



Classification of environmental functions

United Nations Committee of Experts on International Statistical
Classifications – October 2022 meeting

Arturo de la Fuente - Eurostat

Outline of this presentation

1. Background
2. Introduction to the classification of environmental functions
3. Process and timeline for finalisation and adoption

Background information

- Classification of Environmental Protection Activities (CEPA) is international classification used in environmental accounts
- Eurostat is the custodian agency
- There is another 'sister' Classification of Resource Management Activities (CReMA) used in Europe
- European Union Member States and Eurostat have more than 10 years of experience using them in data collections
- In spite of the name 'classifications of activities', both CEPA and CReMA are actually used for products, activities, expenditures and subsidies. They classify environmental purposes

Revision of CEPA and CReMA

- Eurostat started a revision of CEPA and CReMA in 2017
- Goals:
 - take stock of lessons learnt in regular use in Europe
 - propose a comprehensive, integrated, functional classification for environmental accounts
- Discussion at European and international level since 2017
 - ✓ Task Force of European countries established
 - ✓ Progress discussed in international community of environmental accountants (UNCEEA, SEEA technical committee, London Group of experts on environmental accounts)

→ Eurostat has now a proposal mature for international consultation and adoption

Classification of environmental functions (CEF) - scope

- Generic, functional classification for
 - Environmental activities
 - Environmental products
 - Environmental expenditures and other distributive transactions
- Classifies environmental activities by purpose
 - *Primary (environmental) purpose*, according to SEEA
- Based on pre-existing classifications
 - CEPA & CReMA
 - Maintain clear bridge to keep time series of data produced over years

Scope
'environmental'
established in
the System of
environmentally-
economic
accounting
(SEEA)

CEF purpose and criteria

- Multi-purpose classification to serve diverse environmental and climate policies
- Detailed explanatory notes
- Operational rules ensure comparability across countries
- International classification criteria
 - Conceptual basis; scope; hierarchical classification with correspondence to CEPA, CreMA; statistical units
 - Implementation plan

Structure of the CEA – three levels and more

- Hierarchical classification in three levels
- Clear set up at first level of the classification:
- Flexibility to add further levels for national use

Example:

1.2.1: Production of energy from renewable sources → 1.2.1.a Wind / 1.2.1.b Solar / etc.

CEF class

1. Air, climate and energy

2. Wastewater and water resources

3. Waste management and materials recovery and savings

4. Soil, surface and groundwater, biodiversity and forest

5. Noise and radiation

6. Research and development

7. Cross-cutting and other activities

CEF – serving policy needs

- Alternative aggregations to address policy themes, e.g.:
 - circular economy
 - climate change mitigation
 - climate change adaptation
- In addition, CEF structure maps directly certain policy themes (1:1):
 - waste
 - biodiversity

Finalisation and adoption: Process and timeline

- ➔ • Inform UNCEISC: October 2022 (this meeting)
- Global consultation: November-December 2022
- Evaluate comments by Eurostat: January 2023
- ➔ • Discuss comments and adjust proposal with technical committee of SEEA CF and UNCEISC: February 2023
- Inform UNSC of upcoming classification: March 2023
- Final discussion and endorsement by UNCEEA: March 2023
- ➔ • Final discussion and endorsement by UNCEISC (around mid 2023)
- Approval by UNSC Bureau (around mid 2023)

UNCEISC members are asked to:

- Spontaneous comments on classification structure and explanatory notes, if any
- Comment on the process for approval of the classification
- Comment on the next steps, in particular:
 - Results global consultation in ‘extended technical committee’ in March (SEEA CF TC and UNCEISC)
 - UNSC Bureau for adoption

Thank you

arturo.de-la-fuente@ec.europa.eu



© European Union 2022

