

**REGULATION (EU) No 538/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**  
**of 16 April 2014**  
**amending Regulation (EU) No 691/2011 on European environmental economic accounts**  
**(Text with EEA relevance)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 338(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure <sup>(1)</sup>,

Whereas:

- (1) Decision No 1386/2013/EU of the European Parliament and of the Council <sup>(2)</sup> provides that the pace of current developments and uncertainties surrounding likely future trends require further steps to ensure that policy in the Union continues to draw on a sound understanding of the state of the environment, of possible response options and their consequences. Instruments should be developed with a view to ensuring the preparation of quality-assured data and indicators and to improving its accessibility. It is important that such data be made available in a comprehensible and accessible form.
- (2) Under Article 10 of Regulation (EU) No 691/2011 of the European Parliament and of the Council <sup>(3)</sup> the Commission is invited to report to the European Parliament and the Council on the implementation of the Regulation and, if appropriate, to propose the introduction of new environmental economic accounts modules, such as Environmental Protection Expenditure and Revenues (EPER)/Environmental Protection Expenditure Accounts (EPEA), Environmental Goods and Services Sector (EGSS) and Energy Accounts.
- (3) The new modules contribute directly to the Union's policy priorities of green growth and resource efficiency by providing important information on indicators such as market output and employment in the EGSS, national environmental protection expenditure and the use of energy in a NACE breakdown.
- (4) The United Nations Statistical Commission adopted the System of Environmental-Economic Accounting (SEEA) Central Framework as an international statistical standard at its 43rd session in February 2012. The new modules being introduced by this Regulation are fully in line with the SEEA.
- (5) The European Statistical System Committee has been consulted.

<sup>(1)</sup> Position of the European Parliament of 2 April 2014 (not yet published in the Official Journal) and decision of the Council of 14 April 2014.

<sup>(2)</sup> Decision No 1386/2013/EU of the European Parliament and of the Council of 20 November 2013 on a General Union Environment Action Programme to 2020 'Living well, within the limits of our planet' (OJ L 354, 28.12.2013, p. 171).

<sup>(3)</sup> Regulation (EU) No 691/2011 of the European Parliament and of the Council of 6 July 2011 on European environmental economic accounts (OJ L 192, 22.7.2011, p. 1).

- (6) In order to take into account technical and scientific progress and supplement the provisions on energy accounts, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the specification of the list of energy products referred to in Section 3 of Annex VI as contained in the Annex to this Regulation. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (7) In order to facilitate a uniform application of Annex V as contained in the Annex to this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council <sup>(1)</sup>. The examination procedure should be used for the adoption of those implementing acts.
- (8) Regulation (EU) No 691/2011 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

#### *Article 1*

Regulation (EU) No 691/2011 is amended as follows:

(1) in Article 2, the following points are added:

- ‘(4) “environmental protection expenditure” means the economic resources devoted by resident units to environmental protection. Environmental protection includes all activities and actions which have as their main purpose the prevention, reduction and elimination of pollution and of any other degradation of the environment. Those activities and actions include all measures taken in order to restore the environment after it has been degraded. Activities which, while beneficial to the environment, primarily satisfy the technical needs or the internal requirements for hygiene or safety and security of an enterprise or other institution are excluded from this definition;
- (5) “environmental goods and services sector” means the production activities of a national economy that generate environmental products (environmental goods and services). Environmental products are products that have been produced for the purpose of environmental protection, as referred to in point (4), and resource management. Resource management includes the preservation, maintenance and enhancement of the stock of natural resources and therefore the safeguarding of those resources against depletion;
- (6) “physical energy flow accounts” means consistent compilations of the physical energy flows into national economies, the flows circulating within the economy and the outputs to other economies or to the environment.’;

(2) Article 3 is amended as follows:

(a) in paragraph 1, the following points are added:

- ‘(d) a module for environmental protection expenditure accounts, as set out in Annex IV;
- (e) a module for environmental goods and services sector accounts, as set out in Annex V;
- (f) a module for physical energy flow accounts, as set out in Annex VI.’;

<sup>(1)</sup> Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission’s exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

(b) the following paragraphs are added:

'4. The Commission shall be empowered to adopt delegated acts in accordance with Article 9 in order to specify the energy products referred to in Section 3 of Annex VI, based on the lists set out in the Annexes to Regulation (EC) No 1099/2008 of the European Parliament and of the Council (\*).

