



Well-being and sustainability

Mexico's experience



Presented by Fernando Pineda Solís

April 2024

Content

- 1 --● Introduction
- 2 --● Institutionalization process of Ecosystem accounts
- 3 --● Innovations in Environmental Accounting in Mexico
 - 3.1 --● Environmental Protection Expenditure for the private sector
 - 3.2 --● Sub-national (regional) water indicators
 - 3.3 --● Environmental Goods and Services Sector (EGSS) and Environmental Jobs

1. Introduction

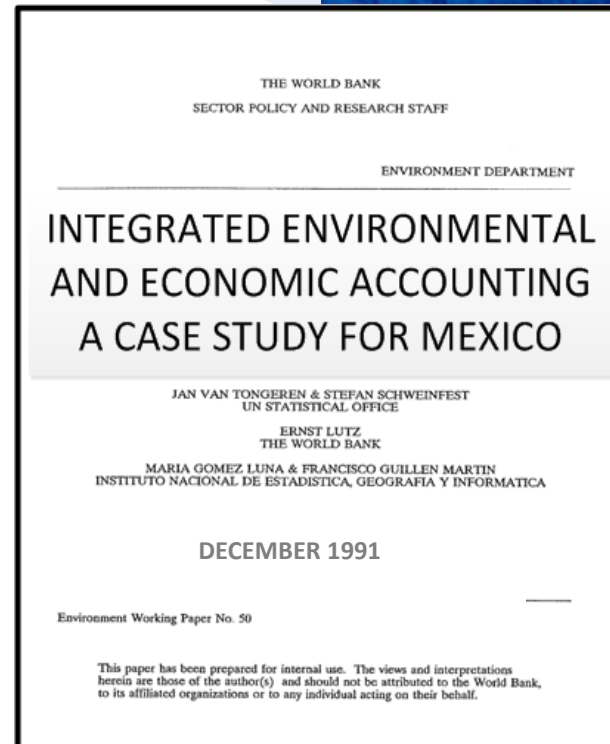
ENVIRONMENTAL ACCOUNTS OF MEXICO



- The Pilot Project was carried out for the first time in Mexico in 1989, publishing the first results in **1991**, with support from the United Nations and the World Bank.

- Starting in 1999, it was published annually and recurrently (it became **institutionalized**).

- In 2024 the study series will be updated to the year 2023, with a base year of 2018.



Objective of Environmental Accounting in Mexico:

- Measure the “negative” and “positive” impacts of economic activities on the environment, linking it to the main macroeconomic variables (from the Mexican System of National Accounts), obtaining the ***environmentally adjusted Gross Domestic Product*** (ecological GDP).

2. Natural Capital Accounting and Valuation of Ecosystem Services (NCAVES) in world

Various groups of international experts have dedicated efforts to develop Natural Capital valuation methodologies, some of them with the **active participation of INEGI**:

