

“Capacity Building and Strengthening Institutional Arrangement / Data Yearbook”

Workshop: “Environmental Indicators and their use for
indicator-based reporting activities”

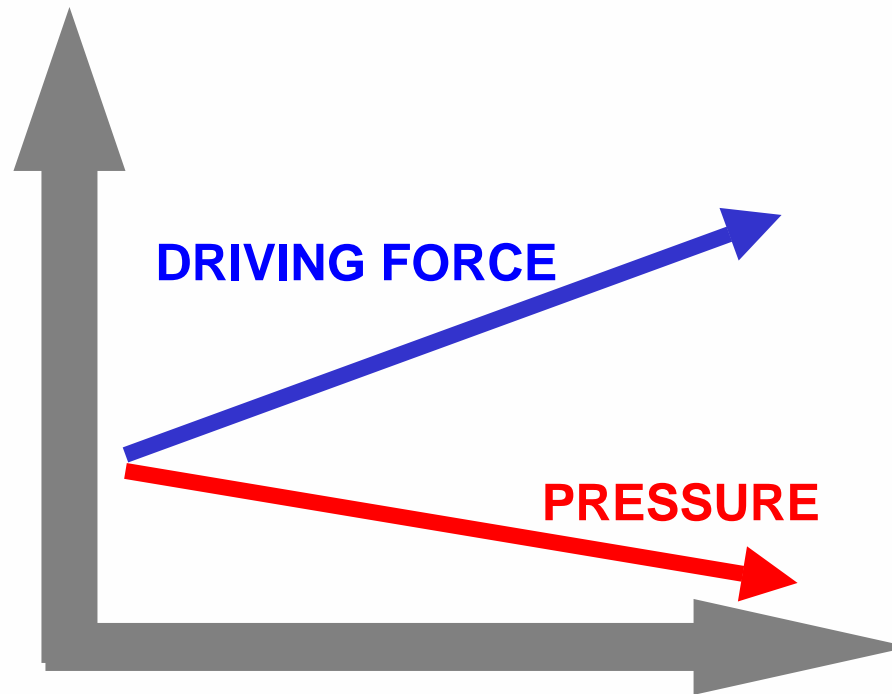
DECOUPLING MODEL

Mr. Giovanni Finocchiaro

APAT

Agency for Environmental Protection and Technical Services

Decoupling Model



Institutional Reference Framework

- ✓ OECD Environmental Strategy
- ✓ Ministers of the environment of the member countries
- ✓ indicators to measure the sustainable development
- ✓ decoupling indicators

Motivations

Decoupling strategy involves an address change in the consumptions and production habits.

Start of Scientific Debate

The first report, based on the use of the decoupling indicators, was published by the OECD in May of 2002, and it is entitled: ***“Indicators to measure decoupling of environmental pressure from economic growth”***.

Concept Of Decoupling

The term “decoupling” has often been used to refer to breaking the link between “*environmental bads*” and “*economic goods*.”

Decoupling & Dpsir

Decoupling indicators describe the relationship between the first two components of the DPSIR model, i.e. *a change in environmental pressure as compared to the change in driving force over the same period.*

Hypothesis

Decoupling occurs when there is an economic development and the growth rate of the environmentally relevant variable is less than the correspondent economic driving force over a given period.

