



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION  
UNITED NATIONS



System of  
Environmental  
Economic  
Accounting

## Classification of Environmental Functions

### Global Consultation

#### *Comments Form*

**Deadline for responses: 31 December 2022**

Send responses to: [seea@un.org](mailto:seea@un.org)

Name:	Francisco Guillén Martín/Raúl Figueroa Díaz
Organization & country:	INEGI México
Contact (e.g., email address):	<a href="mailto:francisco.guillen@inegi.org.mx">francisco.guillen@inegi.org.mx</a> <a href="mailto:raul.figueroa@inegi.org.mx">raul.figueroa@inegi.org.mx</a> <a href="mailto:rodolfo.orozco@inegi.org.mx">rodolfo.orozco@inegi.org.mx</a>

The comment form has been designed to facilitate the analysis of comments. There are three guiding questions in the form, please respond to the questions in the indicated boxes below. To submit responses please save this document and send it as an attachment to the following e-mail address: [seea@un.org](mailto:seea@un.org).

All documents can be also found on the website at: <https://seea.un.org/content/global-consultation-classification-environmental-functions>

In case you have any questions or have issues with accessing the documents, please contact us at [seea@un.org](mailto:seea@un.org)

**Question 1: Do you have any comments on the proposed structure of the Classification of Environmental Functions?**

In general, it is considered to be an adequate proposal for the unification of the classifications of environmental activities (environmental protection and resource management). With this proposal, it is possible to combine activities with similar functions and with the current classifications of the SEEA, which are put up for debate to find out in which category they should be considered, based on the primary purpose.

The way several classifications are combined to obtain a new classification, according to the functions of environmental economic activities to apply in different situations for different purposes, related to environmental issues is quite compelling.

According with the document, in the introduction to the classification of the environmental functions, the environmental protection activities are defined only as economic activities aimed to preventing, reducing, and eliminating pollution or any other degradation of environment; nevertheless, we consider that, in addition to economic activities, ecological activities should be included for the conservation and restoration of natural ecosystems, both in their structure and in their functioning.

On the proposal for the structure of the classification of environmental functions (CEF), level 4, group 4.2 (“protection of biodiversity and landscape”), we suggest considering the activity “rehabilitation of species” as a separate activity, since it is not properly a biodiversity conservation action in its natural habitat.

In the activity 4.2.2 “protection of natural and semi-natural landscapes”, we recommend changing the proposed activity into "protection, conservation and restoration of natural and artificial landscapes".

On the group 4.3. “Management of forest resources”, it is important to consider that reforestation and afforestation are active and passive restoration activities, so we suggest changing these concepts to "Restoration and management of natural and induced forest ecosystems".

**Question 2. Do you have any comments on the explanatory notes and on the heading reference?**

In this section, the changes and suggestions that were made in the sections and levels of the classification and environmental functions may be applied as described in question 1.

1. Air, climate and energy

This Division should consider the activities for the construction and operation of the electric or low-emission transportation service. It is suggested to leave explicitly in the examples of the explanatory notes, or else, the way in which the accounting treatment of cases such as those mentioned should be done.

Additionally, we believe that that activities aimed at measuring, controlling and monitoring the use and consistency of the fossil energy stock, particularly hydrocarbons, have been left aside, or at least, this activity is not appreciated in the explanatory notes.

#### 1.2.1. Production of energy from renewable sources

Just to confirm, will nuclear power still be considered out of the coverage universe? If this is the case, the measures carried out within the facilities of nuclear plants as protection measures against radiological emergencies could be considered in Group 5.2 Protection against radiation?

#### 1.3.2. Energy efficient buildings; other energy efficient technologies

For the activities indicated in this Class on the construction of new buildings or energy efficient appliances and machinery, what would be the criteria to define if a building, appliances or machinery are energy efficient? In the case of goods, they have energy efficiency stickers, however, depending on the model, brand, etc., they have different degrees of efficiency. In this sense, what would be the criteria to define if the good is considered as energetically efficient? In the case of buildings, should it comply with any national or international standard to guarantee that it is an energy efficient building? The SEEA suggests including in the measurement of spending only the part that corresponds to environmental protection, but in these cases, would the full value of the investment be taken? Or what would be the mechanism to identify the environmental component?

