Environmental-economic accounts in the European Union: results and analytical applications

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History

- Environmental Accounts work started in1993 following Brundtland report and first Rio conference (1992)
- Concern was "green GDP" allowing for depletion of natural assets.
- Early work focused on forests, sub-soil assets (oil, gas, coal, minerals...)
- However each asset interested only a few countries so work at EU level was discontinued around 2003 (though individual countries continued)



History (2)

- Early work also included accounts which pick up the environment-related flows in the economy
 - Environmental protection expenditure (joint questionnaire with OECD)
 - Environmental taxes (price signals, also with OECD)
 - Air emissions by industries and households
- Development work produced many handbooks and contributed to SEEA 2003 then SEEA 2012.



History (3)

- New unit (E2) created at Eurostat in 2010
- Voluntary data collection in several areas
- First Regulation was approved in July 2011
- Full information on Environmental accounts on the Eurostat website:

http://epp.eurostat.ec.europa.eu/portal/page/portal/environmental_ac counts/introduction



Environmental Accounts in the EES and Eurostat

Physical Flow Accounts	Monetary Flow Accounts
Air Emissions Accounts (AEA) by industries and households	Environmental taxes by inclusines and households
Economy-wide Material Flow Accounts (EW-MFA)	i Environniensti Gozosisingi Services (EGSS)
Physical <u>Energy</u> Flow Accounts (PEFA)	
Physical <u>Water</u> Flow Accounts (PWFA)	Environmental subsidies (D3) and similar transfers (D7, D9)
	Resource Use and Management Accounts (RUMEA)
adding to ESA IO framework	



Eurostat environmental accounts activities – current situation

- Regular collection of data on a voluntary basis in the following areas:
 - Air emissions in a breakdown by economic activities
 - Economy-wide material flow accounts
 - Environmental taxes revenues as well as taxes paid in a breakdown by economic activities (annual)
 - Environmental expenditure (two-yearly) with joint OECD/Eurostat questionnaire
 - Environmental expenditure in a regional breakdown
 - Environmental goods and services sector (two-yearly)



Eurostat environmental accounts activities – current situation

- Experimental collection of data on a voluntary basis in the following areas:
 - Environmental subsidies and similar transfers
 - Energy accounts (PEFA)
 - Resource management expenditure



Actors & roles

Statistical Offices (Eurostat) – data providers (neutral)
=> clients

Environment Agencies (EEA) – data & analyses
Research Centres (JRC) – pilot data & analyses
Ministries (European Commission) – policy making
Consultants – analyses & policy advice



Examples

Use of EA data

Combining with macro-economic data (modelling)



Example: Resource productivity

Figure 3: Resource Productivity (GDP¹/DMC), EU-27 2000-2009 (EUR per kg)



(1) GDP in chain-linked volumes, reference year 2005; suited for comparing single country over time *Source*: Eurostat (online data code: env_ac_mfa)



Example: Resource productivity

Figure 4: Resource Productivity in comparison to GDP and DMC, EU-27, 2000-2009 (Index: 2000=100)



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(1) GDP in chain-linked volumes, reference year 2000; suited for comparing single country over time *Source*: Eurostat (online data code: nama_gdp_k, env_ac_mfa)

Example: IO analysis with air emission accounts

Figure 1: Domestic and global CO₂-emissions - production and consumption perspective, EU27 2006 (tonnes per capita)



Source: Eurostat (online data codes : env_ac_ainacehh, env_ac_io)

http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-11-022/EN/KS-SF-11-022-EN.PDF



Concepts

- simple economic cycle
- assigning CO₂-emissions: two perspectives
 - production perspective (national production system)
 - consumption perspective (global production chains)



Economic cycle - national economy













Example: IO analysis with air emission accounts

Figure 1: Domestic and global CO₂-emissions - production and consumption perspective, EU27 2006 (tonnes per capita)



Source: Eurostat (online data codes : env_ac_ainacehh, env_ac_io)

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Example: Environmental taxes revenue



Regulation = an EU law

- By 2011, 3 modules mature enough to adopt a Regulation which commits all (27) EU Member States to provide data from 2013 onwards on:
 - Air emissions accounts by industries (NACE and households)
 - Environmentally-related taxes
 - Material flow accounts (economy-wide, no industry breakdown)
- Second batch is now under preparation
 - Environmental protection expenditure
 - Environmental goods and services sector
 - Physical energy flow accounts (by industries)



Résumé

- Environmental Accounts = multipurpose toolbox
 - many analytical potentials
 - potential clients: raise awareness (good relation with Joint Research Centres, European Environment Agency, EU research projects)
 - Eurostat is data provider (rather than analyst)
- Integration with economic data (National Accounts) still can be improved
- Statisticians need exchange with and support from policymakers, potential users.



Thank You !

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