$$\frac{\Delta (D)}{\Delta t} > 0$$

$$\frac{\Delta (D)}{\Delta t} > \frac{\Delta (P)}{\Delta t}$$

Typologies Of Decoupling



Relative decoupling

Absolute decoupling

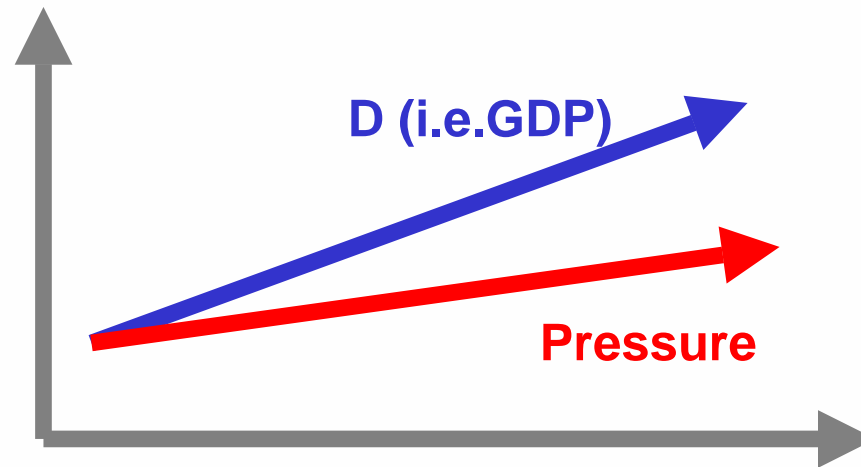


Relative Decoupling

“Relative decoupling” is said to occur when the growth rate of the environmentally relevant variable is positive, but less than the growth rate of Driving force (i.e. GDP).

Relative Decoupling

$$\frac{\Delta (D)}{\Delta t} > \frac{\Delta (P)}{\Delta t} > 0$$

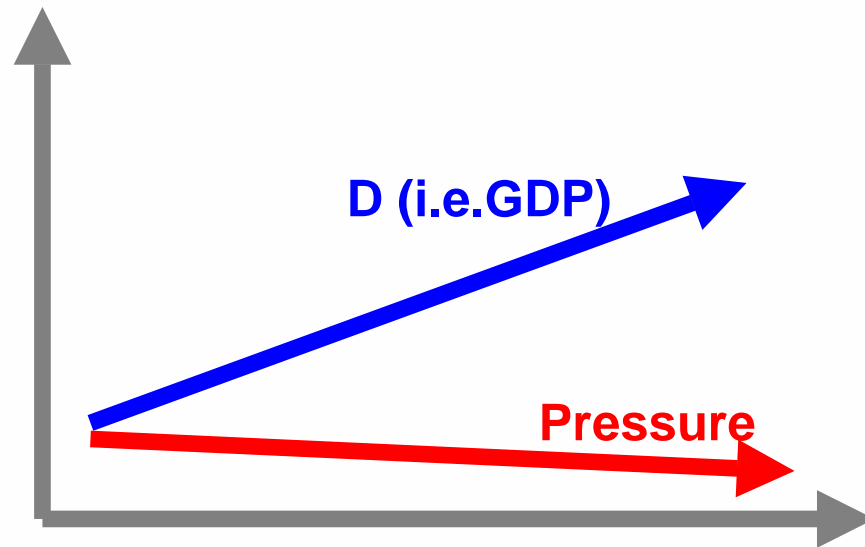


Absolute Decoupling

If driving force (i.e. GDP) displays positive growth, "absolute decoupling" is said to occur when the growth rate of the environmentally relevant variable is zero or negative — i.e. pressure on the environment is either stable or falling.

Absolute Decoupling

$$\frac{\Delta (D)}{\Delta t} > 0 \quad \text{I} \quad \frac{\Delta (P)}{\Delta t} \leq 0$$



Concept of Decoupling

In general a decoupling indicator is realized as a relationship between an indicator of pressure and the correspondent indicator of the more directly correlated determinant with that specific pressure.

$$I_{d e c} \equiv \frac{P}{D}$$

Example

Economy-wide Decoupling Indicators

Climate change

- Total greenhouse gas (GHG) emissions per unit of GDP and per capita

Air pollution

- Total emissions of fine particulate matter PM10 per unit of GDP
- Total VOC emissions per unit of GDP

Natural resources

- Total freshwater abstraction per unit of GDP

Waste Management

- Municipal waste going to final disposal versus private final consumption (PFC)
- Amount of glass NOT collected for recycling versus PFC

Example

Decoupling indicators for specific sectors

Energy

- **CO₂, SO_x, and NO_x emissions from energy use per unit of GDP**

Transport

- **Emissions of CO₂, NO_x, VOCs from passenger cars and freight vehicles (combined) per unit of GDP**

Agriculture

- **Soil surface nitrogen surplus versus agricultural output**

Manufacturing

- **Freshwater abstraction by manufacturing industry versus manufacturing value-added**

Main Limitations of The Decoupling Concept

- ✓ decoupling concept doesn't give, directly, any information about the different capacities of natural environments to answer to the pollution agents (resilience, absorption) or to the environmental factors.
- ✓ relationship between Driving Forces and Environmental Pressures is often not so direct and simple to understand.

