



**EUROPEAN COMMISSION**  
**EUROSTAT**

**Directorate E: Agriculture, fisheries, structural funds and environment  
statistics**

Unit E-5: Environment and sustainable development



**Report on work of 2003-2004  
and  
2005 Work Programme  
Environmental Accounting**

*Eurostat – Unit E5  
Environment and Sustainable Development*

# 1 Introduction

In 2004 EUROSTAT analysed its current activities, with a view to abandoning non-essential activities and focusing on core activities. The reduced Environmental accounting team had to deal with *internalising* a great workload and therefore also to *focus* on the following core activities:

- Material Flow Accounts (Training, update and publish EU 15 data)
- NAMEA air emissions (data collection and compilation guide)
- Expenditure Accounts (JQ data collection)
- Consolidation and data, exploiting the results achieved so far, and making them available to users (Database on Environmental Accounting)
- Assist new Member States (training and PHARE concept for EA)

Environmental accounting aims to satisfy efficiently user demand for statistics needed for integrated economic and environmental policy making.

Eurostat proposal for environmental accounting is to define as main priorities at EU level the regular production and publication of data through a Eurostat environmental data base, and a closer integration of environmental accounts, environmental statistics and Sustainable Development Indicators.

Continued *funding* support by the European Commission's Directorate General for the Environment enabled a very substantial number of pilot applications and implementation projects covering virtually every Member State. A large number of projects (75 in the three last years) have been completed and a substantial number are ongoing. The Member States and Eurostat have been progressively successful in converting the results of these 'seed funding' projects into regular production of environmental accounts results.

## 2 NAMEA air emission accounts

### *Achievements from mid 2003 to mid 2004*

NAMEA is a framework dividing the economy into industry and households categories, showing how each industry or the households contribute to a variety of environmental concerns. So far, the air emissions accounts are the most advanced area of environmental accounts.

The compilation guide has been finalised and is ready for publication. The comments from the Task Force are incorporated.

The questionnaire has been revised, including tables on energy balance. Eurostat sent out the questionnaire at the beginning of June 2004 together with the forest questionnaire with the request to send back the filled questionnaire.

The usefulness of NAMEA as an instrument for SDI and further analyses will be discussed in a special session during the Plenary meeting with Member States in October and will present

- a more user-oriented presentation of results,
- integration of other modules of Environmental Accounting (like taxes and MFA) and SAMs (Social Accounting Matrix) in the NAMEA framework.

### ***Plans for 2005***

The results of the questionnaire will be published. If sufficient data are available, time series for E15 /EU25 will be calculated..

A NAMEA Task force is planned before Summer 2005.

## **3 Economy-wide material flow**

### ***Achievements from mid 2003 to mid 2004***

An update of Aggregate material use in the EU covering the period 1980 – 2001 and a derived set of aggregate indicators has been finalised and is ready to publish.

A training workshop for the new Member States and less advanced countries in the field of Material Flows was organised together with the EEA's European Topic Centre for waste and Material Flows in Luxembourg in June 2004.

The resource productivity indicators will be presented and discussed in the Plenary meeting during a joint special session for environment statisticians and environmental accountants to explore the use of the MFA indicators for the production of indicators for sustainable development.

### ***Plans for 2005***

Future work will focus on improving the quality and comparability of the accounts. In the meantime, it is proposed to combine available national material flows accounts with estimates based on international data sources.

Following the international discussion on the future work on MFA accounts at the OECD Helsinki meeting, a Eurostat Task Force on economy-wide material flows will be organised in late autumn 2004, in order to further develop the Eurostat Guide and clarify methodological details (sources, methods, concepts).

The results of the Task Force (updated Guide, standard tables) will be published in 2005 and used by OECD as a basis for their MFA work.

## **4 Environmental expenditure statistics and accounts**

### ***Achievements from mid 2003 to mid 2004***

The 2004 Joint OECD/Eurostat data collection process was started with some changes in the tables. A methodology for providing EU-15 estimates is already developed and was discussed with the countries at the March 2003 meeting. The estimation method is based on averages.

### ***Plans for 2005***

The industry data collection handbook will be finalised in autumn/winter 2004.

In order to show clearly the links and differences between the two systems, Joint Questionnaire and Expenditure Accounts, conversion guidelines have been developed. These use data from the extensive Worked Examples included in the SERIEE Compilation Guide published in 2002 and will be finalised and published as a Guide.

It is foreseen that first dissemination of results from the OECD/Eurostat questionnaire 2004 could be made by the end of 2004 with uploading of detailed data into New Cronos, and publication in the form of one or more Statistics in Focus is planned for 2005.

Eurostat will start work on a non-industrial data collection handbook and hopes to publish it by the end of 2005.

The next meeting of the Sub-group on Environment Expenditure Statistics is planned for 13 May 2005, covering also the related areas of the environmental accounts: Environmental expenditure accounts, Environment industry and Environmental taxes (next section).

## **5 Environmental taxes and environment industry**

### ***Achievements from mid 2003 to mid 2004***

Following the recommendations of the ESEA TF, a proposal for the integration of environmental taxes into the NAMEA framework was developed and discussed at the last NAMEA Air Task Force meeting.

### ***Plans for 2005***

Eurostat plans to continue the production of environmental tax revenue statistics (without an industry breakdown) jointly with the DG Taxation and Customs Union, with annual updates based on tax data reported to Eurostat in the national accounts transmission programme.

Eurostat proposes to start in 2005 to collect data on environmental taxes by sending out the standard table, recommended by the NAMEA TF, for a first inventory of data available at national level, and for comparison of consistency with the aggregated environmental tax revenue data already produced. The proposed standard table consists of a cross-classification of the main environmental tax categories (total environmental taxes, energy taxes, transport taxes, pollution taxes and resource taxes) with an industry breakdown following NACE 2-digit level plus households.

Following the recommendations of the ESEA TF, Eurostat will next year cooperate with DG ENV to investigate the possibility of supplying information on the environment industry.

## **6 Forests**

### ***Achievements from mid-2003 to mid-2004***

The questionnaire has been revised, including tables on carbon balance. Eurostat sent out the questionnaire on the beginning of June 2004 together with the NAMEA standard tables with the request to send back the filled questionnaire.

### ***Plans for 2005***

The forest environmental accounts database will be loaded with the data collected through the previous questionnaire. Data from the new collection using the revised set of tables will be progressively integrated. A Statistics in Focus based on the results from the questionnaire will be produced in 2005.

## **7 Database and Website on Environmental Accounting**

### ***Achievements from mid 2003 to mid 2004***

The existing and latest data from the different Environmental Accounting modules are being centralised and constantly introduced into the Database on Environmental Accounting. A website on Environmental Accounting (including MS reports and Eurostat handbooks, guides...) is being implemented.

### ***Plans for 2005***

The database will be updated in regular intervals and made public via New Cronos. The website will be made available free to public.

## **8 Environmental Accounts PHARE project**

The Training Workshop on MFA showed up the need for training and guidance to set up Environmental Accounting in the new Member States. The PHARE project will finance in 2005 training workshops and pilot projects for and by new Member States.

## **9 Special session on use of Environmental Accounts for SDI**

The Plenary meeting in October with Member States will include a joint session for environment statisticians and environmental accountants to explore the use of material flows and NAMEAs for the production of indicators for sustainable development. The following points will be discussed : resource productivity indicator, decomposition analysis, integrated NAMEA, environmental expenditure and taxes, eco-efficiency indicators.