

# SEEA and revision of international statistical classifications

Sjoerd Schenau (Statistics Netherlands), Julian Chow (UNSD)

London Group meeting, 28-9-2022

# Overview

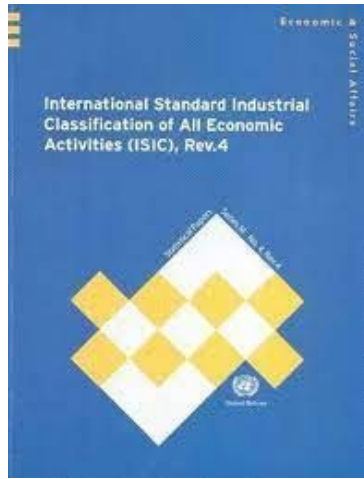
Several revision efforts are ongoing, opportunity to make 'environment' more explicit in statistical classifications

- ISIC
- CPC
- SIEC
- COFOG
- SNA relevant classifications
- SEEA classifications: CEA

The SEEA community participates in this revision process :

- Identify a list of additional SEEA-relevant classification issues for consideration
- Provide input to existing classification issues
- Make proposals for additions, extensions and links to other classifications

# International Standard Industry Classification (ISIC)

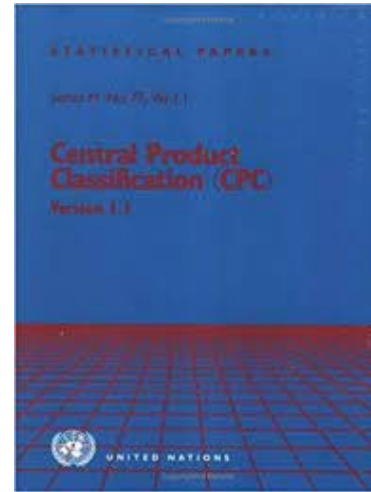


- **Two proposals** were made to better reflect the emerging environmental activities were prepared
  - a) climate change mitigation activities
  - b) ecosystem conservation, management and restoration activities.
- Although the ISIC revision process recognized the importance of these activities, **no changes were proposed** at the Section, Division or Group level
- Moving forward the efforts will focus in making environment related activities visible by either making them explicit in **the explanatory notes** of existing classes or possibly **creating separate classes**

# Proposals for (additional) ISIC classes

- **3900 Remediation activities and other waste management services** → include carbon remediation, capture and storage activities
- **3510 Electric power generation, transmission and distribution** → split in two classes production of electricity from renewable and non renewable sources
- **8130 Landscape care and maintenance service activities** → split in two classes: 8131 landscape care activities and 8132 Ecosystem conservation, management and restoration activities
- **8412 Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security** → add class 8414 specific for 'Regulation of the activities of natural resource management, waste management and environmental protection'

# Central Product Classification (CPC)



- Our community is taking the lead in preparing **proposals** for
  - a) topics on environmental goods and services,
  - b) products related to waste
  - c) Products related to the circular economy
  
- **Process so far:**
  - Creation of small group within the SEEA Central Framework Technical Committee to prepare an initial draft
  - Creation of a focus group within the CPC task team to seek wider engagement and input from the task team members
  - Presentation of proposal to the CPC task team in May and June 2022
  - Presentation adjusted proposals in a focus group meeting in August

# Waste products

## Current situation:

- Waste products in division 39, but also in other divisions
- No clear definition for waste products
- No alignment with other classifications

## Proposal

- Adopt SEEA CF waste definition for CPC
- Concentrate all waste products in 1 division
- Adopt/ align with EWC (European Waste Classification)



# Proposed structure

CPC Ver.3 Code	CPC Ver.3 Code	CPC Ver.3 Code	CPC Ver.3 Descriptor
SECTION	DIVISION	GROUP	
Lev.1	Lev.2	Lev.3	
X			??
	XX		<b>Waste products</b>
		XX1	Chemical waste
		XX2	Health care and biological waste
		XX3	Metallic waste
		XX4	Non-metallic waste
		XX5	Discarded equipment
		XX6	Animal, vegetal and mixed waste
		XX7	Common sludges
		XX8	Mineral waste
		XX9	Solidified, stabilised or vitrified waste

# Environmental services



## Current situation:

- 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.
- Resource management services are found in other divisions and scattered over different groups, classes and subclasses.

## Proposal

- Concentrate (most) environmental related services into the same division.
- Add environmental services that are missing in CPC2.1. 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.



# Proposed structure

CPC Ver.3 Code	CPC Ver.3 Code	CPC Ver.3 Code	CPC Ver.3 Descriptor	(new) CEA classification
SECTION	DIVISION	GROUP		
Lev.1	Lev.2	Lev.3		
X			??	
	XX		<b>Environmental protection and resource management services</b>	1.1
		<b>XX1</b>	Reduction and control of air emissions services	1.2 and 1.3
		<b>XX2</b>	Renewable energy and energy saving services	2.1 and 2.2
		<b>XX3</b>	Wastewater management and management of natural water resources services	3.1
		<b>XX4</b>	Waste prevention, collection treatment and disposal services	3.2
		<b>XX5</b>	Materials recovery (recycling) services, on a fee or contract basis	4.1
		<b>XX6</b>	Protection of soil, surface and groundwater services	4.2
		<b>XX7</b>	Protection of biodiversity, ecosystems and landscape	5
		<b>XX8</b>	Noise and radiation services	
		<b>XX9</b>	Other environmental services n.e.c.	

# Environmental products



## Current situation:

- Environmental goods can be made more visible in the CPC by making relatively small changes which fit within the existing structure.

## Proposals: inclusion of specific classes for:

- Insulation materials
- Waste processing furnaces
- Solar water heaters
- 3D-printers
- Charging stations for electric and hybrid vehicles
- LEDs
- Electric vehicles
- Heat pumps

# Next steps ISIC and CPC revisions

- Both revision processes are in their final stages
- October: final discussions in task teams, preparation for global consultations
- End of 2022: start global consultations

# Standard International Energy Classification (SIEC)



- The UN Committee of Experts on International Statistical Classifications (UNCEISC) has proposed the **initiation of the revision of SIEC**, endorsed by UNSC 2022
- Initial discussion among Chair of UNCEISC, Chair of CPC revision task team, representatives of IEA, Energy statistics section and Environmental-Economic Accounting section of UNSD
- Task team has started in July 2022
  - The importance of a better harmonization between CPC and SIEC Classification was stressed
  - An option is the full integration of SIEC within the structure of CPC or created as a derived view, aggregation or appendix to CPC

# Classification Of the Functions Of Government (COFOG)

- UNCEISC has proposed the initiation of a **review process of COFOG**, endorsed by UNSC 2022
- Important for 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 SDGs.
- **Revision process has started**, SEEA community has been asked what issues should be addressed



## COFOG classification structure

- ✓ 01 – general public service
- ✓ 02 – defence
- ✓ 03 – public order and safety
- ✓ 04 – economic affairs
- ✓ 05 – environment protection
- ✓ 06 – housing and community amenities
- ✓ 07 – health
- ✓ 08 – recreation, culture and religion
- ✓ 09 – education
- ✓ 10 – social protection

Ecfin

# Questions for the London group

- Do you have any comments with regard to the proposals for ISIC ?
- Do you have any comments with regard to the proposals for CPC ?
- Do you have any first ideas with regard to the COFOG revision ?
- Would you be interested to become involved in this revision work ?