

# Development of Material Flow Accounting (MFA) for the global level

7<sup>th</sup> Joint OECD/UNECE Seminar on Implementation of SEEA

Heinz Schandl | 31 March 2022







and Life Sciences, Vienna







# A Decade of Developing the Global Material Flow Knowledge Base, UNEP and partners

- Science for evidence based policy making
- Integration of environmental and economic policy
- Development of global knowledge base on material use (territorial/production and final demand base)
- Co-development of policy ambition and data availability
- Providing data and indicators for the Sustainable Development Goals and the SEEA Data Initiative



**Ecological Economics** Volume 94, October 2013, Pages 19-27



Global Environmental Change Volume 20, Issue 4, October 2010, Pages 636-647



2013

Material use and material efficiency in Latin America and the Caribbean

James West a A ⊠, Heinz Schandl a, b ⊠







Resource use and resource efficiency in the Asia-Pacific region

Heinz Schandl A ■, Jim West

#### Recent trends in material flows and resource productivity in **Asia and the Pacific**



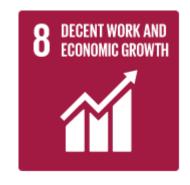


Policy report and peer-review

Translation to Spanish 'Tendencias del flujo materiales y productividad de recursos en América Latina'



## Towards the SDGs





**UNEP Discussion Papers** 

Sustainable Consumption and Production (SCP) Targets and Indicators and the SDGs, 2014 IISD and CSIRO

Sustainable Consumption and Production Indicators for the Future SDGs, March 2015 IISD, CSIRO, and UNEP

### The material footprint of nations

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Metrics on resource productivity currently used by governments suggest that some developed countries have increased the use of natural resources at a slower rate than economic growth (relative decoupling) or have even managed to use fewer resources over time (absolute decoupling). Using the material footprint (MF), a consumption-based indicator of resource use, we find the contrary: Achievements in decoupling in advanced economies are smaller than reported or even nonexistent. We present a time series analysis of the MF of 186 countries and identify material flows associated with global production and consumption networks in unprecedented specificity. By calculating raw material equivalents of international trade, we demonstrate that countries' use of nondomestic resources is, on average, about threefold larger than the physical quantity of traded goods. As wealth grows, countries tend to reduce their domestic portion of materials extraction through international trade, whereas the overall mass of material consumption generally increases. With every 10% increase in gross domestic product, the average national MF increases by 6%. Our findings call into guestion the sole use of current resource productivity indicators in policy making and suggest the necessity of an additional focus on consumptionbased accounting for natural resource use.

 $\label{lem:constraint} \mbox{raw material consumption} \mid \mbox{multiregion input-output analysis} \mid \mbox{sustainable} \\ \mbox{resource management}$ 

plus all physical imports minus all physical exports). It does not include the upstream raw materials related to imports and exports originating from outside of the focal economy.

This truncation might mislead assessments of national resource productivity and supply security of natural resources as the increasing spatial separation of production and consumption in global supply chains leads to a shift of resource use and associated environmental pressures among countries. This has been demonstrated well for greenhouse gas emissions (9–11), land use (12, 13), water use (14–17), and threats to species (18). The "carbon footprint" indicator has especially been used to quantify and monitor carbon leakage among countries (19). Although the direct and indirect flow of materials across nations has been studied well (20–27), a consumption-based material flow indicator equivalent to the carbon footprint has only recently been investigated more closely using the notion of raw material consumption (RMC) (28–35).

Because of its analogy to other footprint indicators (14, 17, 36), we suggest using the term "material footprint" (MF) for this indicator and define it as the global allocation of used raw material extraction to the final demand of an economy. In contrast to indicators of standard economy-wide material flow accounting, which are based on apparent physical consumption (35, 37–39), the MF does not record the actual physical movement of materials



#### RESEARCH AND ANALYSIS

## Global Material Flows and Resource Productivity

#### Forty Years of Evidence

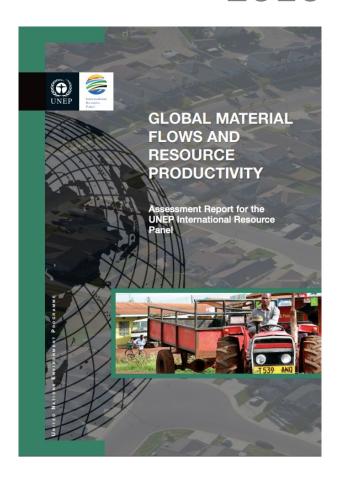
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#### Keywords:

environmental policy global material flows industrial ecology material flow accounting (MFA) resource productivity trade

#### Summary

The international industrial ecology (IE) research community and United Nations (UN) Environment have, for the first time, agreed on an authoritative and comprehensive data set for global material extraction and trade covering 40 years of global economic activity and natural resource use. This new data set is becoming the standard information source for decision making at the UN in the context of the post-2015 development agenda, which acknowledges the strong links between sustainable natural resource management, economic prosperity, and human well-being. Only if economic growth and



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#### National 13+ categories material flows

