

Report on Country Visit to Chile

To discuss the UN Global Manual on Material Flow Accounts

27.-29.12.2017

Purpose & scope

Just before the country visit, a team of consultants (Addere) had finished an extensive MFA analysis for the Chilean Ministry of the Environment, using the [OECD manual for MFA compilation](#). Therefore, the country visit's purpose was manifold:

- To present and discuss usefulness and current application of MFA in policy making;
- To discuss the MFA of Chile, especially differences between national and OECD numbers;
- To discuss the draft manual – i.e. possible areas of improvement;
- To elaborate on further promoting the concept of MFA within Latin America.

The institutions represented in the course of the four days reflected the relevance of MFA for the Chilean and Latin American policy makers:

- Ministry of the Environment
 - o Rodrigo Pizarro Gariazzo, Head of the Division for Environmental Information and Environmental Economics
 - o Álvaro Shee Smith, Responsible for MFA at the Division for Environmental Information and Environmental Economics
- ECLAC (CEPAL)
 - o Jeannette Sánchez Z., Director of the Division for Natural Resources and Infrastructure
 - o MFA team of Ms. Sánchez
- Addere
 - o Gerardo Rivas Perlwitz, Director of Addere – Investigación y Tecnología
 - o Claudia Peña Urrutia, Sustainability Director of Addere – Investigación y Tecnología
- Inter-ministerial Committee on Sustainable Consumption and Production
 - o Antonia Biggs Fuenzalida, Responsible for Sustainable Consumption and Production at the Division for Environmental Information and Environmental Economics

Agenda

To achieve the different purposes, the following agenda was followed:

Day 1, Monday, 27 November 2017:

10.00 – 13.00 Morning

- General meeting with the Division of Information and Environmental Economics. Ministry of the Environment (San Martín 73, 8th floor, auditorium).
 - o Exchange about current work and ongoing processes
 - o Introduction to UN Environment's MFA and SDG agenda
 - o Refinement of the agenda of the next 2.5 days

15.00 – 18.00 Afternoon

- Meeting with Ministry of the Environment, Central Bank, ECLAC, Addere. Ministry of the Environment (San Martín 73, 8th floor, auditorium)
 - o Manual approach
 - Purpose of the manual and its translation into the manual structure
 - o Unclear sections
 - Identification of areas/sub-chapters in the manual which are unclear or need some refinement
 - o Implementation of specific areas
 - Discussion of specific areas where different approaches are possible and analysis with national experiences
 - o Identification of differences between Chilean MFA and the global dataset

Day 2, Tuesday, 28 November 2017:

9.30-11.00 Morning

- Sustainable Consumption and Production (SCP) Interministerial Committee Meeting (9:30 - 12:30 hrs., Hotel Galerías, San Antonio 65, 13th floor).

15:00-18:00 Afternoon

- Open seminar with Ministry of the Environment, Central Bank, ECLAC, Addere, and interested members of the interministerial Committee of SCP. Ministry of the Environment (San Martín 73, 8th floor, auditorium)

- Material Flow Accounting and the UN Manual in the context of the Sustainable Development Goals
- Presentation of the Work of the UN Environment International Resource Panel
- Presentation of the Works in Chile/Vienna in the context of MFA the Sustainable Development Goals

Day 3, 29 November 2017:

9.30- 13.00 Morning

- Continuation of Monday afternoon meeting with Ministry of the Environment, Central Bank, ECLAC, Addere. Ministry of the Environment (San Martín 73, 8th floor, auditorium)
 - Implementation of specific areas
 - Discussion of specific areas where different approaches are possible and analysis with national experiences
 - Identification of differences between Chilean MFA and the global dataset
 - Exploration of next steps and open issues

15.00 – 18.00 Afternoon (If necessary). Ministry of the Environment (San Martín 73, 8th floor, auditorium)

- Meeting with CEPAL: MFA and Environmental accounts in Chile and Latin America

Outcomes

After four intense days in Santiago de Chile (for availability reasons on the fourth day a meeting with Addere was scheduled) the résumé of the issues achieved and discussed is purely positive. As anticipated, the Chilean case study was somewhat different to other countries, due to the long lasting expertise with regard to MFA. Álvaro Shee, the technician in charge, indicated correctly that when the manual team representative, Stephan Lutter, gave a presentation on MFA seven years ago, the interest was still rather low, but it initiated a process of setting up comprehensive MFA accounts within the ministry of Environment.

As mentioned earlier, Chile just before the country visit finished a project on a full-fledged MFA building upon the OECD MFA manual and containing all relevant parts:

- Extraction
- Trade
- DPO
- Footprints

The big advantage of the situation in Chile is that Chilean statistics are of very high quality and very comprehensive. So, many of the average coefficients in the manual can be replaced by national data, e.g.:

- number of heads of animals, which is where there is the largest discrepancy in comparison with the FAO, for instance, who reports way too many sheep (estimated number);
- coefficients on fodder requirement per different stages of development;
- very detailed mining data reported officially and easily accessible; this level of detail hasn't been applied yet – except for the case of copper;
- and very accurate data on construction minerals

The three days consisted of comparing approaches, presenting details of the manual and the manual team's work, as well as looking at differences between Chilean data and OECD data.

With regard to the draft manual, the Chilean team provided the following suggestions, which are very valuable for the further proceeding:

- Technically the Eurostat/OECD manuals include everything, so the UN Manual should add both methodological developments and a more hands-on approach regarding how to apply the manual.
- It should be made very clear why we should do MFA right at the beginning

- Include different levels of possibly available data detail
 - o Include standard coefficient factors for cases where no national detail is available.
 - o Provide margins of results/coefficients to show countries a range of possible results
- Ask for referencing original national data
- Explain well in which cases construction minerals should be estimated (i.e. also in case good national data are available)
- Provide specific examples – Chile would volunteer to provide data.
- Make clear where differences between national MFA and global estimates could have their roots.
- Alignment with OECD, Eurostat, UN-SEEA? Important to mention where and why! Need that everybody agrees on methodology, as it will be main method for the SDG
- Put (concordance) tables in annexes
- Organise tables with the eye of the applicant; clear presentation – database logic

ECLAC was present and showed a lot of interest. The main topics of discussion were

- How to align the endeavours of UN Environment and ECLAC?
- How to promote MFA and environmental accounting in Latin America?
- What next steps to take in a collaboration?

Dr. Stephan Lutter
 Research group „Sustainable Resource Use“
 Institute for Ecological Economics

WU - Wirtschaftsuniversität Wien
 Vienna University of Economics and Business
 Welthandelsplatz 1/D1
 1020 Wien, Austria

Tel: +43-1-313 36-5754
 E-Mail: stephan.lutter@wu.ac.at
www.wu.ac.at/ecolecon