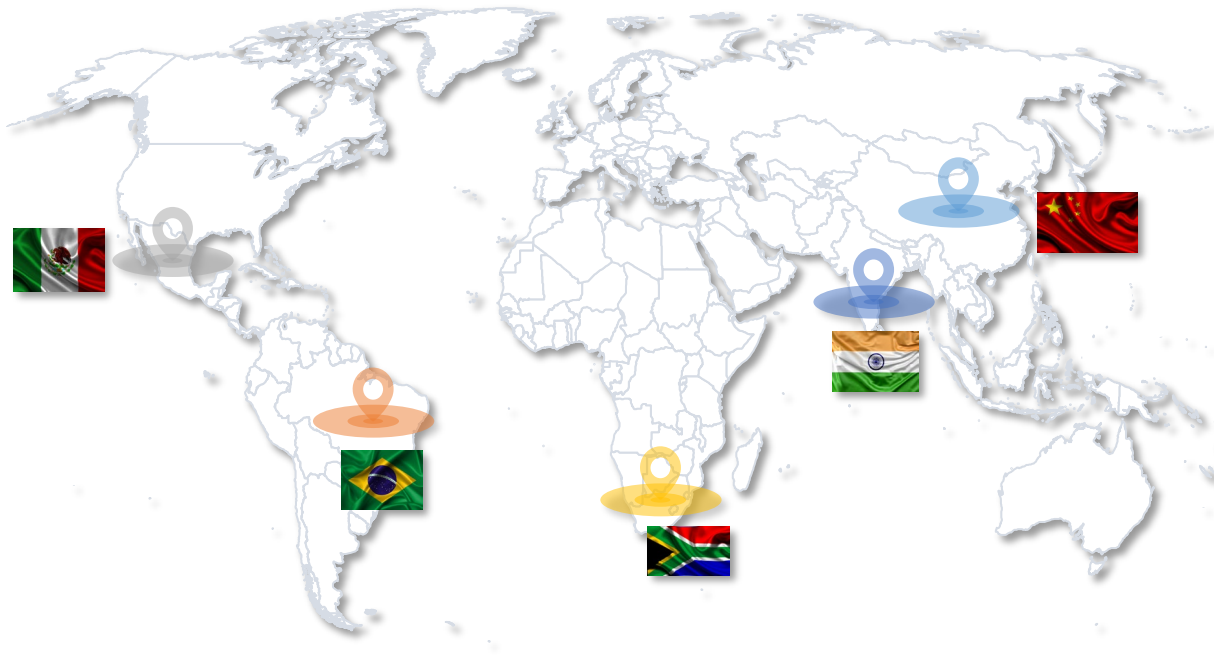
- **London Group on Environmental Accounting (UN)**
- **Expert Group on Natural Capital (OCDE)**
- **Forum of Experts on SEEA Ecosystem Accounting (UNSD)**
- **Wealth Accounting and the Valuation of Ecosystem Services (WAVES) (World Bank)**
- **The Economics of Ecosystems and Biodiversity (TEEB) (UNEP)**
- **Among others**



TEEB



2. Natural Capital Accounting and Valuation of Ecosystem Services (NCAVES) in Mexico



- Together with Brazil, China, India and South Africa, Mexico participated in the NCAVES project
- The first results were published in October 2021
- In August 2023, the results were updated and expanded (2002-2021 series) within the framework of the Base Year Change of the Mexican System of National Accounts.