National material totals and ratios

Filter countries Filter categories Filter flow types Select countries Select categories Select flow types  $\overline{\phantom{a}}$  $\overline{\phantom{a}}$  $\overline{\phantom{a}}$ Country ^ Category \$ Flow **‡** 1970 \$ 1971 \$ 1972 \$ 1973 \$ 1974 \$ DE Afghanistan **Biomass** 29,427,854 28,777,035 27,200,896 29,147,772 30,519,158 DMC Afghanistan Biomass 29,476,560 29,136,965 27,290,656 29,112,673 30,433,539 DMI 29,617,873 Afghanistan Biomass 29,282,898 27,485,608 29,306,247 30.656.605 Afghanistan EXP 141.313 145,933 194,952 193,574 223.066 Biomass Afghanistan IMP 190,019 505,863 284,712 158,475 137,447 Biomass Afghanistan MF 20,572,390 18,274,760 19,127,390 Biomass 20,415,010 20,290,270 Afghanistan PTB 48,706 359,930 89,760 -35,099 -85,619 Biomass Afghanistan Biomass RME\_EXP 16,001,040 15,485,140 15,970,290 17,176,940 17,773,520 Afghanistan **Biomass** RME\_IMP 7,145,576 7,123,111 7,044,155 7,156,558 7,544,633

www.resourcepanel.org/global-material-flows-database

2016

### Country Profile for Germany -

♣ Download data for all sections



20.3 MATERIAL FOOTPRINT/CAPITA

(IN TONNES/CAPITA)

**GHG EMISSIONS** 

9.1

CARBON FOOTPRINT (IN TONNES CO2 EQ./CAPITA)



AIR POLLUTION

DOMESTIC HEALTH IMPACTS (IN MILLI-DALY/CAPITA)



LAND USE

 $0.9 \, \mathbf{v}$ 

LAND FOOTPRINT/CAPITA (IN HA/CAPITA)

#### WATER USE



WATER FOOTPRINT/CAPITA (IN 1000 M3 H2O/CAPITA)



**ENERGY USE** 

202.5

ENERGY FOOTPRINT/CAPITA (IN KJ/CAPITA)



WATER POLLUTION

34.3

DOMESTIC WATER POLLUTION (IN KG/CAPITA)

### Raw material use and depletion

Our society, its production and consumption systems, build upon the use of raw materials such as biomass, fossil fuels, and minerals. With increasing material extraction, related environmental and social impacts are getting close or already trespassing natural boundaries.

The sustainable development goals (SDG) 8 (Decent work and economic growth) and 12 (Responsible consumption and production) target the achievement of a sustainable management and efficient use of natural resources by 2030. Also the circular economy aims at increasing material efficiency by slowing, closing, and narrowing energy and material loops.



## **GLOBAL** RESOURCES OUTLOOK 2019

Trends 1970-2017

Outlook to 2060

**Economic and Policy Implications** 

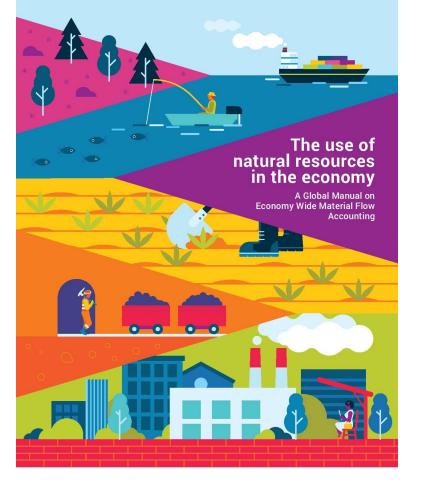
**Environmental** impacts of material use











## 2021

Based on EUROSTAT and OECD guidance

Adapted for global application

Improved methods and modular approach









https://doi.org/10.1038/s41893-021-00811-6



# Implementing the material footprint to measure progress towards Sustainable Development Goals 8 and 12

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Sustainable development depends on decoupling economic growth from resource use. The material footprint indicator accounts for environmental pressure related to a country's final demand. It measures material use across global supply-chain networks linking production and consumption. For this reason, it has been used as an indicator for two Sustainable Development Goals: 8.4 'resource efficiency improvements' and 12.2 'sustainable management of natural resources'. Currently, no reporting facility exists that provides global, detailed and timely information on countries' material footprints. We present a new collaborative research platform, based on multiregional input-output analysis, that enables countries to regularly produce, update and report detailed global material footprint accounts and monitor progress towards Sustainable Development Goals 8.4 and 12.2. We show that the global material footprint has quadrupled since 1970, driven mainly by emerging economies in the Asia-Pacific region, but with an indication of plateauing since 2014. Capital investments increasingly dominate over household consumption as the main driver. At current trends, absolute decoupling is unlikely to occur over the next few decades. The new collaborative research platform allows to elevate the material footprint to Tier I status in the SDG indicator framework and paves the way to broaden application of the platform to other environmental footprint indicators.



## Ongoing work

- Online Training Materials and Capacity Building for NSOs for Economy-Wide Material Flow Accounts (UNEP Nairobi)
- Next update of the Global Material Flow and Resource Productivity
  Database and Scenarios for Global Resources Outlook 2023 (UNEP IRP)
- Building a Global Footprint Facility (UNEP Nairobi)
- Consolidating and institutionalising the knowledge base
- Contribution to several policy agendas resource conservation, circular economy, GHG abatement (IPCC), Biodiversity Conservation and Ecosystem Health (IPBES)

# Thank you

#### Land and Water/Sustainability Pathways

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