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# REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

## on the implementation of Regulation (EU) No 691/2011 on European environmental economic accounts

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## (1) INTRODUCTION

Regulation (EU) No 691/2011 on European environmental economic accounts[1] (the Regulation) introduced a common framework for collecting, compiling, transmitting and evaluating European environmental economic accounts. Article 10 of the Regulation stipulates the following:

> *By 31 December 2013 and every 3 years thereafter, the Commission shall submit a report on the implementation of this Regulation to the European Parliament and the Council. That report shall evaluate in particular the quality of the data transmitted, the data collection methods, the administrative burden on the Member States and on the respondent units, as well as the feasibility and effectiveness of those statistics.*

This is the third report fulfilling this obligation. The previous reports were published in 2016[2] and 2013[3]. This implementation report covers 2016 to 2018.

## (2) ENVIRONMENTAL ECONOMIC ACCOUNTS

The European Green Deal resets the Commission commitment to tackling climate and environmental-related challenges[4]. The Commission commits to put the EU firmly on a new path of sustainable and inclusive growth, while protecting and strengthening the EU's natural capital. Under the Green Deal, the EU aims to:

- increase the EU's climate ambition to achieve climate neutrality by 2050;
- supply clean energy;
- bring about a circular economy;
- build in an energy and resource-efficient way;
- achieve zero pollution and a toxic-free environment;
- preserve and restore ecosystems and biodiversity;
- ensure a sustainable and healthy food system;
- promote sustainable and smart mobility.

1 http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02011R0691-20140616

2 https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1478531808092&uri=CELEX:52016DC0663

3 http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52013DC0864

4 https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf

Ensuring a 'just transition' towards climate neutrality and financing the transition are key elements to be mainstreamed in all policies. The European Green Deal is an integral part of the Commission's strategy to implement the 2030 Agenda and the UN Sustainable Development Goals.

Environmental economic accounts, or environmental accounts for short, are a powerful, multipurpose information framework addressing the sustainability aspects of our economic behaviour. Mainstream economic statistics, such as the national accounts, which underpin GDP, do not take account of environmental aspects in production, consumption, investment or financing. The environmental accounts enable the integration of economic and environmental aspects to complete this picture.

The key feature of environmental accounts is *integration*. This concerns both the integration of environmental and economic aspects, and the integration into a consistent economic accounting system of a range of key thematic environmental aspects such as i) energy, taxation and air emissions; ii) material extractions and waste; and iii) government and business expenditure and investment. This integration allows developing coherent indicator sets, and helps identifying possible synergies and trade-offs between sectoral policies. The environmental accounts facilitate this due to the reasons set out below.

- They generate coherent sets of indicators that are linked to one another in a comprehensive and consistent economic and environmental context. Correspondingly, the accounts are well placed for assessment frameworks relating to the key components of natural capital (air, water, land and biodiversity) and to serve multidimensional, cross-cutting topics such as progress towards achieving the Sustainable Development Goals or the circular economy;
- They provide structure and enhance possibilities for analysis. Information is organised to exploit synergies across individual thematic areas. This enables cost-effectiveness analyses, scenario modelling and forecasts. The accounts enable the allocation of emissions or resource use to imports, exports, consumption and investment and the calculation of footprint-type indicators using input-output techniques. Other applications include measuring the contribution of natural resources and energy to economic growth (growth accounting, decomposition analysis).

The accounting approach is useful because it enables high quality information to be produced (i.e. by integrating source data and combining them into robust estimates) and available data to be reused so as to limit the administrative burden on businesses and citizens.

At European level, the *European* environmental accounts underpin the supranational dimension of the environmental issues and provide a systematic approach and coverage across Member States and environmental topics that enable policy assessment and comparisons across Member States.

The European environmental accounts are based on the international standard System of Environmental-Economic Accounting 2012 – Central Framework (SEEA CF)[5]. This standard was produced and released under the auspices of the United Nations, the European Commission (Eurostat), the Food and Agriculture Organisation of the UN, the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund and the World Bank group.

The Regulation establishes the European environmental economic accounts. The Regulation has EEA relevance[6]. It structures the accounts in modules, originally creating three modules (Annexes I to III to the Regulation), as follows:

- **Air emissions accounts**: the emissions into the atmosphere of six greenhouse gases (including $CO_2$ and $CO_2$ from biomass used as a fuel) and seven air pollutants (including ammonia and fine dust particles), with a breakdown covering 64 emitting industries plus households.
- **Environmentally related taxes by economic activity**: environmental taxes for four broad groups: energy, transport, pollution and resources, with a breakdown covering 64 paying industries plus households and non-residents.
- **Economy-wide material flow accounts**: the amounts of physical inputs into the economy, material accumulation in the economy, and outputs to other economies or back to the environment.

