



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION  
UNITED NATIONS

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**Seventeenth Meeting of the UN Committee of Experts on  
Environmental-Economic Accounting  
New York, 27-28 June 2022**

**Technical Committee on SEEA Central Framework (Area B1)  
Summary of activities**

Paper prepared by the Chair and Secretariat of the Technical Committee on SEEA Central  
Framework

*(for discussion)*

# TECHNICAL COMMITTEE ON SEEA CENTRAL FRAMEWORK (AREA B1)

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## Background papers and resources

- [Progress on the classification of environmental activities](#)
- [Cover note for the technical notes on EPEA and EGSS](#)
- [SEEA Technical Note on Environmental Protection Expenditure Accounts](#)
- [SEEA Technical Note on Environmental Goods and Services Sectors Accounts](#)

## 1. [Area B1 – developments in 2021-22](#)

The SEEA Central Framework Technical Committee (SEEA CF TC) met regularly in 2021 and 2022 and has focussed on some priority areas of work, including the revision of international classification schemes, the coordination with the update of the 2008 SNA, and finalization of the technical notes.

## 2. [Progress on the priority areas of work:](#)

### A. Revision of international classifications

The United Nations Statistical Commission at its 52nd session endorsed the recommendation of the UN Expert Group on International Statistical Classification (UNCEISC) to revise the International Standard Industrial Classification of All Economic Activities (ISIC) Rev. 4 and the Central Product Classification (CPC) Ver. 2.1. Separate Task Teams on ISIC and CPC have been formed to conduct the revision process. The SEEA community was invited to participate in the two task teams to contribute to the revision process by providing input to existing classification issues and identify a list of additional SEEA-relevant classification issues for consideration.

Over the past year, the SEEA CF TC has made considerable progress in its work on classifications and provided input for the ongoing revision processes for the ISIC and CPC to ensure that these classifications are fit for purpose for compiling the SEEA. This will continue in 2022, where in addition also input into the Standard International Energy Production Classification (SIEC) and the Classification of the Functions of Government (COFOG) revision process will be provided

### **International Standard Classification of All Economic Activities (ISIC)**

Two proposals were prepared for the ISIC revision process—one on climate change mitigation activities and the other on ecosystem conservation, management and restoration activities. Although the ISIC revision process recognized the importance of these activities, no changes were proposed at the Section, Division or Group level. Moving forward, the efforts will focus on making environment related activities visible by either making them explicit in the explanatory notes of existing classes or possibly creating separate classes.

### **Central Product Classification (CPC)**

For the CPC revision process, several topics particularly relevant for the SEEA were identified and issue notes were prepared for the global consultation, including for products related to the circular economy, waste products, specific environmental products and services and energy products. These proposals are currently being discussed in the CPC task team.

### **The Classification of Environmental Activities (CEA)**

Eurostat and a dedicated European taskforce have been working on the revision of the CEA, which serves as a fundamental building block for the compilation of environmental activities accounts in the SEEA. A fully developed version of the structure of a new integrated classification is now available, plus a work-in-progress version of the explanatory notes. Currently, a review by the SEEA CF TC is ongoing, which will be followed by a review by the UNCEISC. The latter must adopt the classification in order for it to reach the status of international classification. The final steps will consist of a global consultation run by the UNSD Environmental Economic Accounting Section as Secretariat of the UNCEEA and submission to the UNSC in 2023.

### **Standard International Energy Product Classification (SIEC)**

The UN Statistical Commission at its 53<sup>rd</sup> session in 2022 requested the UNCEISC to revise the SIEC to improve harmonization between SIEC and CPC, and to present a work programme for the update to be considered by the Commission at its 54<sup>th</sup> session. Ongoing discussion is currently taking place among the communities of statistical classification, energy statistics and environmental-economic accounting to move forward with the SIEC update process. A task team consisting of representatives of the three above-mentioned communities on the SIEC will be established to oversee the revision process.

### **Classification of the Functions of Government (COFOG)**

The UN Statistical Commission at its 53<sup>rd</sup> session in 2022 recommended the revision of the COFOG and an assessment if changes are required in the other classifications of expenditure according to purpose and to present a proposed work programme for the update to be considered by the Commission at its 54<sup>th</sup> session. A revision would be an important opportunity for the SEEA community to ensure the identification of expenditures related to climate change, environmental protection and resource management which are relevant for the SDG indicators as well as the monitoring framework of the post-2020 global biodiversity framework. The preparation process will begin in Fall 2022.

## **B. Contribution to and coordination with the update of the 2008 SNA**

The work on the SEEA Central Framework has been coordinated with the research agenda for the update of the 2008 SNA. A collaboration agreement between the Committee, the Advisory Expert Group on National Accounts and the Inter Secretariat Working Group on National Accounts has been set up for these joint efforts. The work of the SEEA CF TC focuses on the issues being addressed by the sub-task team on environmental economic accounting of the SNA update task team on well-being and sustainability. There has been strong cross participation between members of the sub-task team and the Technical Committee as well as joint global consultation on SEEA-related issues. While the original intent was for the SNA to incorporate some of the recommendations in the SEEA,

fundamental issues that will have implications for the SEEA have arisen, which warrant discussion within the SEEA community. These include for example accounting for the economic ownership and depletion of natural resources, accounting for biological resources, the recording of emission permits, and treating the atmosphere as an asset.

### C. Technical Notes on EPEA and EGSS

Over the past years, several technical notes for SEEA Central Framework accounts were prepared, which provide guidance to data producers with regards to concepts, data collection, compilation and publication. The SEEA CF TC reviewed the technical notes on Environmental Protection Expenditure Accounts (EPEA) and the Environmental Goods and Services Sector (EGSS) which were prepared by Eurostat in 2018 and 2019 but were not yet finalised due to the ongoing CEA update. Considering the upcoming revision of COFOG and the ongoing discussion on measuring biodiversity expenditures in the post-2020 global biodiversity framework and climate change mitigation and adaptation expenditures, there is a demand to finalize these notes. Finalization of these notes will further ensure that they can serve an input for any other emerging initiatives related to the SEEA environmental activities accounts. The SEEA CF TC and selected experts will finish their review soon for finalization of the note.

### 3. [Questions to the Committee](#)

The Committee is invited to:

- 1) Comment on the progress made in the priority areas of work of the Committee, including the revision of international classification schemes, update of the 2008 SNA and finalization of the technical notes on EPEA and EGSS.
- 2) Comment on how the Committee can better support the SNA update process and the revision process on CPC, SIEC and COFOG.
- 3) Reflect on the status of the SEEA Central Framework work programme on the basis of the progress on SNA update, classification and environmental activities accounts.