



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION
UNITED NATIONS

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Background paper

**Preliminary Meeting of the UN Committee on
Environmental-Economic Accounting
New York, 29-31 August 2005
Two United Nations Plaza
Conference Room 23rd floor**

**RESEARCH AGENDA:
SEEA-2003 CHAPTER 3
PHYSICAL FLOW ACCOUNTS**

Statistics Denmark

Physical Input-Output Tables, PIOTs

- More elaborated description of how PIOTs can be constructed and used would be useful.
- Analysis of how PIOTs can be used – new insights and analysis on advantages and disadvantages of PIOTs (in contrast to monetary IO) that have been developed recently should be taken into account.

Economy Wide Material Flow Accounting, MFA

More elaborated description of MFA, with specific emphasis on how national accounting principles should/could be observed/shown. Development of bridge tables to show the differences between SEEA 2003 and MFA when gaps are inherent due to different definitions/principles.

Differences relate to ecosystem input/natural resource inputs (harvest) for example. Use of standard water content of harvest in MFA and the treatment of waste flows as either flows within the economy or as output from the economy,

Development and description of an industrial breakdown of MFA-indicators – links to IO-analysis of MFA indicators can be made by using SEEA 2003 supply and use tables.

Improving policy relevance of SEEA accounts

Further development of (guidelines for) bridge tables between SEEA accounts and environmental statistics and indicators: Bridge tables for SEEA/MFA was mentioned above. Another important example is the relation to the Kyoto protocol and IPCC targets for climate change gases.

Aggregation issues

Could suggestions for standard aggregation of materials/physical flows be developed according to common environmental pressures/impacts? Something between very detailed supply-use tables and the aggregated MFA indicators? Further description and update of the state of art of environmental themes described in SEEA 2003, chapter 4.

Country experiences

To what extent are countries working on physical flow accounts?
Which type of accounts and which materials? What are the main problems countries are facing?

Other issues

There is a need for further development of principles and methods for the accounting for emissions permits. The recent introduction of the European CO₂ emission trading scheme which has been implemented as a consequence of the Kyoto protocol exemplifies the need for development in this field.