Since 2013, there has been an obligation to submit data to the Commission (Eurostat) under Annexes I to III.

Three additional modules were added in 2014 (Annexes IV to VI)[7], as follows:

- **Environmental protection expenditure accounts**: expenditure undertaken by economic units for environmental protection purposes.
- **Environmental goods and services sector accounts:** output, value added and exports of goods and services that have been specifically designed and produced to protect the environment or manage resources. The employment associated with these activities is also reported.
- **Physical energy flow accounts**: flows of energy from the environment into the economy (extraction of natural inputs), within the economy (manufacture and use of energy products) and from the economy to the environment (discharge of energy residuals).

Since 2017, there has been an obligation to submit data to the Commission (Eurostat) under Annexes IV to VI.

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5 http://unstats.un.org/unsd/envaccounting/seea.asp

6 It covers Norway and Iceland. Liechtenstein has a complete derogation. The bilateral Statistical Agreement of Switzerland with the European Union, includes the Regulation since December 2019

7 Regulation (EU) No 538/2014 of the European Parliament and of the Council of 16 April 2014 amending Regulation (EU) 691/2011 on European environmental accounts

In October 2019, the European Court of Auditors published the Special Report No 16/2019 on European Environmental Economic Accounts[8]. The Court checked whether the Commission set up, managed and used the environmental accounts well. The Court concluded that the environmental accounts are an important source of data for monitoring and evaluating environmental policies, such as the 7th environment action programme, and progress towards achieving the United Nations' Sustainable Development Goals. The Court made three recommendations regarding i) the strategic framework for environmental accounts, ii) relevance for policymaking and iii) timeliness of data. While some of the recommendations concur with ongoing activities by the Commission (Eurostat) and the Member States, the Court's Report will require additional work.

## (3) ACTIVITIES SINCE THE LAST REPORT

### LEGAL FRAMEWORK

There have been no new legal acts related to the Regulation since the last implementation report in 2016.

### DATA COLLECTION METHODS AND ADMINISTRATIVE BURDEN

Environmental economic accounts do not generally require new data to be collected. Instead they mostly make use of existing data already held by national authorities, complemented with additional estimates where needed. This is because they collate data from a wide range of sources, e.g. underlying statistics on energy, transport, agriculture, government expenditure and taxation, as well as some non-statistical sources, in addition to the national accounts data.

To fulfil the data requirements set out in the Regulation, Member States can adjust existing data to bring it into line with the concepts in the SEEA CF. This may require specific work from Member State national statistical offices. The fact that environmental economic accounts reuse existing data means that the additional response burden placed on businesses and households is very small, as long as data sources exist and are maintained. Countries can also choose to set up specific data collection processes for the purposes of the environmental economic accounts, which will help to improve data quality. One example of where this has been undertaken is the environmental goods and services sector accounts (Annex V to the Regulation), which involved some countries setting up dedicated surveys to complement their other sources of data. These surveys have annual or multiannual periodicity and the burden placed on businesses is often low.

National authorities (typically the national statistical institutes) carry out most of the work required to produce the accounts, which involves processing existing data and improving their analytical potential. The average number of staff required to compile the accounts in each national authority is estimated at between four and six full-time equivalents for the six Annexes to the Regulation. There are differences across Member States because of their circumstances, existence/extent of data sources, etc. The accounts add considerable value to the basic data and increases the potential to analyse mutual interactions between the topics in

[8] https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=51214

the Annexes e.g. air emissions and energy use. Several national authorities used pilot studies (co-financed by the Commission) to set up the methods for processing and analysing the data.

**FEASIBILITY AND EFFECTIVENESS**

The modules laid down in the Regulation were tested and piloted before the Commission proposed a legal framework, thus ensuring their feasibility (see below). The testing is carried out in cooperation with the Member States so as to benefit from their expertise and ensure there is a common understanding about the modules' feasibility. Pilot studies of further, potential new modules are currently ongoing.

The effectiveness of the environmental economic accounts depends on two factors: first, how existing information can be reorganised into a common framework; and second, how and to what extent the accounts are used.

