OVERVIEW OF THE WORKSHOP

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14-15 December 2015
Outline of my presentation

• Why hold the Workshop?
• What are the key objectives and expected output?
• Agenda
Why hold the Workshop?

- **The issue:**
  - Is agricultural production growth compatible with the preservation of environmental assets? How to measure the economic performance of the sector, taking into account the role of environment in production?
  - Commonly used indicators of economic performance, such as total factor productivity (TFP) do not account for desirable or undesirable environmental goods and services.

Inappropriate policy options
Productivity and the environment

• Need for an Environmentally Adjusted TFP measure (EATFP)

- Explicitly links “green” and “growth”
- Allows for more accurate assessment of economic performance
- Provides for greater consideration of environmental concerns in economic policy
Productivity and the environment

• EATFP is one of the **six headline** OECD green growth indicators

• EATFP is also one of the proposed indicators in measuring progress towards green growth in the **aggregate agricultural sector**
Challenges in measuring EATFP

• Lack of data on environmental goods and services
• How to evaluate environmental services
• Absence of market prices for these goods and services
• Which set of environmental goods and services could be/should be included in EATFP
• Different competing approaches
Challenges in measuring EATFP

And rigorous TFP estimates are required

- Quality and availability of inputs and outputs
- Sound measurement of inputs and outputs
- Up to date data
- Different competing approaches
... but evidence on TFP is confusing!
Key objectives

• Assess available data and methodologies to calculate from 1990-onwards

  ➢ TFP for the **aggregate agricultural sector** for OECD and some non-OECD countries (e.g. China, India, Brazil, etc.).

  ➢ EATFP for the **aggregate agricultural sector** for as many countries as possible

  ➢ The choice of the methodology is open for discussion, although particular attention will be accorded to the **Growth Accounting Approach (GAA)**
Expected output

• Clarity of data and methods
• Rigorous and replicable TFP and EATFP estimates for a few countries by mid-2016
• Roadmap of future work, with short-term, medium-term and long-term actions in research; data collection; harmonisation efforts; networks
Agenda

• Calculating inter-country agricultural TFP
  - Data availability and measurement of factors of production
  - Methodological issues and approaches

• Calculating inter-country agricultural EATFP
  - Accounting for environmentally-related outputs and inputs in agricultural TFP measurement
  - Assessing the feasibility of applying the GAA

• Round table discussion – next steps
Thank you for listening!

Visit our website:
www.oecd.org/agriculture/greengrowth

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