

The project focus on the integration of natural capital resources with the Polish National Accounts. The System of National Accounts includes indicators which provide information about economic development of a country. Gross Domestic Product (GDP) is one of the main variables which shows, among others, prosperity of a country and the level of an economic development. Unfortunately, GDP is a very imperfect measure and fail to account for quality of life or amount of natural resources. It does not capture stocks, excessive uses or degradation of environmental resources like forests, waters, minerals, aquatic resources or degree of air pollution. For many years international entities have work to develop framework for the integration of natural capital with the System of National Accounts. Adopted in 2012 by the United Nation Statistical Commission the System of Environmental-Economic Accounting (SEEA) is the first internationally accepted standard for accounting which combine economic data with environmental information. The main objective of the project is creation of a new economic tool for analysis of two-way relations between economy and environment based on the integration of economic accounts (represented by the System of National Accounts) with the environmental accounts (represented by the SEEA). This will allow to consider in economic analysis how activities which interfere with environment (e.g. road investments) on the one hand improve the standard of living but also deplete natural resources. If a two-way relation between environment and economy is not taken into account an analyses may erroneously illustrate the economic profit and loss at national level, what consequently could lead to falsely formulated economic and environmental policies. The problem with the current approach of economists on the subject is that while the value of the goods and services provided by these natural resources is taken into account, they do not take full account of their depletion at national level what is a consequence of their exploitation. Hence often analysis of various policies affecting the environment is not fully evaluated in macroeconomic terms. The integration of these accounts is important for economic modelling with the use of general equilibrium models (CGE). These models use mathematic equations and economic assumptions to present simplified model of a whole economy together with relations between consumers, producers and a government. In other words, it is a model of an economy similar to the model of a building which is usually build by architects before a real construction is build. Database for CGE models are based on the System of National Accounts (input-output tables or supply and demand tables). Thanks to CGE model those accounts become “alive” and can be affected by various “economic” scenarios. An example of such scenario can be construction of a motorway through woodland areas. Model will show a possible outcomes of such investment in economic term. However, until now the database of CGE models did not included two-way relations between economy and environment, so the results did not take into account the important aspects of the depletion of these resources. Thus, the project will also support the policy-making process based on an empirical research.