Presentation of Decoupling Information

The most direct manner of displaying decoupling between an environmental pressure and an economic driving force is to plot two indexed (i.e. 1980=100) time-series on the same graph.

Presentation of Decoupling Information

The ratio of the value of the decoupling indicator at the end and at the start of a given time period is defined as follows:

$$\text{Decoupling Ratio} = \frac{\text{(EP/DF) at the end of study period}}{\text{(EP/DF) at the beginning of study period}}$$

Decoupling Ratio < 1 → Decoupling Exist

*where EP = Environmental Pressure
 and DF = Driving Force.*

Decoupling Factor = 1 – decoupling ratio

The decoupling model as a tool for the monitoring of
the environmental *performances* of the principal
national productive sectors
(*an apat application*)

The Aim of Work

The purpose of the APAT study is to introduce an application of the OECD methodology useful to the analysis of the environmental performances of some important productive sectors at ATECO (NACE) level.

Data Set

- ✓ the “optimal” decoupling indicator
- ✓ the limits of reality
- ✓ analysis of different data sources
- ✓ ATECO classification economic activities

Data Set

In detail, the data related to the economic components and to the atmospheric emissions originate from source ISTAT (for the National Account Matrix including Environmental Accounts - NAMEA); those related to the hazardous wastes originate from source APAT (Environmental data Yearbook 2004).

Matrix of data analyzed (economic data, atmospheric emissions and special wastes) for the principal economic activities [1990-2002]

ECONOMIC ACTIVITY			DRIVING FORCES		PRESSURES										
			CURRENT PRICES		ATMOSPHERIC EMISSIONS									WASTES	
Classification ATECO of the economic activities			Production	Value Added	CO2	N2O	CH4	NOx	SOx	NH3	NMVOC	CO	PM10	Pb	HAZARDOUS WASTES
A	01-02	AGRICULTURE, HUNTING AND FORESTRY	☐	☐		☐	☐			☐					☐
B	05	FISHING AND CONNECTED SERVICES		☐				☐					☐		
C	10-14	EXTRACTION OF MINERAL		☐			☐				☐				
D	15-37	MANUFACTURING	☐	☐							☐	☐	☐	☐	☐
DA	15-16	Alimentary industries, of the drinks and of the tobacco		☐			☐								☐
DF	23	Manufacture of coke, oil refineries, treatment of the nuclear fuels		☐					☐						
DG	24	Manufacture of chemical products and synthetic and artificial fibers	☐	☐		☐									☐
OF		Manufacture of products of the workmanship of mineral not metalliferi	☐	☐	☐			☐							☐
DJ	27-28	Production of metal and manufacture of products in metal	☐	☐								☐	☐	☐	☐
E	40-41	PRODUCTION AND DISTRIBUTION OF ELECTRIC ENERGY, GAS AND WATER	☐	☐	☐			☐	☐						
F	45	CONSTRUCTIONS	☐	☐				☐			☐				☐
H	55	HOTELS AND RESTAURANTS	☐	☐								☐		☐	☐
I	60-64	TRANSPORTS, STORAGE AND COMMUNICATIONS	☐	☐				☐					☐		

The Steps for the Construction of the Decoupling Indicators

- 1) Selection of dataset
- 2) Selection of pollutants
- 3) Selection of economic variables
- 4) Construction of decoupling indicators

Selection of Pollutants

The pollutants has been selected evaluating the contribution of every economic activity to the general atmospheric emissions.

This result has been obtained calculating the mean value of the emissions of every pollutants, in the long period, then the percentage distribution of every pollutant for economic activity.

