Regulation (EU) No 691/2011 of the European Parliament and of the Council of 6 July 2011 on European environmental economic accounts (Text with EEA relevance)

REGULATION (EU) No 691/2011 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 6 July 2011

on European environmental economic accounts

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 338(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure[(1)],

Whereas:

(1) Article 3(3) of the Treaty on European Union provides, inter alia, that the Union 'shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment'.

(2) Decision No 1600/2002/EC of the European Parliament and of the Council of 22 July 2002 laying down the Sixth Community Environment Action Programme[(2)] confirmed that sound information on the state of the environment, and on the key trends, pressures and drivers for environmental change, is essential for the development of effective policy, its implementation, and the empowerment of citizens more generally. Instruments should be developed with a view to enhancing public awareness of the environmental effects of economic activity.

(3) A scientifically sound approach to measuring the shortage of resources will, in the future, be crucial to the sustainable development of the Union.

(4) Decision No 1578/2007/EC of the European Parliament and of the Council of 11 December 2007 on the Community Statistical Programme 2008 to 2012[(3)] refers clearly to the need for high-quality statistics and accounts in the domain of the environment. Furthermore, under the main initiatives for 2008 to 2012 it states that legal bases should be developed, where appropriate, for core areas of environmental data collection currently not covered by legal acts.

(5) In its Communication of 20 August 2009 entitled 'GDP and beyond: Measuring progress in a changing world', the Commission recognised the need to supplement

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existing indicators with data that incorporate environmental and social aspects in order to allow more coherent and comprehensive policy making. To that end, environmental economic accounts offer a means of monitoring the pressures exerted by the economy on the environment and of exploring how these might be abated. Environmental economic accounts show the interaction between economic, household and environmental factors and consequently are more informative than national accounts alone. They provide a significant source of data for environmental decisions and the Commission should consult them when drawing up impact assessments. In line with the tenets of sustainable development and the drive to achieve a resource-efficient and low-pollution economy, embedded in the Europe 2020 Strategy and various major initiatives, developing a data framework that consistently includes environmental issues along with economic ones becomes all the more imperative.

(6) The European System of Accounts (ESA), set up by Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community[(4)] (ESA 95), consistent with the System of National Accounts (SNA), adopted by the United Nations Statistical Commission in February 1993, is the main tool behind the Union's economic statistics as well as many economic indicators (including GDP). The ESA framework can be used to analyse and evaluate various aspects of the economy (e.g. its structure, specific parts, development over time) yet for some specific data needs, such as analysis of the interaction between the environment and the economy, the best solution is to draw up separate satellite accounts.

(7) In its June 2006 conclusions, the European Council called on the Union and its Member States to extend the national accounts to key aspects of sustainable development. National accounts should therefore be supplemented with integrated environmental economic accounts providing data that are fully consistent.

(8) It is of great importance that, as soon as the system is fully operational, European environmental economic accounts be actively and accurately used in all Member States and in all relevant Union policy making as a key input to impact assessments, action plans, legislative proposals and other significant results of the policy process.

(9) More timely data could also be produced by now-casting, which uses statistical techniques similar to those used in forecasting to make reliable estimates.

(10) Satellite accounts allow the analytical capacity of national accounting to be expanded for selected areas of social concern, such as pressures on the environment stemming from human activity, in a flexible manner, without overburdening or disrupting the central system. Satellite accounts should be made available to the public regularly and in comprehensible form.

(11) The system of integrated environmental economic accounts (SEEA), developed collectively by the United Nations, the European Commission, the International Monetary Fund, the Organisation for Economic Cooperation and Development and the World Bank, is a satellite system of the SNA. It brings together economic and environmental information in a common framework to measure the contribution of the environment to the economy and the impact of the economy on the environment. It provides policy-makers with indicators and descriptive statistics to monitor these

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interactions as well as a database for strategic planning and policy analysis to identify more sustainable paths of development.

(12) The SEEA synthesises and integrates as far as possible the different categories of environmental economic accounts. In general, all these categories broaden the existing SNA concepts of cost, capital formation and stock of capital by supplementing them with additional data in physical terms in order to encompass environmental cost and the use of natural assets in production, or by amending them through the incorporation of these effects in monetary terms. Within this general orientation, the several existing categories differ considerably in terms of methodology and the environmental concerns addressed.

(13) The Commission presented its first strategy on 'green accounting' in 1994. Since then the Commission (Eurostat) and the Member States have developed and tested accounting methods to the point where several Member States now regularly provide first sets of environmental economic accounts. Most common are physical flow accounts on air emissions (including greenhouse gases) and on material consumption, and monetary accounts on environmental protection expenditure and on environmental taxes.

