

Proposal for the CPC division concerning environmental services

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Introduction

Environmental products are produced, designed and manufactured for purposes of environmental protection and resource management (SEEA CF). There is an increasing demand to provide high quality data for these products in macro-economic statistics, but also in environmental statistics and accounts. For this, a comprehensive classification is needed, which CPC, as the overarching classification for products, can provide. In this note we focus on environmental services, (physical) environmental products will be discussed in another note.

In this note we first describe the current recording of environmental services in CPC. As will be reflected in more detail below, in the current situation the CPC concentrates on the 'classic environmental services' such as waste collection and treatment, and several environmental services are not included, in particular those related to climate change mitigation and ecosystem management.

Here, a proposal is presented that better reflects environmental related services in CPC. Basically, the aim of this proposal is to:

- Concentrate (most) environmental related services into the same division.
- Add environmental services that are missing in CPC2.1. These are in particular services related to climate change mitigation and ecosystem management.
- Provide a direct link to the (updated) CEA (Classification of Environmental Activities) classification used in SEEA. This will provide a direct link to environmental economic policies such as climate change, circular economy and biodiversity protection.

Current recording in CPC2.1

In CPC 2.1, environmental services are mainly recorded under division 94 'Sewage and waste collection, treatment and disposal and other environmental protection services'.

CPC Ver.2.1 Code	CPC Ver.2.1 Code	CPC 2.1
DIVISION	GROUP	
94		Sewage and waste collection, treatment and disposal and other environmental protection services
	941	Sewerage, sewage treatment and septic tank cleaning services
	942	Waste collection services
	943	Waste treatment and disposal services
	944	Remediation services
	945	Sanitation and similar services
	949	Other environmental protection services n.e.c.

Other environmental related services can be found in:

- 894 Materials recovery (recycling) services, on a fee or contract basis

- 5465 Insulation services
- 8323 Landscape architectural services and advisory services
- 8597 Landscape care and maintenance services
- 8613 Support and operation services to hunting
- 8614 Support and operation services to forestry and logging
- 8615 Support and operation services to fishing
- 83931 Environmental consulting services
- 95992 Services furnished by environmental advocacy groups
- 96422 Nature reserve services including wildlife preservation services

Based on this analysis of the current recording of environmental related services in CPC2.1 we can conclude:

- Environmental services are mostly found in division 94, but also in other divisions.
- Division 94 only includes what we would call the 'classic' environmental protection services, i.e. those (primarily) produced by ISIC 37-39. Some environmental protection services are missing, in particular related to the reduction of air emissions and the protection against noise and radiation.
- Resource management services are found in other divisions and scattered over different groups, classes and subclasses.
- Services related to climate change mitigation are (largely) missing from CPC2.1
- The location of Division 94 does not mirror the location in ISIC, in fact it reflects the position in the previous version of ISIC.
- There is no alignment between CPC and the CEA classifications.

Proposal

The proposal is presented in the table below. It shows a) the proposed new structure, the link with CPC2.1 and c) the link with the CEA classification. The main points of this proposal are:

- Concentrate (most) environmental related services in one division. There are two options where to put this division in CPC: 1) in 94 (old location in CPC2.1), or 2) under 5. The preference would be the latter: putting environmental services under 5 would mirror their position in ISIC. It could be considered to also put waste products under 5 (see proposal for waste products).
- A new structure for this division is proposed which would match the **new CEA classification** as developed by Eurostat for an update of the SEEA CF. This will a) ensure comprehensibility with regard to environmental related services, and b) help to ensure the consistency with SEEA, and c) help and improve the compilation of these accounts.
- The new structure reflects CPC 2.1 division 94 with some additional groups and classes (including waste recovery and noise/ radiation reduction). In addition, the new structure includes environmental services currently missing from CPC 2.1, including 'new' services related to climate mitigation and ecosystem management related services.
- Some environmental services from CPC 2.1 are redistributed into the new division, but not all. Research services related to environment are not included, but should be added under Division

81 (see table below). Here some new subclasses are proposed. In addition, some environmentally related services will remain in the other divisions, such as insulation services, landscape architectural services etc.

