



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

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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.

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

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

The mixture of different classification units (activities, products, expenditures, transactions, etc.) makes it essential to be as precise as possible in the wording used throughout the structure and the explanatory notes. Thus, from a user perspective, it might be advisable to avoid synonyms and whenever possible use the key wording defined and introduced (e.g. “activities, products, expenditures” as defined wording vs. “measures” and “actions” which are also used every once in a while, but not separately defined). This could raise the question whether “measures” and “actions” have a different meaning compared to “activities”, for instance (see also the answer to Question 2 below).

Referring to the proposed structure, the naming of the lower categories might need to be re-thought, to allow these categories’ names to be self-contained and have a complete meaning on their own. Currently, level 3 shows more than 10 categories with the name “Other activities”. These labels only make sense if displayed together with the category number or the complete hierarchy (incl. level 1 and/or 2). Ideally, however, ALL category titles at each level should be unique within the classification and meaningful. For example, instead of just “Other activities”, the labels could be “Other activities related to waste management”, “Other activities related to the reduction and control of air emission”, etc. Furthermore, sometimes the category is called “Other activities”, although the explanatory notes also refer to specific products.

One could also think to apply a code ending ‘9’ for “Other” resp. “not elsewhere classified”, since this is general practice in other classifications. This would allow a possible inclusion of further categories in the future without the need of re-arranging the code numbers too much.

In line with our comments provided in Question 2 below, it may make sense to rephrase “3. Waste, materials recovery and savings” into “material and waste management”. In line with this, the classes can start in different order – materials should come before the waste as waste represents the least preferred option in circular economy (3.2 before 3.1.). The classes under 3.2. can follow the Eurostat Material Flow Accounts: biomass, metallic materials, non-metallic materials and fossil materials, with the possibility to introduce sub-classes including processed materials such as textile and plastics.

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

Comments refer to documents “1_CEF Introduction & Structure.pdf”, “2_CEF explanatory notes.pdf” or “Annexes.pdf”:

- “Division” is generally defined to be the name for level 1 categories, but the explanatory notes state that it can be also referred to as “domains”. Since the wording “environmental domain” is quite often used throughout the explanations, for the sake of consistency it would be perhaps more appropriate to refer to all level 1 categories as “domains” only? In any case, to avoid confusion for the user, it might be good to use either one of these terms consistently throughout the document (“division” OR “domain” for level 1)?

- The first sentence introduces CEF as “a generic, multi-purpose, functional classification used for classifying activities, products, expenditure and other transactions related to environmental protection.” Later on, “Environmental protection”, “Environmental products” and “Environmental expenditure” are defined in separate paragraphs.
 - Why are “other transactions related to environmental protection” not explicitly defined? Rather, they seem to be included in the definition of “expenditure”. So, how are other transactions distinct from expenditure? It would be beneficial to provide a separate definition.
 - In the introduction, but especially in the explanatory notes, “activities, measures and products” are often mentioned. Why are “measures” not included in the first sentence and defined accordingly? How are “measures” distinct from “activities, products, expenditure and other transactions”? It would be in general good to harmonize wording in that respect. Sometimes, explanations begin with “activities, measures, products”, sometimes with “activities, actions, expenditures” and sometimes with “activities” only. For the user, it may not be clear if it is on purpose that some categories can cover only activities, while others could cover other areas like “activities, actions, expenditures”. As to “action”, this is another word that is not defined explicitly, so it is hard for the user to interpret in how this word is distinct from “measures”, for instance.
- The label of 3.2.7 is “Other activities (related to the recovery of materials)”. The explanatory notes, however, refer to “All other activities, measures and **products** ...”. If products can be included in this category, why does the name of the category refer only to “activities”?
- “Energy from renewable sources” vs “renewable energy” vs “energy from renewables”:
 - Does the different wording imply a different meaning/definition? If not, it would be preferable to use consistent terminology throughout the document. Otherwise, the user might doubt why for some categories and explanations use different wordings.
- For the distinction of renewable energy, a legal document of the European Union is cited (“According to Directive 2018/2001 of the European Parliament and of the Council of 11 December 2018, sources for the production of renewable energy are”)
 - Although the classification was developed for European purposes, it would be preferable to list renewables based on a global source, especially since this classification seeks international approval.