Such delegated acts shall not impose a significant additional burden on the Member States or on the respondents. When establishing and subsequently updating the lists referred to in the first subparagraph, the Commission shall duly justify the actions, using, where appropriate, input from relevant experts on a cost-effectiveness analysis, including an assessment of the burden on respondents and of the production costs.

5. In order to facilitate a uniform application of Annex V, the Commission shall, by 31 December 2015, by means of implementing acts, establish an indicative compendium of environmental goods and services and of the economic activities to be covered by Annex V based on the following categories: environmental specific services, environmental sole purpose products (connected products), adapted goods and environmental technologies. The Commission shall update the compendium where necessary.

The implementing acts referred to in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 11(2);

(\* Regulation (EC) No 1099/2008 of the European Parliament and of the Council of 22 October 2008 on energy statistics (OJ L 304, 14.11.2008, p. 1).'

(3) Article 8(2) is replaced by the following:

'2. For the purposes of obtaining a derogation under paragraph 1 for Annexes I, II and III, the Member State concerned shall present a duly justified request to the Commission by 12 November 2011. For the purposes of obtaining a derogation under paragraph 1 for Annexes IV, V and VI, the Member State concerned shall present a duly justified request to the Commission by 17 September 2014.'

(4) Article 9 is amended as follows:

(a) paragraph 2 is replaced by the following:

'2. The power to adopt delegated acts referred to in Article 3(3) and (4) shall be conferred on the Commission for a period of five years from 11 August 2011. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the 5-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.'

(b) paragraph 3 is replaced by the following:

'3. The delegation of power referred to in Article 3(3) and (4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.'

(c) paragraph 5 is replaced by the following:

'5. A delegated act adopted pursuant to Article 3(3) and (4) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.'

(5) Annexes IV, V and VI, as set out in the Annex to this Regulation, are added to Regulation (EU) No 691/2011.

*Article 2*

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 16 April 2014.

*For the European Parliament*

*The President*

M. SCHULZ

*For the Council*

*The President*

D. KOURKOULAS

---

## ANNEX

## ANNEX IV

**MODULE FOR ENVIRONMENTAL PROTECTION EXPENDITURE ACCOUNTS****Section 1**

## OBJECTIVES

Environmental protection expenditure accounts present data, in a way that is compatible with the data reported under ESA, on the expenditure for environmental protection, i.e. the economic resources devoted by resident units to environmental protection. Such accounts allow for the compiling of national expenditure for environmental protection which is defined as the sum of uses of environmental protection services by resident units, gross fixed capital formation (GFCF) for environmental protection activities, and transfers for environmental protection which are not a counterpart of previous items, less financing by the rest of the world.

The environmental protection expenditure accounts should make use of the already existing information from the national accounts (production and generation of income accounts; GFCF by NACE, supply and use tables; data based on the classification of functions of government), structural business statistics, business register and other sources.

This Annex defines the data to be collected, compiled, transmitted and evaluated for the purposes of environmental protection expenditure accounts by the Member States.

**Section 2**

## COVERAGE

Environmental protection expenditure accounts have the same system boundaries as ESA and show environmental protection expenditure for principal, secondary and ancillary activities. The following sectors are covered:

- general government (including non-profit institutions serving households) and corporations as institutional sectors producing environmental protection services. Specialist producers produce environmental protection services as their principal activity,
- households, general government and corporations as consumers of environmental protection services,
- the rest of the world as beneficiary, or origin, of transfers for environmental protection.

**Section 3**

## LIST OF CHARACTERISTICS

Member States shall produce environmental protection expenditure accounts according to the following characteristics which are defined in accordance with ESA:

- output of environmental protection services. Market output, non-market output and output of ancillary activities are distinguished,
- intermediate consumption of environmental protection services by specialist producers,
- imports and exports of environmental protection services,
- valued added tax (VAT) and other taxes less subsidies on products on environmental protection services,
- gross fixed capital formation and acquisitions less disposals of non-financial non-produced assets for the production of environmental protection services,
- final consumption of environmental protection services,
- environmental protection transfers (received/paid).

