



Updating of related classifications - Classification of environmental purposes (CEP)

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Background environmental accounts

- Long experience in Europe with 3 environmental accounts: protection expenditure account, environmental goods and services, environmental taxes
- SEEA CF framework, in turn aligned to SNA concepts
- More recently, environmental subsidies and similar transfers account (SEEA CF update)
- Environmental goods and services account:
 - Production activities of environmental products by national economy
 - Output, exports, value-added, employment
 - Activities' classifications (ISIC); environmental purposes' classifications; products' classification
 - Scope of sector: uniform across countries based on compendium of environmental goods and services and of the economic activities

Classification of environmental purposes

- Classification of environmental purposes (CEP) is the successor of two classifications for environmental-economic accounts:
 - Classification of Environmental Protection Activities (CEPA 2000)
 - Classification of Resource Management Activities (CReMA 2008)
- In 2017 Eurostat started a process to:
 - update CEPA and CReMA classifications from lessons learnt in regular use;
 - possible merge of CEPA and CReMA into a single comprehensive, integrated classification;
- CEP adopted as international statistical classification by UN Statistical Commission in March 2024 – Eurostat as custodian agency

Main features of the classification environmental purposes

- Scope of the classification: CEP classifies a sub-set of the economy.
 - The boundaries are those established in SEEA CF 2012, in particular chapter IV, plus current state of the art adopted by UNCEEA
- Environmental purpose to classify environmental activities, environmental products and environmental expenditures
- Multi-purpose classification to serve diverse environmental and climate uses
- International statistical classification criteria

CEP - classification structure

- Classification has three levels (divisions, groups, classes)
 - Additional levels possible for national use
- 1st level - divisions are informative and clear about the environmental domains
- Symmetry across categories detail ensured
- Correspondence with existing classifications CEPA & CReMA at 2nd level.
- Flexible to accommodate policy and users' needs
- Explanatory notes

Classification of environmental purposes divisions

01 **Air and climate**

02 **Energy**

03 **Wastewater and water resources**

04 **Waste, materials recovery and savings**

05 **Soil, surface and groundwater, biodiversity and forest**

06 **Noise and radiation**

07 **Research and development**

08 **Cross-cutting and other environmental purposes**

Which CEP details for EGSS?

CEP	CEPA, CReMA
01 Air and climate	CEPA 1
02 Energy – <i>group level</i>	CREMA 13 A and B
03 Wastewater and water resources – <i>group level</i>	CEPA 2, CREMA 10
04 Waste, materials recovery and savings – <i>group and class level</i>	CEPA 3, CREMA11B, 13C, 14
05 Soil, surface and groundwater, biodiversity and forest – <i>group level</i>	CEPA 4, 6, CREMA 11A
06 Noise and radiation – <i>group level</i>	CEPA 5, 7
07 Research and development – <i>group level</i>	CEPA 6 and CREMA 15
08 Cross-cutting and other environmental purposes	CEPA 9 and CREMA 16

CEP as policy tool

- CEP flexible to organise data for policy needs
- Examples of mapping CEP to:
 - climate change mitigation,
 - climate change adaptation,
 - sustainable use and protection of water bodies,
 - circular economy,
 - pollution prevention and control, and
 - protection and restoration of biodiversity and ecosystem.
- Broad definition of circular economy ‘as an economic system of exchange and production which, at all stages of the life cycle of products (goods and services), aims to increase the efficiency of the use of resources and to reduce the impact on the environment’.

Example CEP for circular economy

Producing estimates for circular economy

- output,
- value-added,
- employment
- (investments)

based on existing European environmental accounts

Circular Economy	CEP categories
Energy Efficiency	CEP 0202 Energy savings and management CEP 070202 R&D for energy savings
Water	CEP 0301. Wastewater management CEP 0302 Water savings and management of natural water resources CEP 070300 R&D for wastewater management CEP 070400 R&D for water resources
Waste Recovery Re-use and repair	CEP 04 Waste, materials recovery and savings Out of scope
Organic agriculture and soil protection	CEP 0501 Protection of soil, surface and groundwater CEP 070701 R&D for soil, surface and groundwater (partially)
of which Reconquering artificialized soils by adapted solutions: e.g. public gardens	Out of scope
Public Transport	Out of scope (not in SEEA CF)

CEP implementation in the EU

- Eurostat collects environmental accounts based on a European Union law
- Eurostat must amend the EU law to use CEP instead of CEPA & CReMA
 - Legal procedure in 2024 after UNSC adoption
- European accounts concerned:
 - Environmental goods and services sector (EGSS) accounts
 - Environmental protection expenditures accounts (EPEA)
 - Environmental subsidies and similar transfers (ESST)
- Implementation in data collection in late 2025; results dissemination in 2026

Thank you

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