It has been chosen, to compare the economic variable individualized for every productive sector, with the only more relevant atmospheric emissions.

Selection of Economic Variables

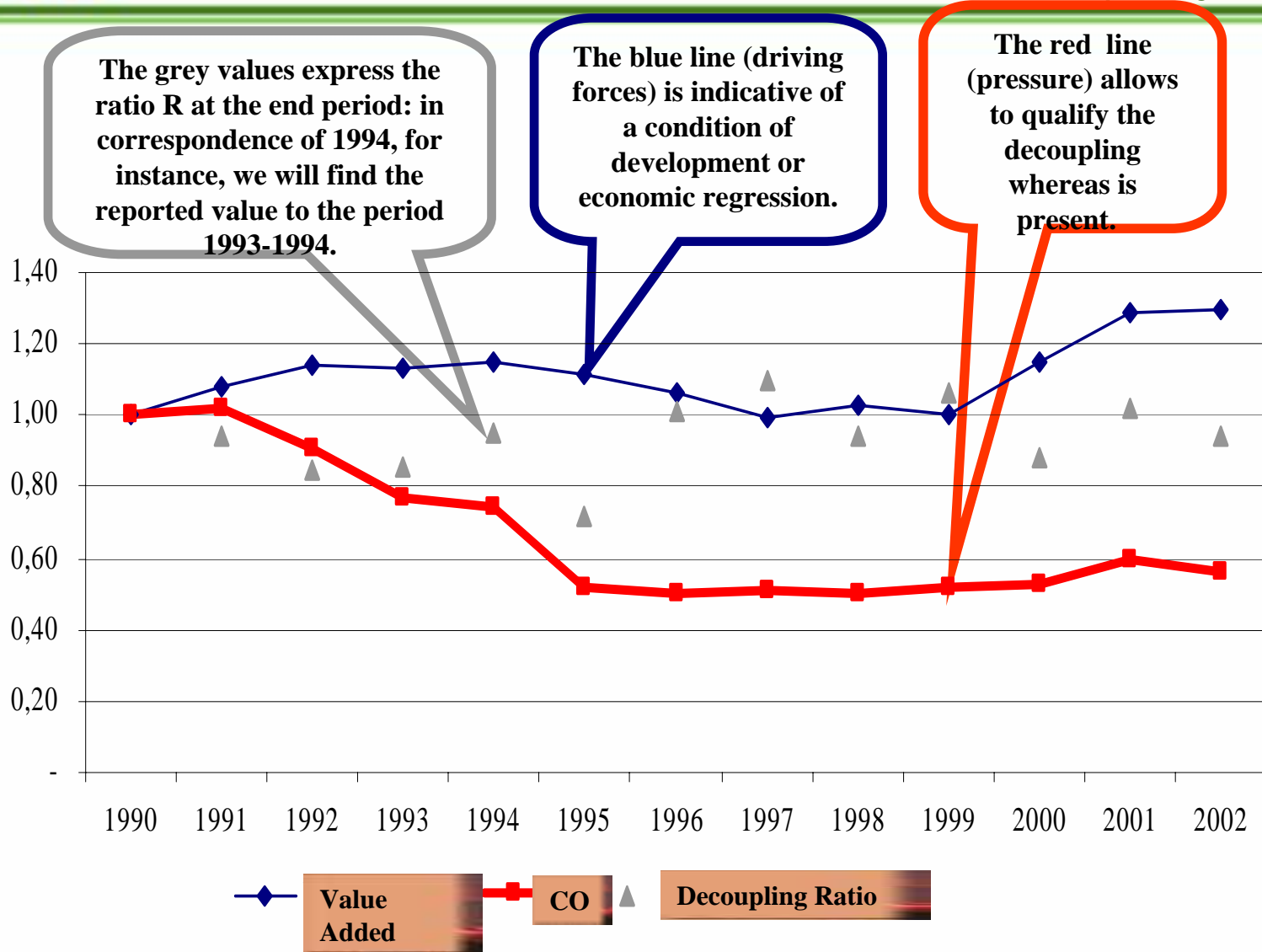
The dataset, organized according to the structure of NAMEA, offered: the production, the value added and the consumptions for every economic activity.