All data shall be reported in million national currency.

#### Section 4

##### FIRST REFERENCE YEAR, FREQUENCY AND TRANSMISSION DEADLINES

1. Statistics shall be compiled and transmitted on a yearly basis.
2. Statistics shall be transmitted within 24 months of the end of the reference year.
3. In order to meet user needs for complete and timely datasets, the Commission (Eurostat) shall produce, as soon as sufficient country data becomes available, estimates for the EU-28 totals for the main aggregates of this module. The Commission (Eurostat) shall, wherever possible, produce and publish estimates for data that have not been transmitted by Member States within the deadline specified in point 2.
4. The first reference year is 2015.
5. In the first transmission of data, Member States shall include annual data from 2014 to the first reference year.
6. In each subsequent data transmission to the Commission, Member States shall provide annual data for the years  $n - 2$ ,  $n - 1$  and  $n$ , where  $n$  is the reference year. Member States may provide any available data for the years preceding 2014.

#### Section 5

##### REPORTING TABLES

1. For the characteristics referred to in Section 3, data shall be reported in a breakdown by:
  - type of producers/consumers of environmental protection services as defined in Section 2,
  - classes of the classification of environmental protection activities (CEPA) grouped as follows:
    - For general government activities and for environmental protection transfers:
      - CEPA 2
      - CEPA 3
      - Sum of CEPA 1, CEPA 4, CEPA 5 and CEPA 7
      - CEPA 6
      - Sum of CEPA 8 and CEPA 9
    - For ancillary activities of corporations:
      - CEPA 1
      - CEPA 2
      - CEPA 3
      - Sum of CEPA 4, CEPA 5, CEPA 6, CEPA 7, CEPA 8 and CEPA 9
    - For corporations as secondary and specialist producers:
      - CEPA 2
      - CEPA 3
      - CEPA 4
    - For households as consumers:
      - CEPA 2
      - CEPA 3

— The following NACE codes for the ancillary production of environmental protection services: NACE Rev. 2 B, C, D, Division 36. Data for section C shall be presented by divisions. Divisions 10-12, 13-15 and 31-32 shall be grouped together. Member States which, under Regulation (EC) No 295/2008 of the European Parliament and of the Council <sup>(1)</sup> (as regards the definitions of characteristics, the technical format for the transmission of data, the double reporting requirements for NACE Rev. 1.1 and NACE Rev. 2 and derogations to be granted for structural business statistics), are not obliged to collect environmental protection expenditure data for one or more of these NACE codes, do not need to provide data for these NACE codes.

2. The CEPA classes referred to in point 1 are as follows:

CEPA 1 — Protection of ambient air and climate

CEPA 2 — Wastewater management

CEPA 3 — Waste management

CEPA 4 — Protection and remediation of soil, groundwater and surface water

CEPA 5 — Noise and vibration abatement

CEPA 6 — Protection of biodiversity and landscapes

CEPA 7 — Protection against radiation

CEPA 8 — Environmental research and development

CEPA 9 — Other environmental protection activities.

## Section 6

### MAXIMUM DURATION OF THE TRANSITIONAL PERIODS

For the implementation of the provisions of this Annex, the maximum duration of the transitional period is 2 years from the first transmission deadline.

## ANNEX V

### MODULE FOR ENVIRONMENTAL GOODS AND SERVICES SECTOR ACCOUNTS

#### Section 1

##### OBJECTIVES

Statistics on environmental goods and services record and present data on national economy production activities that generate environmental products in a way that is compatible with the data reported under ESA.

The environmental goods and services sector accounts should make use of the already existing information from the national accounts, structural business statistics, business register and other sources.

This Annex defines the data to be collected, compiled, transmitted and evaluated for environmental goods and services accounts, by the Member States.