As regards the first point, the air emissions accounts (Annex I to the Regulation) provide one example of how existing information has been reorganised. The air emission accounts use information already gathered for the air emission inventories that are required for reporting under the United Nations Framework Convention on Climate Change (UNFCCC) and under the United Nations Economic Commission for Europe Convention on Long-range Transboundary Air Pollution (CLRTAP). Further information is then added to the data to bring them into line with the classifications and concepts used in the national accounts. Then the air emissions accounts can be combined with input-output tables to produce environmental footprints; they can be used with national accounts to calculate how much the environment contributes to economic growth (decomposition analysis).

The air emission accounts can also be used together with environmental accounts for other areas such as energy or environmental taxes. This information can be used in causal frameworks for describing and analysing the interactions between society and the environment, like the framework 'Driving forces, Pressures, State, Impact and Responses' adopted by the European Environment Agency.

As regards the second point, the environmental accounts underpin the 7th EU environmental action programme to 2020, 'Living well, within the limits of our planet'[9]. The environmental economic accounts are used to monitor the progress towards the Sustainable Development Goals in an EU context[10]. The environmental accounts are also used to measure progress made in the EU's policies on the circular economy, as indicators based on environmental accounts are part of the EU monitoring framework for the circular economy[11]. Environmental taxes (Annex II to the Regulation) are used in environmental fiscal reform studies[12].

**QUALITY OF THE DATA TRANSMITTED SINCE THE LAST REPORT**

9 http://ec.europa.eu/environment/action-programme/

10 https://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-01-18-656. Example indicators based on environmental accounts are: 'resource productivity', 'circular material use rate' and 'shares of environmental taxes in total tax revenues'.

11 https://ec.europa.eu/eurostat/web/circular-economy/indicators/monitoring-framework . One example indicator based on environmental accounts is 'circular material use rate'.

12 https://ec.europa.eu/environment/integration/green_semester/index_en.htm

The Regulation requires Member States, as well as EEA countries, to report data to Eurostat.[13] Switzerland along with a number of candidate countries and potential candidate countries for EU membership also report some data on a voluntary basis. This implementation report focuses on the first group of countries (EU/EEA countries). Eurostat validates the data received and makes them publicly available on its website[14], together with technical explanations (metadata) and a dedicated section[15] with background information.

The vast majority of Member States consistently report complete data sets according to the deadlines set in the Regulation. A small number of Member States reported a delay, usually a few days; only one Member State reported a longer delay. Those delays had no practical impact on the processing or dissemination of the data.

A number of areas and specific items have been identified for which countries struggle to ensure that data are of good quality. The Commission (Eurostat) continues to work with the Member States to resolve issues at a technical level. Until these areas are fully resolved, in order to minimise the information loss for users from such incomplete reporting, the Commission (Eurostat) filled gaps in the data submitted by Member States and calculated EU aggregates.

The activities carried out between 2016 and 2018 to improve the quality of the data include the following.

As regards the accounts which are reported since 2013, and for which there is more experience, the previous implementation report already identified specific areas and items for which countries struggle to ensure that data are of good quality. The issues stated in the previous implementation report that are now solved or are being solved, are described below.

- The issues solved are, for Annex I (air emissions accounts): coverage of emissions of fluorinated gases. For Annex III (economy-wide material flow accounts): i) estimates for crop residues, fodder crops and grazed biomass, sand and gravel extraction (with guidance and proposed solutions in a new Eurostat handbook[16] published in 2018 and newly available Eurostat crop production statistics); ii) the adjustment to the residence principle for the whole EU.

- The issues being solved are, for Annex I: the reconciliation with the estimates for the UNFCCC and CLRTAP reporting obligations (solution in preparation using

[13] For the three new modules, Spain, France, Italy and Cyprus benefited from derogations under Commission Implementing Decision (EU) 2016/335 of 7 March 2016 granting derogations from Regulation (EU) No 691/2011 on European environmental economic accounts with regard to Spain, France, Italy and Cyprus (http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=uriserv:OJ.L_.2016.062.01.0018.01.ENG).

In addition, Regulation (EU) 691/2011, Annex IV, section 5.1 grants a derogation for those NACE codes, which Member States are not obliged to collect under Regulation (EC) 295/2008 on structural business statistics.