Thinking that the value added could represent a synthesis measure between the others variable ($VA = P - C$), we chose it almost always as a driving-force for every economic activity.

Construction of the Indicators and Formality of Representation

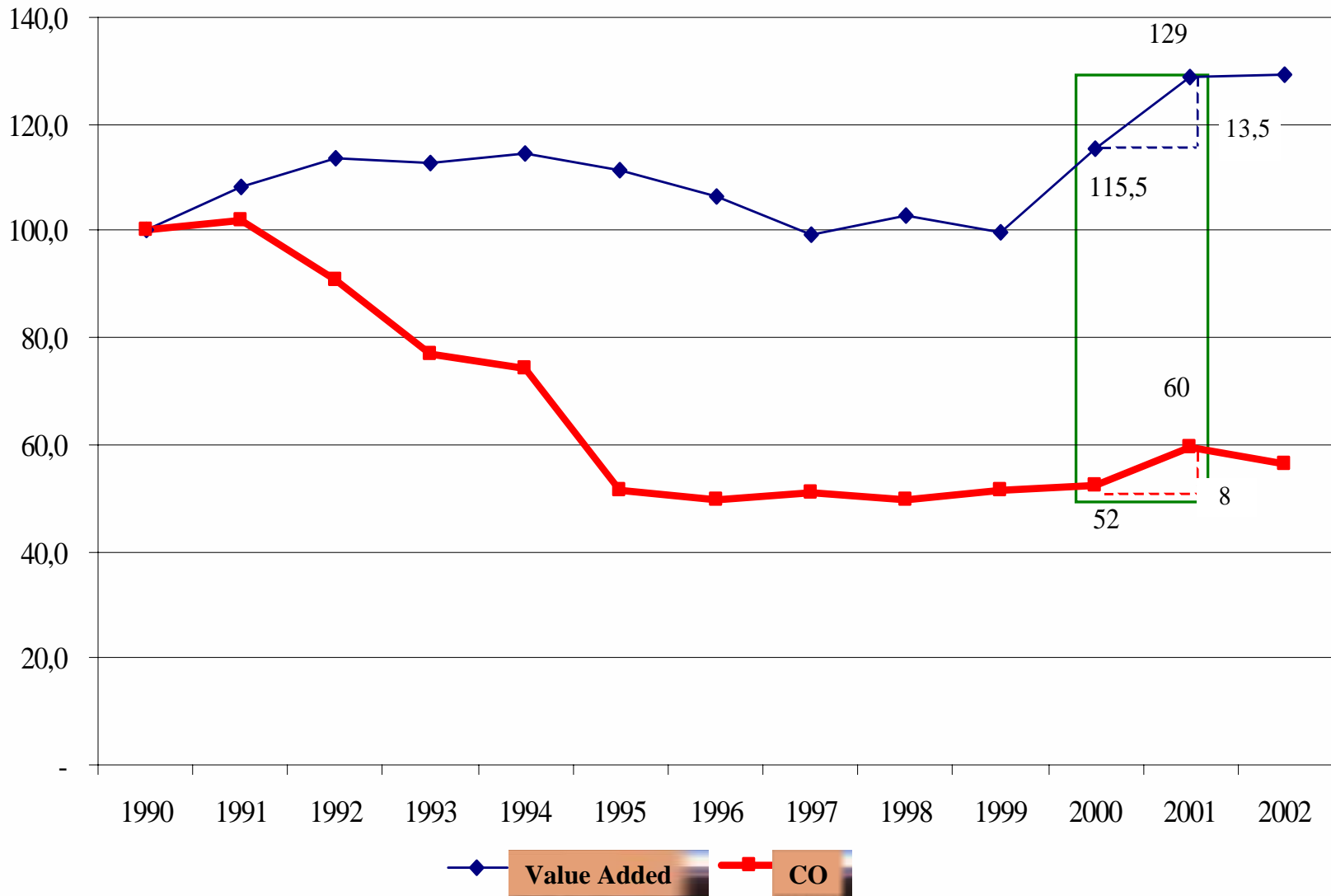
All the introduced indicators are built simply comparing the trend of the economic variable with the environmental ones. The values have been indexed with base line 1990. The chosen historical series has gone since 1990 to 2002.