Proposal for the division on environmental related services

CPC Ver.3 Code	CPC Ver.3 Code	CPC Ver.3 Code	CPC Ver.3 Code	CPC Ver.3 Descriptor	CPC 2.1	CPC 2.1	(new) CEA classification
SECTION	DIVISION	GROUP	CLASS				
Lev.1	Lev.2	Lev.3	Lev.4				
X				??			
	XX			Environmental protection and resource management services			
		XX1		Reduction and control of air emissions services			1.1
			XX11	Reduction of greenhousegas emssions services			
			XX12	Reduction of air emissions services (non greenhouse gasses)			
			XX13	Treatment of air pollution (non carbon) services			
			XX14	Carbon sequestration and storage services			
		XX2		Renewable energy and energy saving services			1.2 and 1.3
			XX21	Installation services for renewable energy production			
			XX22	Maintanance services for renewable energy production			
			XX23	Supporting services for renewable energy production			
			XX24	Supporting services for energy saving			
		XX3		Wastewater management and management of natural water resources services		941 Sewerage, sewage treatment and septic tank cleaning services	2.1 and 2.2
			XX31	Sewerage and sewage treatment services	9411	Sewerage and sewage treatment services	
			XX32	Septic tank emptying and cleaning services	9412	Septic tank emptying and cleaning services	
			XX33	Prevention of water pollution services			
			XX34	Water reuse and savings services			
			XX35	Replenishment of natural water resources			
			XX36	General management of natural water resources			
		XX4		Waste prevention, collection treatment and disposal services		942 Waste collection and prevention services	3.1
			XX41	Collection services of hazardous waste	9421	Collection services of hazardous waste	
			XX42	Collection services of non-hazardous recyclable materials	9422	Collection services of non-hazardous recyclable materials	
			XX43	General waste collection services	9423	General waste collection services	
			XX44	Sanitation and similar services	945	Sanitation and similar services	
			XX45	Waste prevention services			
			XX46	Waste preparation, consolidation and storage services	9431	Waste preparation, consolidation and storage services	
			XX47	Hazardous waste treatment and disposal services	9432	Hazardous waste treatment and disposal services	
			XX48	Non-hazardous waste treatment and disposal services	9433	Non-hazardous waste treatment and disposal services	
		XX5		Materials recovery (recycling) services, on a fee or contract basis		894 Materials recovery (recycling) services, on a fee or contract basis	3.2
			XX51	Wood and paper recovery (recycling)			
			XX52	Metal waste and scrap recovery (recycling) services, on a fee or contract basis	8941	Metal waste and scrap recovery (recycling) services	
			XX53	Othe mineral s recovery (metal, stone, glass, ceramics, other)	8942	Non-metal waste and scrap recovery (recycling) services	
			XX54	Plastics recovery	8942	Non-metal waste and scrap recovery (recycling) services	
			XX55	Textiles recovery	8942	Non-metal waste and scrap recovery (recycling) services	
			XX56	Other materials rocovery	8942	Non-metal waste and scrap recovery (recycling) services	
		XX6		Protection of soil, surface and groundwater services		944 Remediation services	4.1
			XX61	Cleaning up of soil and water bodies	9441	Site remediation and clean-up services	
			XX62	Prevention of pollutant infiltration	9442	Containment, control and monitoring services and other site remediation services n.e.c.	
			XX63	Building remediation services	9443	Building remediation services	
			XX64	Protection from erosion and other physical degradation of soil and water			
			XX65	Other remediation services n.e.c.	9449	Other remediation services n.e.c.	
		XX7		Protection of biodiversity, ecosystems and landscape			4.2
			XX71	Protection and rehabilitation of species and habitats	96422	Nature reserve services including wildlife preservation services	
			XX72	Protection of natural and semi-natural landscapes	96422	Nature reserve services including wildlife preservation services	
		XX8		Noise and radiation services			5
			XX81	Prevention and reduction of noise and vibration			
			XX82	Protection of ambient media against radiation			
			XX83	Transport and treatment of high level radioactive waste			
		XX9		Other environmental services n.e.c.		949 Other environmental protection services n.e.c.	
			XX90	Other environmental services n.e.c.	9490	Other environmental protection services n.e.c.	

Additional breakdowns for subclasses in CPC division 81

81111	Basic research services in physical sciences
81112	Basic research services in chemistry and biology
81113	Basic research services in biotechnology
81114	Basic research services in engineering and technology
81115	Basic research services in medical sciences and pharmacy
81116	Basic research services in agricultural sciences
81117	Basic research services in environmental sciences
81119	Basic research services in other natural sciences
81121	Applied research services in physical sciences
81122	Applied research services in chemistry and biology
81123	Applied research services in biotechnology
81124	Applied research services in engineering and technology
81125	Applied research services in medical sciences and pharmacy
81126	Applied research services in agricultural sciences
81127	Applied research services in environmental sciences
81129	Applied research services in other natural sciences
81131	Experimental development services in physical sciences
81132	Experimental development services in chemistry and biology
81133	Experimental development services in biotechnology
81134	Experimental development services in engineering and technology
81135	Experimental development services in medical sciences and pharmacy
81136	Experimental development services in agricultural sciences
81137	Experimental development services in environmental sciences
81139	Experimental development services in other natural sciences
81211	Basic research services in psychology
81212	Basic research services in economics
81213	Basic research services in law
81214	Basic research services in languages and literature
81219	Basic research services in other social sciences and humanities
81221	Applied research services in psychology
81222	Applied research services in economics
81223	Applied research services in law
81224	Applied research services in language and literature
81229	Applied research services on other social sciences and humanities
81231	Experimental development services in psychology
81232	Experimental development services in economics
81233	Experimental development services in law
81234	Experimental development services in languages and literature