Iceland has a temporary derogation to report the data in Annexes IV to VI until 2019, as specified in an EFTA Surveillance Authority Decision of 20 October 2015. Liechtenstein has a complete derogation from 691/2011, as specified in Decision of the EEA Joint Committee No 98/2012 of 30 April 2012 amending Annex XXI (Statistics) to the EEA Agreement (https://www.efta.int/sites/default/files/documents/legal-texts/eea/other-legal-documents/adopted-joint-committee-decisions/2012%20-%20English/098-2012.pdf)

[14] https://ec.europa.eu/eurostat/web/environment/data/database

[15] http://ec.europa.eu/eurostat/web/environment/overview

[16] https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-GQ-18-006

international databases of passenger air transport and truck road transport). For Annex II (environmentally related taxes by economic activity): i) the allocation of tax revenue to non-residents has significantly improved as almost 70% of countries are now reporting on this aspect fully; ii) cases of non-suitable administrative source data are now limited following revisions of macroeconomic statistics.

Besides addressing those issues, the quality of data for Annexes I to III has been consolidated since the 2016 implementation report by means of i) producing longer time series; ii) closing data gaps; iii) improving consistency; iv) improving validation and dissemination procedures; and v) increasing the voluntary reporting of supplementary variables and breakdowns beyond the Regulation's requirements. Furthermore, the data are disseminated faster thanks to special, model-based early estimates by Eurostat and a faster delivery by Member States.

As regards Annexes IV to VI (respectively: environmental protection expenditure accounts, environmental goods and services sector accounts, and physical energy flow accounts), the activities over 2016-2017 running up to the first reporting deadline late in 2017 included preparatory work for the first mandatory data collection, including i) annual voluntary data collections; ii) Commission (Eurostat) guidance; iii) producing handbooks; and iv) providing compilation tools and training. Since 2018, training has continued and work has focused on providing feedback to Member States on the quality of the data submitted. Expert groups ('task forces') have been developing solutions for two methodological issues: i) the allocation of road transport emissions to the NACE classification (concerning mainly Annexes I and VI) and ii) the update of the classification of environmental economic activities (concerning Annexes IV and V).

Overall, for all Annexes I to VI, the data quality improved over 2016-2018. The statistical data for Annexes I to III submitted by Member States under the Regulation is of high quality. The data for Annexes IV to VI show a lower level of maturity because obligatory reporting only started in 2017, i.e. until then there had been only two collection rounds. In addition, Annexes IV and V are more complex than the other Annexes and require other categories of source data. The Commission expects the quality of the data for Annexes IV to VI to improve in the next few years. There are still areas where improvement is needed. The Commission (Eurostat) continues to work with the Member States to resolve issues at a technical level. A number of measures are either being implemented or are planned in order to improve quality, see next section.

### (4) IMPROVEMENT MEASURES

This section discusses proposals for introducing new environmental economic accounts modules and the measures being taken to improve data quality and data collection methods, as required under Article 10 of the Regulation.

The initiatives presented in this section are the result of two main strategies. The first is the implementation strategy[17] for the SEEA CF, which is the international statistical standard that the European environmental economic accounts adhere to. This worldwide implementation

[17] http://unstats.un.org/unsd/statcom/doc13/BG-SEEA-Implementation.pdf

strategy recommends a flexible and modular approach, in order to accommodate different policy needs and the availability of different levels of data.

The second is the European strategy for environmental accounts for 2019 to 2023[18]. This is a programme of further work agreed by the Commission (Eurostat) and the Member States and adopted by the European Statistical System Committee. This strategy coordinates European efforts and paves the way for possible new modules. The objectives for 2019 to 2023 are to:

- continue to improve the quality of the current European environmental accounts, including long time series and timeliness;
- better communicate the relevance and content of the European environmental accounts, including communicating the environmental modules as a whole system;
- serve user needs by offering further extensions, applications and indicators, including footprints, based on the current European environmental accounts;
- assess the need to adjust the European environmental accounts to new priorities and areas;
- support those who produce the accounts in the Member States with financial resources, training, handbooks and compilation tools;
- contribute to the further development of global standards of the UN SEEA and global initiatives such as monitoring the Sustainable Development Goals.

The European strategy for environmental accounts does not prevent individual Member States from also developing other streams of work, according to their national circumstances, policy needs and available resources.

**PROPOSALS FOR NEW MODULES**

Article 10 of the Regulation states that this implementation report, where appropriate and taking into account the findings of pilot studies, must be accompanied by proposals for new modules in a number of named areas[19].