The select representation allows an immediate reading of the absence, presence and typology of the decoupling.



Example: Indexed Distribution of the value added and of the monoxide of carbon emissions (CO) (1990-2002)

Warning



Warning

Evaluating the described increases to the light of the respective values of beginning period, we get:

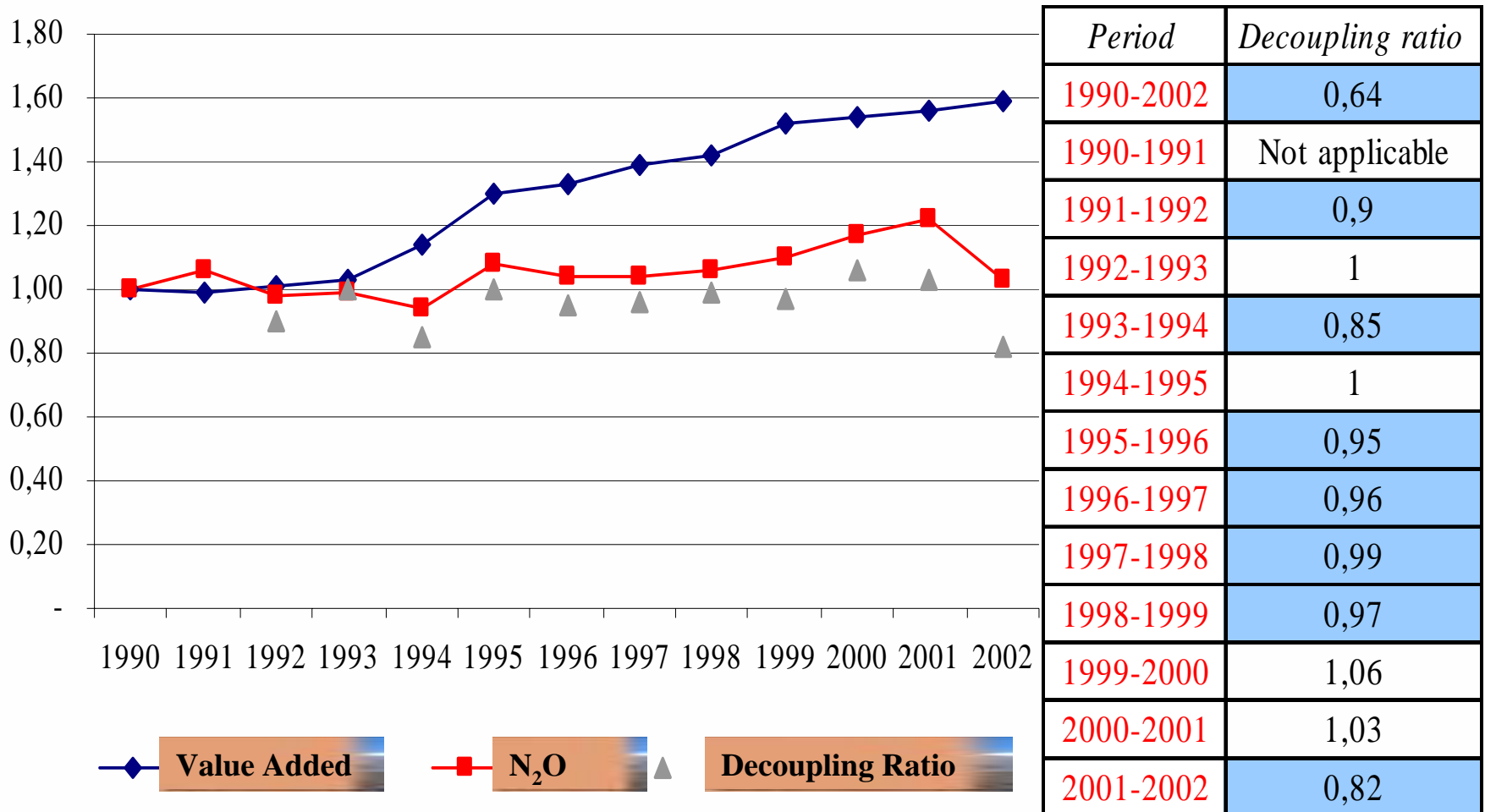
$$\Delta D = \frac{13,5}{115,5} * 100 = 11,6\%$$