2. Interinstitutional Group

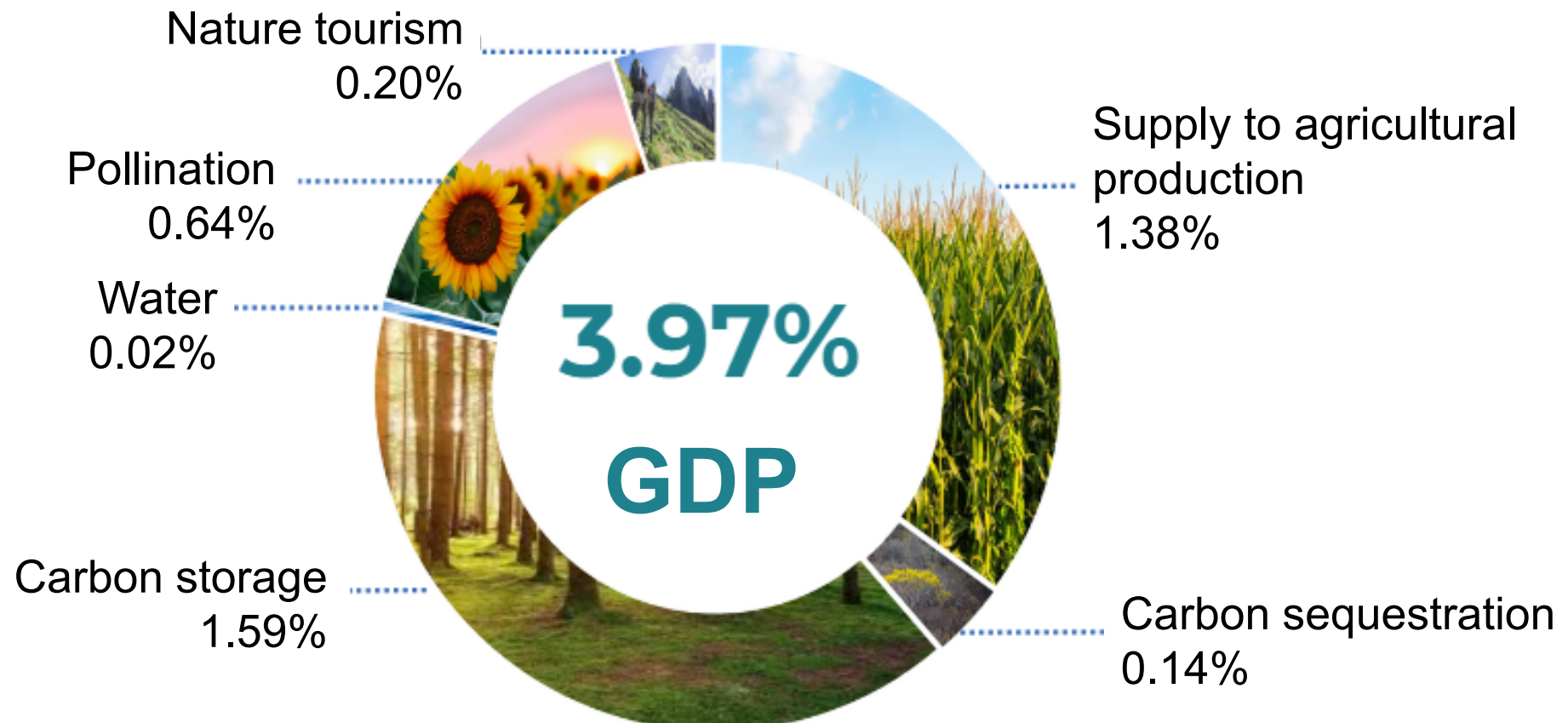
The Ecosystem Accounts required a multidisciplinary effort, so INEGI called for the creation of an Interinstitutional Group made up of the environmental sector, academia and international initiatives with related projects in the country.



2 Results of the economic valuation of ecosystem services (ES)

The value of the ES in 2021 amounted to 52,123 billion dollars (3.97%) to the National GDP.

Percentage contribution of Ecosystem Services to National GDP



3. Innovations in Environmental Accounting in Mexico

3.1 Environmental Protection Expenditure (EPE) for the private sector

Total EPE for the private sector according to functional classification, 2018

(Percentage structure)



➤ It refers to the expenditures incurred by **private sector establishments** for the environment protection and the natural resources conservation.

➤ Information from the Environmental Module from the **Economic Census** is used.

