



EUROPEAN COMMISSION  
EUROSTAT

Directorate E – Sectoral and regional statistics  
**E.2 – Environmental statistics and accounts; sustainable development**

# **Classification of environmental purposes**

## **Cover document - explanation**

## 1. Context

The Classification of Environmental Protection Activities (CEPA 2000) is an international statistical classification. It is used in environmental-economic accounts based on the SEEA standard. Eurostat is the custodian agency for CEPA 2000.

Furthermore, there is another Classification of Resource Management Activities (CReMA), which is not international statistical classification, and it is used in the countries of the European Union complementing CEPA 2000 as regards its scope of management natural resources. CReMA was established in 2008.

In particular, CEPA and CReMA are used in environmental accounts in the countries of the European Union, in particular:

- Environmental protection expenditure account (EPEA) originally from 1994, in its current form since 2014 and mandatory in European Union countries
- Environmental goods and services sector account (EGSS) originally dates from 2000s, in its current form since 2014 and mandatory in European Union countries

These two classifications are very outdated, as they are 15-20 years old. Furthermore, the actual use of the classifications in Europe for more than a decade accumulated many experiences.

Against this context, Eurostat, as custodian agency of CEPA, started a revision of CEPA and CReMA in 2017, with the goals to:

- take stock of lessons learnt in regular use in Europe for more than 10 years;
- update the classification;
- study a possible merging of CEPA and CReMA into a single comprehensive, integrated classification for environmental-economic accounts.

In 2017 Eurostat set up a task force of European countries. This task force has worked continuously between 2017 and 2022, reporting every year to the Eurostat working group on environmental accounts (NB: the working group includes all the 27 member countries of the EU whereas the task force includes only a few of them).

This work was not limited to Europe: progress was discussed in the UN London Group of experts on environmental accounting, and the UN Committee of Experts of Environmental Economic Accounting (UNCEEAA) was kept informed, as well as the SEEA technical committee.

This body of work led to a point where a UN global consultation was possible and necessary. A [global consultation](#) was launched in November 2022 with a deadline 8 February 2023. The consultation included an introduction, structure and explanatory notes, and 3 questions about them. There were 52 answers by countries, international organisations and independent experts.

Immediately afterwards a UN interagency expert group was set up to analyse the results of the global consultation and further improve the classification with a view to its finalisation and adoption. The working group was chaired by Vincent Russo with the Bureau of Labour Statistics, United States of America. The working group included experts on international statistical classifications and environmental-economic accounting, coming from both countries and international organisations. The group worked in 5 online meetings between

February and September 2023. Successive improved drafts were prepared and discussed. The global consultations answers were identified (ID number), grouped in categories and discussed. In addition, the working group proposed and discussed other improvements such as the name of the classification, much improved introduction, changes in the structure and aggregates of the classification to address policy questions.

Finally, the working group agreed in its 20 September 2023 meeting to recommend moving forward and sending the updated version of CEP for endorsement at the UNCEISC meeting in October 2023. The UNCEISC endorsement is sought for the introduction, classification structure and explanatory notes. There is also an annex with aggregations for policy areas which is submitted for information. Some members of the working group would have wished more time to further discuss the explanatory notes and the aggregates for policy areas. While those elements can be further improved it is important to advance to have a working version of the classification that can be implemented and serve as basis for further lessons to learn and future improvements.

## **2. Next steps**

The next steps are:

- Seek endorsement by the UN Committee of experts on international statistical classifications (UNCEISC)
- Seek endorsement by the UN Committee of experts on environmental-economic accounting (UNCEEA)
- Seek adoption as international classification by the UN Statistical Commission (UNSC)

Eurostat seeks to implement the new classification in the European environmental accounts, replacing the classifications CEPA and CREMA. Those accounts are mandatory in the European Union based on legislation (Regulation (EU) 691/2011 on European environmental accounts). An amendment of this Regulation is necessary in the European Union. This will take 2 or 3 years for the legal procedure and implementation.

Other countries outside the European Union may wish to implement the new classification in the next years too.

This implementation will produce a body of experience that can be used to revisit some questions and refine e.g.:

- Application of one classification to environmental activities, products and expenditures
- Aggregations for policy areas
- Relations with other international statistical classifications