

# A project towards bridging tables between national accounts and emissions

Institute for Applied Economic Research (Ipea)<sup>1</sup>

**A two-year project** to study compatibility tables between national accounts and greenhouse gas (GHG) emissions is being developed by experts in accounting and climatic issues. What can be done, in practical terms, to establish GHG emissions accounts in Brazil?

Inventory data, as usually presented, are too aggregated. When the Ministry of Science, Technology, Innovation and Communication (MCTIC) creates the GHG emissions inventory, it follows the guidelines of the Intergovernmental Panel on Climate Change (IPCC). For the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*—IBGE), developing climate accounts using the inventory as a data source implies adjusting inventory data into a format which is compatible with national accounts.

The Brazilian Network of Global Climate Change Research (*Rede Brasileira de Pesquisas sobre Mudanças Climáticas Globais*—Rede Clima),<sup>2</sup> one of the institutional instruments of the National Policy on Climate Change, required consistency between accountability and emissions inventory data. Through *ad hoc* efforts, researchers adjusted the data, modelling them to obtain results that would contribute to decision-making processes and to the formulation of climate change policies.

Roberto Olinto, President of the IBGE, defended designing a project from a long-term perspective, with the future in mind, and which should be institutionalised as a state project. He used the expression “specific coordinated actors”, under the rationale that technical experts can be trained to produce data according to the logical basis of accounting. The system of environmental accounts must be adapted to assimilate GHG emissions. If no data are available, data must be produced to establish a system of national climate accounts.

Many possibilities were raised, including: the Office of the Chief of Staff of the Presidency of the Republic could lead the process, which would be implemented by the IBGE, and whose team could share its methodologies with the MCTIC team regarding emissions inventorying and accounting requirements; inventory consultants could be heard; modelling exercises could be improved; and further comparative studies could answer the question of how,

in other countries, interactions between emissions inventories and national statistics happened from the outset. The project can be developed experimentally at first, and then take on a more permanent character as it develops comparative tables between national accounts and emissions accounts.

Pierre Alain Pionnier, from the Organisation for Economic Co-operation and Development (OECD), was questioned by the audience regarding the forestry sector. He argued that while the forestry sector is generally excluded from the accounting of atmospheric emissions in developed countries, given that forest emissions are essential for developing countries such as Brazil, there is an opportunity for Brazilians to lead the methodologies for gathering these data. This could help in developing land-use change accounts under the framework of the Sustainable Development Goals (SDGs).

Three other themes of particular relevance to Brazil also deserve to be discussed in the context of national emissions accounts: agriculture, energy and the challenge of the definition of ‘sustainable’ in the face of global climate change. How much of Brazilian production is a result of sustainable practices?

This will be a difficult question to answer, but the first step, according to Everton Lucero, Federal Secretary of Climate Change and Environmental Quality for the Ministry of the Environment, is in valuing data which are helpful in persuading people of the need for change towards a climate-resilient economy and for lower GHG emissions. A powerful second step will be to enlist the aforementioned actors in studies aiming to evaluate existing methodologies to link national accounts with climate change, to develop a methodology that is suited to the Brazilian context.

## Notes:

1. This seminar was a joint initiative between Ipea, the International Policy Centre for Inclusive Growth (IPC-IG), the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*—IBGE) and the Economic Commission for Latin America and the Caribbean (ECLAC) in Brazil, requested by the Brazilian Ministry of the Environment, financially supported by the Institute for Climate and Society (ICS) and with the technical support of Rede Clima. Technical Rapporteur: Flávia Witkowski Frangetto. For additional information, see <[http://www.ipc-undp.org/pub/eng/JP16\\_Report\\_International\\_Seminar\\_on\\_Linking\\_Climate\\_Change.pdf](http://www.ipc-undp.org/pub/eng/JP16_Report_International_Seminar_on_Linking_Climate_Change.pdf)>.

2. See <<http://redeclima.ccst.inpe.br>>.