3. Innovations in Environmental Accounting in Mexico

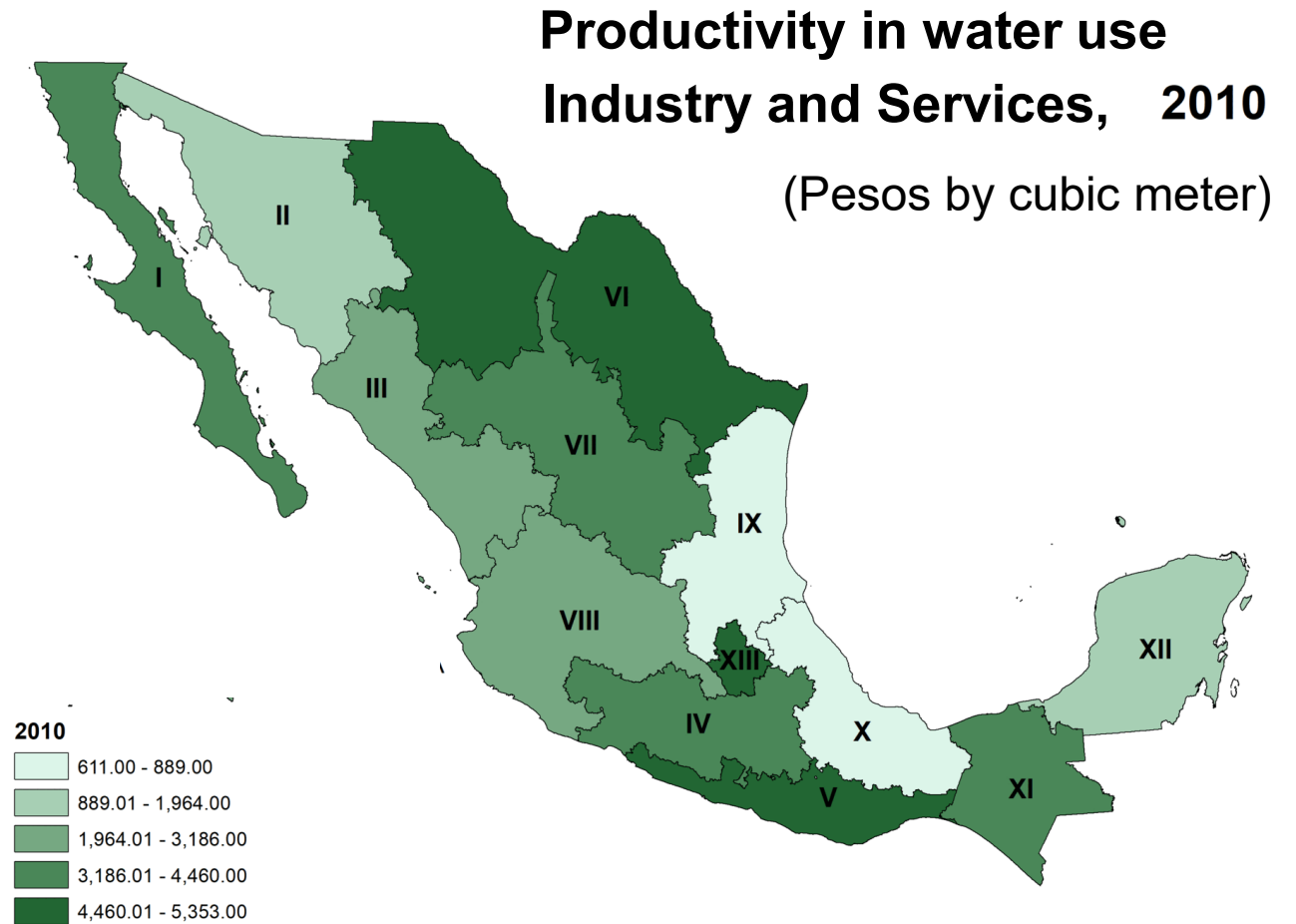
3.2 Sub-national (regional) water indicators

The indicators of **productivity and intensity** of water use allow to identify the **pressure on water resources** derived from economic activities, as well as the **transfer of value** to the produced goods.

The **subnational breakdown** allows to reflect the **variations in the use and availability of water in the regions** inside the country.

For example, the **productivity indicator** represents the gross value added (pesos) generated per unit of water (cubic meter) used.

Currently, Mexico's environmental accounts include regional indicators of **productivity and intensity** in water use, based on the National Water Accounts project, also disseminated by INEGI.



3. Innovations in Environmental Accounting in Mexico

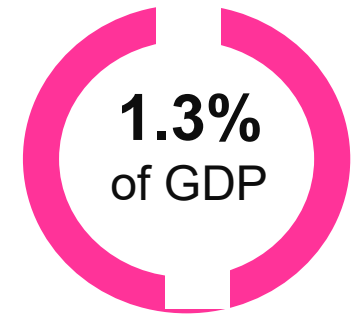
3.3 Environmental Goods and Services Sector (EGSS) and Environmental Jobs

The measurement of the **EGSS** and **Environmental Jobs** contributes to the **monitoring** of efforts to transition to a **sustainable economy**.

In addition, it makes visible which part of the country's **economy** is "**green**" and/or "**clean**" through the identification of goods and services that contribute to the **environmental protection** and the **natural resources conservation**.



Added Value of the Environmental Goods and Services Sector
14 645
Billion dollars in 2018.



Job positions, 2018

369 764



Environmental Jobs from EGSS



THANK YOU



Conociendo
México

800 111 46 34
www.inegi.org.mx
atencion.usuarios@inegi.org.mx

    **INEGI Informa**