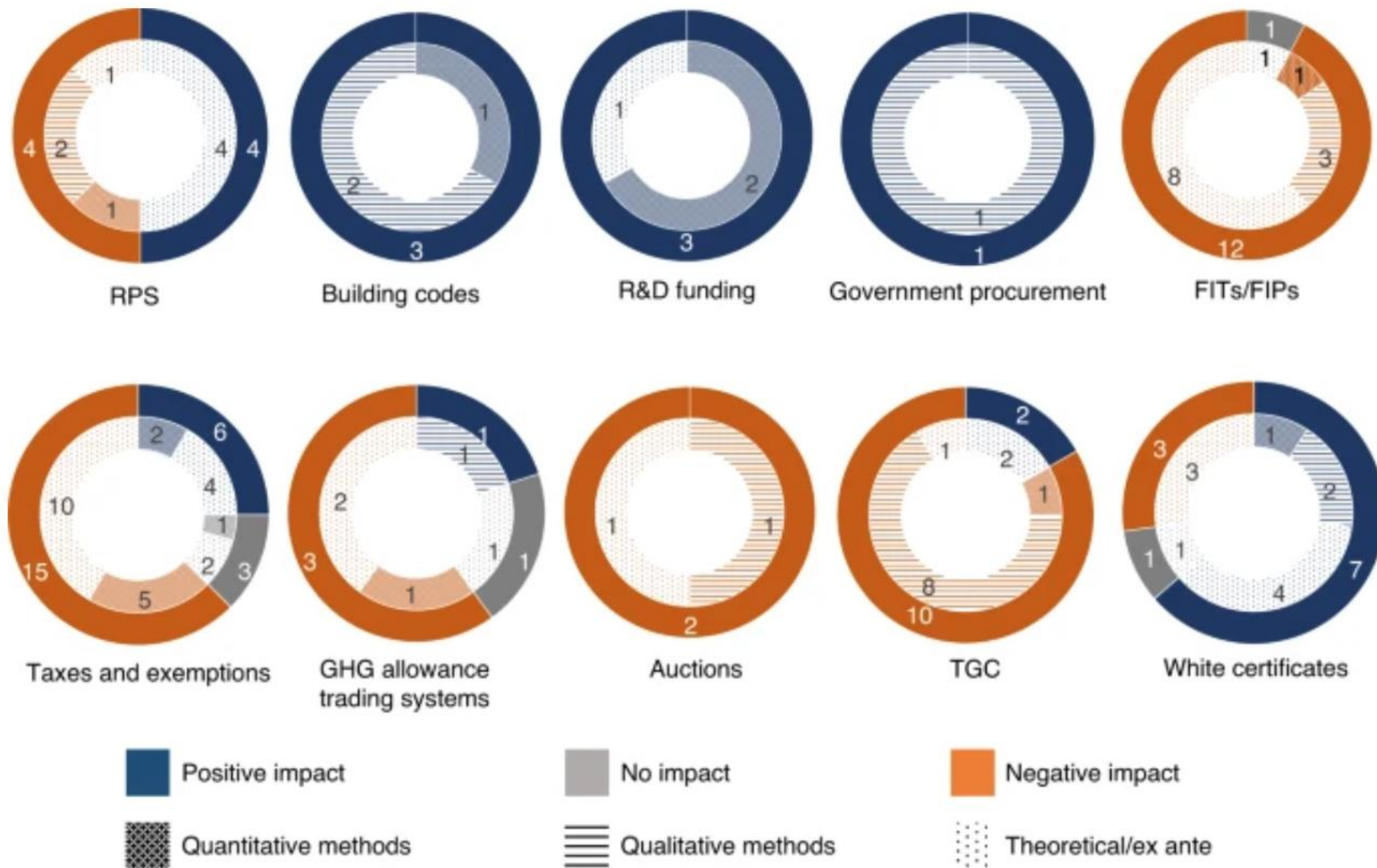
High climate and recovery impact

Figure 1: Target group mean survey results aggregated using relativity-adjusted scores



Cameron Hepburn, Brian O'Callaghan, Nicholas Stern, Joseph Stiglitz, and Dimitri Zenghelis

Fig. 5: Direction of the impact of ten policy instruments on the distributional policy outcome.