#### Section 2

##### COVERAGE

The environmental goods and services sector has the same system boundaries as ESA and consists of all environmental goods and services that are created within the production boundary. ESA defines production as the activity carried out under the control and responsibility of an institutional unit that uses inputs of labour, capital and goods and services to produce goods and services.

<sup>(1)</sup> Regulation (EC) No 295/2008 of the European Parliament and of the Council of 11 March 2008 concerning structural business statistics (OJ L 97, 9.4.2008, p. 13).

Environmental goods and services fall within the following categories: environmental specific services, environmental sole purpose products (connected products), adapted goods and environmental technologies.

### Section 3

#### LIST OF CHARACTERISTICS

Member States shall produce statistics on the environmental goods and services sector according to the following characteristics:

- market output, of which:
  - exports,
- value added of market activities,
- employment of market activities.

All data shall be reported in million national currency, except for the characteristic “employment” for which the reporting unit shall be “full time equivalent”.

### Section 4

#### FIRST REFERENCE YEAR, FREQUENCY AND TRANSMISSION DEADLINES

1. Statistics shall be compiled and transmitted on a yearly basis.
2. Statistics shall be transmitted within 24 months of the end of the reference year.
3. In order to meet user needs for complete and timely datasets, the Commission (Eurostat) shall produce, as soon as sufficient country data becomes available, estimates for the EU-28 totals for the main aggregates of this module. The Commission (Eurostat) shall, wherever possible, produce and publish estimates for data that have not been transmitted by Member States within the deadline specified in point 2.
4. The first reference year is 2015.
5. In the first transmission of data, Member States shall include annual data from 2014 to the first reference year.
6. In each subsequent data transmission to the Commission, Member States shall provide annual data for the years  $n - 2$ ,  $n - 1$  and  $n$ , where  $n$  is the reference year. Member States may provide any available data for the years preceding 2014.

### Section 5

#### REPORTING TABLES

1. For the characteristics referred to in Section 3, data shall be reported cross-classified by:
  - classification of economic activities, NACE Rev. 2 (A\*21 aggregation level as set out in ESA),
  - CEPA classes and the classification of resource management activities (CReMA) grouped as follows:
    - CEPA 1
    - CEPA 2
    - CEPA 3
    - CEPA 4
    - CEPA 5
    - CEPA 6

- Sum of CEPA 7, CEPA 8 and CEPA 9
  - CReMA 10
  - CReMA 11
  - CReMA 13
    - CReMA 13A
    - CReMA 13B
    - CReMA 13C
  - CReMA 14
  - Sum of CReMA 12, CReMA 15 and CReMA 16
2. The CEPA classes referred to in point 1 are as set out in Annex IV. The CReMA classes referred to in point 1 are as follows:

CReMA 10 — Management of water

CReMA 11 — Management of forest resources

CReMA 12 — Management of wild flora and fauna

CReMA 13 — Management of energy resources:

- CReMA 13A — Production of energy from renewable resources

- CReMA 13B — Heat/energy saving and management

- CReMA 13C — Minimisation of the use of fossil energy as raw materials

CReMA 14 — Management of minerals

CReMA 15 — Research and development activities for resource management

CReMA 16 — Other resource management activities

## Section 6

### MAXIMUM DURATION OF THE TRANSITIONAL PERIODS

For the implementation of the provisions of this Annex, the maximum duration of the transitional period is 2 years from the first transmission deadline.

## ANNEX VI

### MODULE FOR PHYSICAL ENERGY FLOW ACCOUNTS

#### Section 1

#### OBJECTIVES

Physical energy flow accounts present data on the physical flows of energy expressed in terajoules in a way that is fully compatible with the ESA. Physical energy flow accounts record energy data in relation to the economic activities of resident units of national economies in a breakdown by economic activity. They present the supply and use of natural energy inputs, energy products and energy residuals. Economic activities comprise production, consumption, and accumulation.

This Annex defines the data to be collected, compiled, transmitted and evaluated for physical energy flow accounts by the Member States.

## Section 2

### COVERAGE

Physical energy flow accounts have the same system boundaries as ESA and are also based on the residence principle.