$$\Delta P = \frac{8}{52} * 100 = 15,3\%$$

from which it is deduced that the pressure grows more quickly than the determinant and therefore that there are not the conditions for the decoupling in the period 2000-2001.

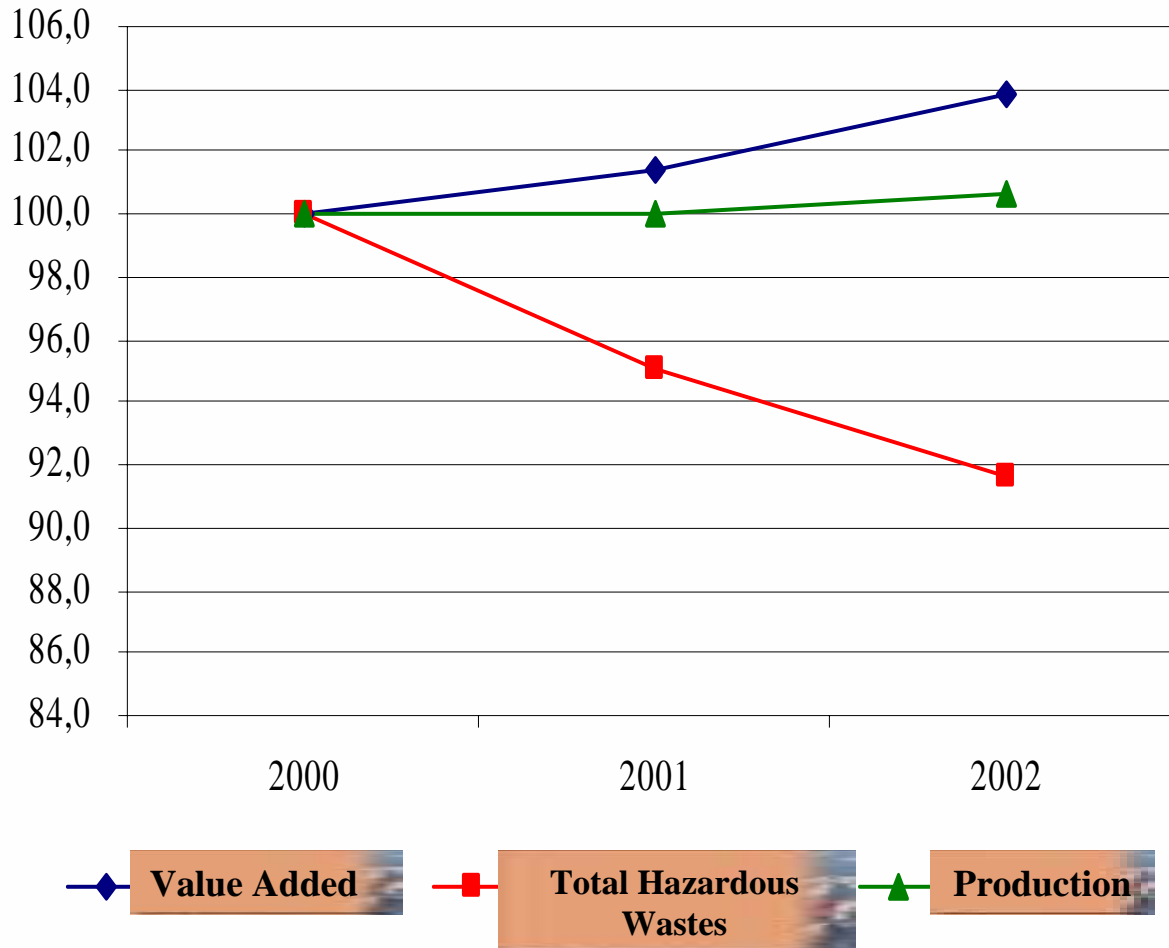
Example

Economic activity ATECO – DG “Manufacture of chemical and synthetic products and artificial fibers”