(14) One of the objectives for the period covered by the Community Statistical Programme 2008 to 2012 is to take initiatives to replace agreements with Union legislation in certain areas in which European statistics are regularly produced and have reached sufficient maturity.

(15) Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European Statistics[(5)] provides a reference framework for European environmental economic accounts. In particular, it requires European statistics to comply with principles of professional independence, impartiality, objectivity, reliability, statistical confidentiality and cost effectiveness.

(16) As the different sets of environmental economic accounts are under development and at different stages of maturity, a modular structure providing adequate flexibility, allowing, inter alia, for the introduction of additional modules, should be adopted.

(17) A programme of pilot studies should be established to improve reporting and data quality, enhance methodologies and prepare for further developments.

(18) The introduction of additional reporting requirements should be preceded by a feasibility assessment.

(19) The Commission should be entitled to grant derogations to Member States during the transitional periods in so far as major adaptations to their national statistical systems are required.

(20) The Union should encourage the introduction of environmental economic accounts in third countries, particularly in those that share environmental resources (mainly water) with Member States.

(21) Since the objective of this Regulation, namely the establishment of a common framework for the collection, compilation, transmission and evaluation of European

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environmental economic accounts, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

(22) The power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission for the purpose of adjusting the modules to environmental, economic and technical developments, as well as providing methodological guidance. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.

(23) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers[(6)].

(24) The European Statistical System Committee has been consulted,

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation establishes a common framework for the collection, compilation, transmission and evaluation of European environmental economic accounts, for the purpose of setting up environmental economic accounts as satellite accounts to ESA 95, by providing methodology, common standards, definitions, classifications and accounting rules intended to be used for compiling environmental economic accounts.

Article 2

Definitions

For the purposes of this Regulation the following definitions shall apply:

(1) 'air emission' means the physical flow of gaseous or particulate materials from the national economy (production or consumption processes) to the atmosphere (as part of the environmental system);

(2) 'environmentally related tax' means a tax whose tax base is a physical unit (or a proxy of a physical unit) of something that has a proven, specific negative impact on the environment, and which is identified in ESA 95 as a tax;

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(3) 'economy-wide material flow accounts (EW-MFA)' means consistent compilations of the material inputs into national economies, the changes of material stock within the economy and the material outputs to other economies or to the environment**[**F1;**]**

(4) **[**F2'environmental protection expenditure' means the economic resources devoted by resident units to environmental protection. Environmental protection includes all activities and actions which have as their main purpose the prevention, reduction and elimination of pollution and of any other degradation of the environment. Those activities and actions include all measures taken in order to restore the environment after it has been degraded. Activities which, while beneficial to the environment, primarily satisfy the technical needs or the internal requirements for hygiene or safety and security of an enterprise or other institution are excluded from this definition;

(5) 'environmental goods and services sector' means the production activities of a national economy that generate environmental products (environmental goods and services). Environmental products are products that have been produced for the purpose of environmental protection, as referred to in point (4), and resource management. Resource management includes the preservation, maintenance and enhancement of the stock of natural resources and therefore the safeguarding of those resources against depletion;

(6) 'physical energy flow accounts' means consistent compilations of the physical energy flows into national economies, the flows circulating within the economy and the outputs to other economies or to the environment.**]**

Textual Amendments

F1 Substituted by Regulation (EU) No 538/2014 of the European Parliament and of the Council of 16 April 2014 amending Regulation (EU) No 691/2011 on European environmental economic accounts (Text with EEA relevance).

F2 Inserted by Regulation (EU) No 538/2014 of the European Parliament and of the Council of 16 April 2014 amending Regulation (EU) No 691/2011 on European environmental economic accounts (Text with EEA relevance).

Article 3

Modules

1 The environmental economic accounts to be compiled within the common framework referred to in Article 1 shall be grouped in the following modules:

a a module for air emissions accounts, as set out in Annex I;

b a module for environmentally related taxes by economic activity, as set out in Annex II;

c a module for economy-wide material flow accounts, as set out in Annex III**[**F1;**]**

[F2d a module for environmental protection expenditure accounts, as set out in Annex IV;

e a module for environmental goods and services sector accounts, as set out in Annex V;

f a module for physical energy flow accounts, as set out in Annex VI.**]**

2 Each Annex shall contain the following information:

a the objectives for which the accounts are to be compiled;

b the coverage of the accounts;

c the list of characteristics for which data are to be compiled and transmitted;