Natural capital:

environmental stocks and systems that generate benefits for people (including ecosystems, raw materials, and a stable climate).

Human capital:

the health and skills of the population.

Institutional capital:

the quality and reliability of governance.

WEALTH

Knowledge capital:

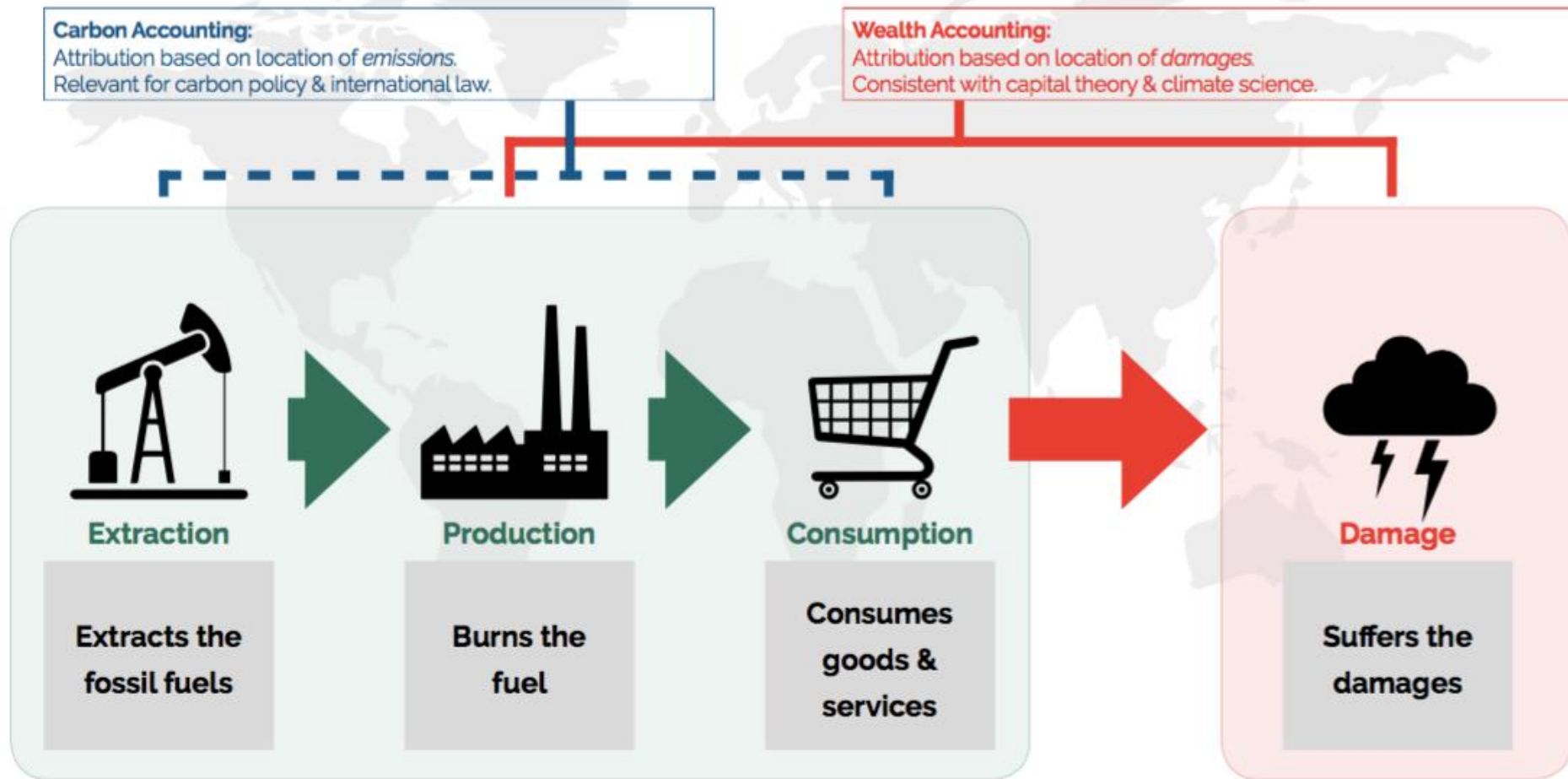
accumulated 'best practices' and 'ways of doing things'. Unlike human capital, it can live forever.