#### 2.2.1. Reduction of the intake of water

When it is said that all types of adjustments to technologies to reduce water consumption in agriculture are included, could investment in infrastructure (construction, repair or maintenance) that helps prevent or repair leaks be included in modernization and modernized irrigation and temporary rehabilitation, although these are associated more with conventional technology and not with technologies such as hydroponics, sprinkler or drip irrigation?

#### 2.2.2. Water reuse and savings, reduction of water losses and leaks

Based on the previous CEPA, as well as on this new classification of environmental functions, the distribution of water is not part of the universe of coverage, however, as part of the actions to reduce losses and leaks, should repair or maintenance activities (not new works) of water distribution networks be considered?

#### 4.2. Protection of biodiversity and landscapes

For this Group, it is specified that the management activities of zoos and aquariums are excluded; however, several of these places are conservation sites for the reproduction of species for their subsequent reintroduction into natural habitats. Likewise, in these places training, education and research activities of certain species can be carried out. In this sense, a reconsideration of these activities could be made, since it seems that they are not included in any other group of the classification.

This same Group mentions that 'extraction' activities, such as 'hunting' or 'fishing' are not the object of study, however, public management activities should be considered for regulation, monitoring and other standards related to sustainable fishing and hunting.

#### 4.2.1. Protection and rehabilitation of species and habitats

Included in this Class is the protection of native species through the management or control measures of invasive species. It is suggested that control activities for domestic animals such as dogs, cats, birds or other companion animals that are part of the invasive species be included as part of the examples in the explanatory notes.

#### 6. "Research and development"

It is a highly important topic which affects all other divisions, but very few is said about it, so we suggest including more development and explanation, and more examples. In addition, something related to the production or manufacture of technological products or innovations is not observed but could be very helpful.

Finally, we would like to comment that, based on Mexico's experience in measuring environmental protection expenditure, some other activities that could be considered in the classification of environmental functions can be listed, such as aquaculture and sustainable tourism, nature tourism or ecotourism activities. Likewise, activities aimed at measuring, controlling and monitoring the use of fishing resources.

### **Question 3. Do you have any other comments on the Classification of Environmental Functions?**

It is considered that this form of classification is adequate, once the proposed suggestions are included, which could contribute to improving the classification of environmental functions. However, we believe that it is also important to analyze and incorporate local environmental regulations in order to not duplicate or contradict current action frameworks, definitions, or classifications in environmental matters.

It is suggested to review and/or consult other international initiatives that are compatible with the SEEA environmental activity accounts methodology and that, in this sense, are based on the current classification of environmental activities of this statistical standard.

For example, for the calculation of spending that affects biodiversity, which is part of the Finance for Biodiversity (Biofin) initiative, this is completely based on the measurement of environmental protection expenditure, and therefore on the classification of environmental activities. In the experience of Mexico, INEGI and Biofin Mexico worked jointly to prepare a table of correspondences between the environmental activities of the SEEA and the activities considered in the Biofin methodology. One of the results of this exercise is that it was possible to identify concepts such as tourism and sustainable agriculture, green economy, among others that are not explicitly included in the current classification of environmental activities.

Therefore, it is suggested to have this approach with the leaders of projects such as Biofin, to standardize concepts and thus be able to contribute to these initiatives.

A similar case could be with the issue of climate change. In this new CEF in Division 1 adaptation and mitigation measures are considered in terms of reducing air emissions,

however, more activities could be identified in the rest of the classification that could be related to the measures against climate change.

Additionally, it is suggested to comment on issues such as the SDG indicators, since language is used in their definition that could be related to various points of the CEF. An example of the above is indicator 11.4. "Total expenditure (public and private) per capita for the preservation, protection and conservation of all cultural and natural heritage", where we see concepts such as "cultural and natural heritage" which is not visible in the CEF.

Finally, it is suggested to consider the concepts and definitions of international initiatives such as the measurement of the UNECE circular economy to integrate and standardize these concepts to this type of classification, since they are issues that are gaining relevance in the countries and whose economic and environmental measurement should be taken into account in the relevant areas.