Example

Economic activity ATECO – DG “Manufacture of chemical and synthetic products and artificial fibers”

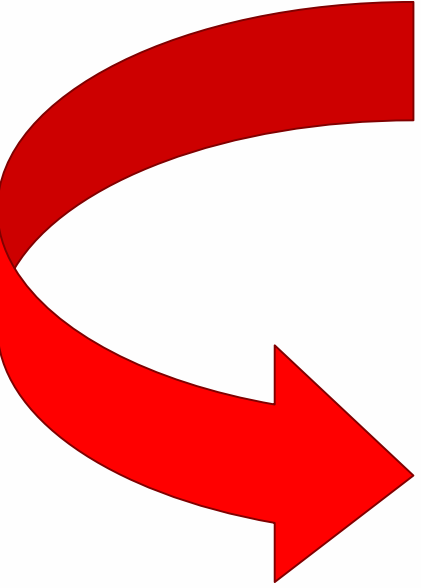


Added Value vs. Total Hazardous Wastes	
<i>Period</i>	<i>Decoupling ratio</i>
2000-2002	0,88
2000-2001	0,94
2001-2002	0,94

Production vs. Total Hazardous Wastes	
<i>Period</i>	<i>Decoupling ratio</i>
2000-2002	0,91
2000-2001	0,95
2001-2002	0,96

Conclusion

The indicators of decoupling are characterized for:



- ü conciseness in analytical terms

- ü immediateness in the representations



they represent an essential tool for the Policy Makers to monitor the sustainable development.

Main References

European Commission/Eurostat (2001), *Environmental pressure indicators for the EU (2001 Edition)*, European Commission/Eurostat, Luxembourg

Finocchiaro G., Segazzi L. (2006): *Il modello di disaccoppiamento come strumento per il monitoraggio delle performance ambientali dei principali settori produttivi nazionali*, Rapporto tecnico DIR-STAT – APAT – Agenzia per la Protezione dell'Ambiente e per i servizi Tecnici, Roma, Luglio 2006

OECD (2001), *OECD Environmental Indicators: Towards Sustainable Development 2001*, OECD, Paris

OECD (2001), *Improving the Environmental Performance of Agriculture. Policy Options and Market Approaches*, OECD, Paris

OECD (2002), *Indicators measure decoupling of environmental pressure from economic growth*, OECD, Paris

OECD (2002), *Rapporto sulle performance ambientali*, OECD, Parigi

Tudini, A., Vetrella, G. (2002), *Italian NAMEA: 1990-2000 air emission accounts - ISTAT final report*, Roma, June 2004

Tudini A., Vetrella G. (2003), *Italian NAMEAs: air emission accounts for the year 1999*, ISTAT - National Accounts Department - Environmental Accounting Unit, ISTAT, Final Report to Eurostat, Roma, September 2003

Unander, Fridtjof, *Energy Indicators and Sustainable Development*, Paper for COP-7 Marrakech, October 5 2001, International Energy Agency, Paris

World Commission on Environment and Development (1997), *Our Common Future*

Example of Exercises

- ✓ For which of the following couples of variables it's correct to evaluate the decoupling.
- ✓ Based on the following graph, in which periods does not have sense to investigate the decoupling presence and why?
- ✓ Establish where the decoupling is present and qualify it by the only graphic help.
- ✓ Verify the decoupling existence for the period "X" by the decoupling factor calculation.
- ✓ Verify the decoupling existence in the period "X" between the indicators "determinant" and the "pressure" synthetically expressed in the following.