Physical capital:

infrastructure, homes, machines and equipment, and information and communications technology.

Social capital:

trust, social norms, and community cohesiveness.

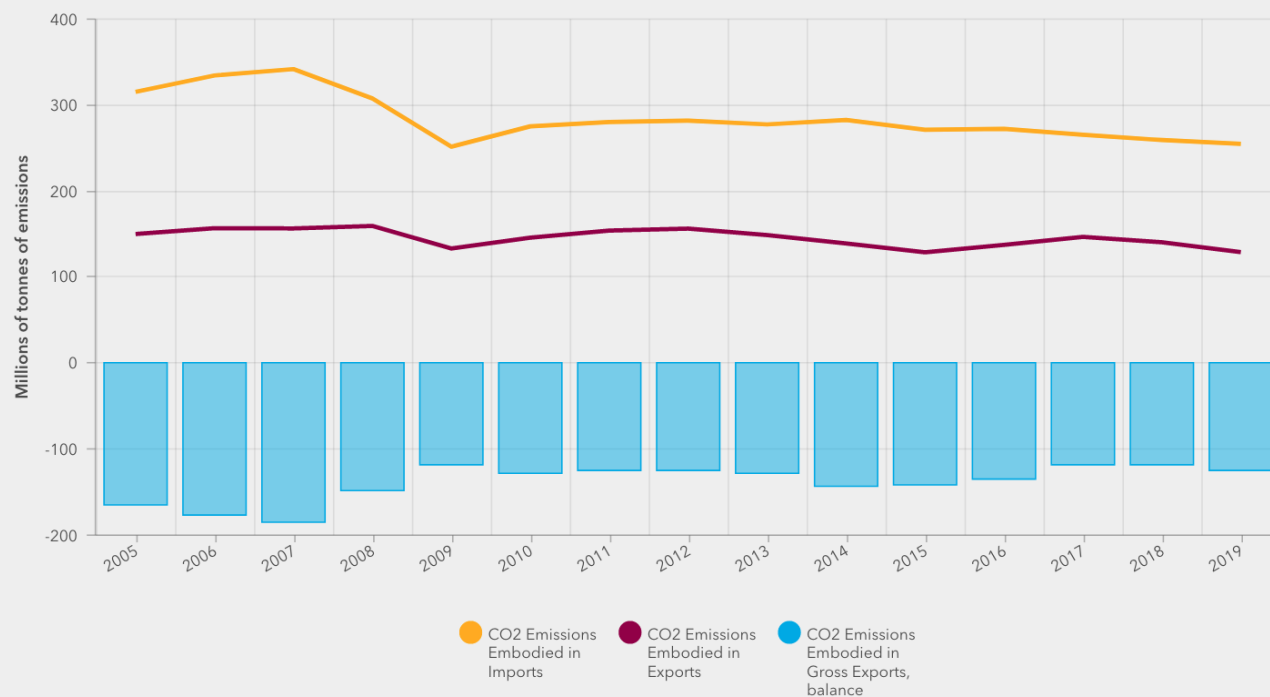


Source: Agarwala 2019

CO₂ Emissions Embodied in Trade

The carbon emissions embodied in gross exports and gross imports can be used to estimate the difference between a country's "production" of CO₂ and its "demand" for CO₂. In 2019, it is estimated that **United Kingdom** had a **negative CO₂ balance**, with a **deficit of 1.3e+02 millions of metric tons of CO₂ emissions** between total exports and imports.

CO₂ Emissions embodied in Gross Imports and Exports



Source: IMF Direction of Trade Statistics (DOTS); OECD Carbon emissions embodied in trade; IMF staff calculations.

The next challenges

- Domestic vs global: accounting across borders
 - Climate, biodiversity, public health, food system
 - NSOs need to situate domestic statistics in global context
- Inclusive wealth *as a portfolio*
 - Health in human capital
 - Social capital a key metric

THANKYOU!

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