In accordance with ESA, a unit is said to be a resident unit of a country when it has a centre of economic interest in the economic territory of that country, that is, when it engages for an extended period (1 year or more) in economic activities in that territory.

Physical energy flow accounts record physical energy flows arising from the activities of all resident units, regardless of where these flows actually occur geographically.

Physical energy flow accounts record the physical flows of energy from the environment to the economy, within the economy, and from the economy back to the environment.

## Section 3

### LIST OF CHARACTERISTICS

Member States shall produce physical energy flow accounts according to the following characteristics:

- the physical energy flows grouped into three generic categories:
  - (i) natural energy inputs,
  - (ii) energy products,
  - (iii) energy residuals,
- the origin of the physical energy flows, grouped into five categories: production, consumption, accumulation, rest of the world and environment,
- the destination of the physical flows, grouped into the same five categories as the origin of the physical energy flows.

All data shall be reported in terajoules.

## Section 4

### FIRST REFERENCE YEAR, FREQUENCY AND TRANSMISSION DEADLINES

1. Statistics shall be compiled and transmitted on a yearly basis.
2. Statistics shall be transmitted within 21 months of the end of the reference year.
3. In order to meet user needs for complete and timely datasets, the Commission (Eurostat) shall produce, as soon as sufficient country data becomes available, estimates for the EU-28 totals for the main aggregates of this module. The Commission (Eurostat) shall, wherever possible, produce and publish estimates for data that have not been transmitted by Member States within the deadline specified in point 2.
4. The first reference year is 2015.
5. In the first transmission of data, Member States shall include annual data from 2014 to the first reference year.
6. In each subsequent data transmission to the Commission, Member States shall provide annual data for the years  $n - 2$ ,  $n - 1$  and  $n$ , where  $n$  is the reference year. Member States may provide any available data for the years preceding 2014.

**Section 5**

## REPORTING TABLES

1. For the characteristics referred to in Section 3, the following data shall be reported in physical units:
  - Supply table for energy flows. This table records the supply of natural energy inputs, energy products, and energy residuals (row-wise) by origin, i.e. “supplier” (column-wise).
  - Use table for energy flows. This table records the use of natural energy inputs, energy products, and energy residuals (row-wise) by destination, i.e. “user” (column-wise).
  - Table of emission-relevant use of energy flows. This table records the emission-relevant use of natural energy inputs and energy products (row-wise) by the using and emitting unit (column-wise).
  - Bridge table showing the various elements which make up the difference between the energy accounts and the energy balances.
2. The supply and use tables of energy flows (including emission-relevant flows) have a common layout in terms of rows and columns.
3. The columns denote the origins (supply) or destinations (use) of the physical flows. The columns are grouped into five categories:
  - “Production” relates to the production of goods and services. Production activities are classified according to NACE Rev. 2 and data is reported in A\*64 aggregation level.
  - “Consumption” activities are presented in total and also divided into three sub-classes (transport, heating/cooling, other) for private households’ final consumption.
  - “Accumulation” refers to the changes in stocks of energy products within the economy.
  - “Rest of the world” records the flows of imported and exported products.
  - “Environment” records the origin of natural input flows and the destination of residual flows.
4. The rows describe the type of physical flows classified in the first indent of Section 3.
5. The classification of natural energy inputs, energy products, and energy residuals is as follows:
  - natural energy inputs are grouped into non-renewable natural energy inputs and renewable natural energy inputs,
  - energy products are grouped according to the classification used in European energy statistics,
  - energy residuals include waste (without monetary value); losses during extraction/abstraction, distribution/transport, transformation/conversion and storage; as well as balancing items to balance the supply and use tables.
6. The “bridge” from the residence principle indicator to the territory-based indicator is presented for the entire national economy (no breakdown by industries) and is obtained as follows:

total energy use by resident units:

- energy use by resident units abroad
- + energy use by non-residents on the territory
- + statistical differences
- = gross inland energy consumption (territory-based)

**Section 6**

## MAXIMUM DURATION OF THE TRANSITIONAL PERIODS

For the implementation of the provisions of this Annex, the maximum duration of the transitional period is 2 years from the first transmission deadline.'

---