- Wastewater management: Under “2.1.6. other activities” could explicitly mention “policy and enforcement”, unless this is already considered under general administration.
- For 3.1 Waste management, only “treatment and disposal” (3.1.3 & 3.1.4) is divided between hazardous and non-hazardous waste. Why other categories are not? At least, “3.1.2 Collection and transport” should also be separated to align with ISIC, which provides separate codes: 3811 Collection of non-hazardous waste, 3812 Collection of hazardous waste.
- Waste, materials recovery and savings. Class 3.1.1 “Prevention of waste generation” may partially overlap with the material savings group 3.2 since the suggested measures (a) and (c) mentioned in 3.1.1 not only reduce the amount of waste generated but also the demand for materials in products. Likewise, the two items under “it includes” in 3.1.1 could also be included in 3.2, so it may be advisable to combine materials and waste in the category of prevention/savings and form a separate category only for treatment of waste that is unavoidable. This would also eliminate the somewhat arbitrary distinction between several upstream and downstream measures for waste vs. mostly upstream measures for materials with only product reuse as a single downstream measure. In other words, waste management should only focus on the unavoidable waste. Waste prevention should not be considered as waste, but material circulation in a circular economy.
- Under 3.2, the explanatory note mentions that reuse of products is included. However, the categorization here should not only include reuse, but also established concepts, such as the broadly defined 3Rs (reduce, reuse, recycle) to include the entire product life cycle. This would also allow for sub-categorizations, such as proposed in the 10Rs (see for example <https://www.sciencedirect.com/science/article/pii/S0921344917302756> or <https://www.sciencedirect.com/science/article/pii/S0921344917302835>).

Based on the points above, it might be worth considering a thorough review of the explanatory notes to best assist data compilers and users in delineating and distinguishing the different categories of the classification. Other examples (not exhaustive) where the meaning may not be clear are:

- The user might need information on how “renewable energy production sites” are defined. Is there a difference between “production sites” and “generation facilities that produce electric energy” (-> wording in ISIC)? In another page of the explanatory notes the phrase “engineering and architectural services related to renewable energy” is mentioned. Does that refer to such production sites (or generation facilities) only? Alternatively, does it include distribution systems, for instance, too?
- For definitions of mitigation and adaptation, please refer to IPCC, 2018: Annex I: Glossary [Matthews, J.B.R. (ed.)]
 - Since this is the first mention of IPCC, we recommend to cite with its long name

- Hydropower, excluding pump storage stations (which is to be recorded under CEF 1.3.1)
 - For consistency, why not move the exclusion of pump storage stations to the “exclude” list?
- “... (renewable with and without CO2 emissions and non carbon based fuels) to have coherence with air emissions accounts”
 - Provide link or document on “Air emissions account” in the relevant version

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

The title is currently “Classification of Environmental Functions” (CEF). Since the aim is an inclusion of the CEF as a classification in the family of international statistical classifications, the title should be perhaps re-phrased to fit best practices for the International Family of Classifications, for instance “International Standard Classification of Environmental Functions” or “Standard International Environmental Functions Classification”?

The classification refers to “environmental protection”. However, throughout the document only the word “environmental” is used in many cases (we assume as an abbreviated name). However, “environmental” may not always be equivalent to “environmental protection”, so it might be beneficial to always refer to “environmental protection” instead of abbreviating. This, of course, could already be discussed for the title of the classification, that should perhaps rather be named: “Classification of Environmental **Protection** Functions” instead of “Classification of Environmental Functions”?

Since the classification seeks international approval the references to NACE and CPA categories in the explanatory notes should ideally be replaced by equivalent ISIC and CPC references.