Several new accounts continue to be developed, including those listed in Article 10 of the Regulation, and the programme for pilot studies, established under Article 4(2) of the Regulation, continues to be used. Over 2016-2018, Member States piloted studies on ecosystem accounts, environmental subsidies and similar transfers, water accounts as well as resource management expenditure accounts.

Besides those pilots, there was other development work, as described below.

- On environmental subsidies and similar transfers, Eurostat has been running a voluntary data collection since 2015. Some 13 Member States have participated so far but a critical mass of Member States has yet to be reached. More recently, work on fossil fuels subsidies is under way in the context of Sustainable Development

18 https://ec.europa.eu/eurostat/documents/1798247/6191525/European+Strategy+for+Environmental+Accounts/

19 Three of the new areas listed in Article 10 eventually became Regulation Annexes IV to VI, and therefore are not candidates for future areas.

Goals indicators. Environmental subsidies is an area more demanding than environmental taxes because their recording in public finance statistics is more complex.

- On ecosystem accounts, there has been substantial development driven by the Commission INCA project[20] (phase 1 completed and phase 2 advancing), which is scheduled to end in 2020. Member States are not required to join at this stage but they are kept informed and will be able to join if the project is successful. Besides INCA, the Commission (Eurostat) contributed to the release of the Technical Recommendations in support of the SEEA Experimental Ecosystem Accounting[21] in December 2017and to the revision of the SEEA Experimental Ecosystem Accounting scheduled to end by 2020[22].
- On water accounts, the Commission (Eurostat) did conceptual work on physical water flow accounts, which was documented in a draft manual. No data collection has been launched. The Commission (Eurostat) follows the activities of the European Environmental Agency in order to produce water accounts.
- On forest accounts, the Commission (Eurostat) has streamlined and simplified a voluntary data collection process. The experience in some participating Member States is that past pilots did not meet the users' expectations and work was discontinued at national level, but in other Member States demand is high.

Member States would support the development of new modules but at a slower pace as they have concerns regarding the resources needed for regular production. The modules that are seen to produce the most benefits at the lowest cost are those already introduced in the Regulation. The remaining potential new modules are considered to have proportionally less benefits and are more costly.

Priorities about relevance may shift in the future. There is a lot of technical progress ongoing, e.g. big data, satellite images (Copernicus), etc. Demand for information in order create policies making is rising in areas such as those related to the Sustainable Development Goals, the circular economy, natural capital, etc. The annual sustainable growth strategy[23] has a stronger focus on environmental sustainability, including climate change, as one of its strategic objectives alongside productivity, fairness and macroeconomic stability[24].The Commission will continue to monitor the implementation of this Regulation.

**QUALITY IMPROVEMENTS: RECENT ACTIVITIES**

Improving the quality of the accounts will continue to be a focus for the following years. Improving the quality has been a focus of the European strategy for environmental accounts

20 Integrated system of Natural Capital and ecosystem services Accounting, see the project description (http://ec.europa.eu/environment/nature/capital_accounting/pdf/KIP-INCA-ScopingPaper.pdf ) and the final report for phase 1 (http://ec.europa.eu/environment/nature/capital_accounting/pdf/KIP_INCA_final_report_phase-1.pdf).

21 https://seea.un.org/sites/seea.un.org/files/technical_recommendations_in_support_of_the_seea_eea_final_white_cover.pdf

22 https://seea.un.org/content/seea-experimental-ecosystem-accounting-revision

23 https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1578392227719&uri=CELEX%3A52019DC0650

24 https://ec.europa.eu/info/sites/info/files/2020-european-semester-annual-sustainable-growth-strategy_en.pdf

as well. Quality improvements also increase relevance and make efficiency gains possible, which in turn decrease administrative burden. The following are the current and upcoming activities.

(a) **Providing grants for pilot studies and quality improvements.** Article 4 of the Regulation calls on the Commission to draw up a programme of pilot studies to be carried out by Member States on a voluntary basis. The aim of the studies is to: i) develop reporting methods and improve data quality; ii) establish long time series; iii) develop the methods used for processing the data and iv) test the feasibility of introducing new modules for environmental economic accounts. The Commission (Eurostat) has co-financed pilot studies every year (now up to 90% of the costs) and published the results in the public online site 'Communication and Information Resource Centre for Administrations, Businesses and Citizens (CIRCABC)'[25]. These findings are taken into account when planning quality improvements and introducing new modules for environmental economic accounts.

(b) **Producing early estimates to reduce the time delay in the availability of data.** The environmental accounts have originally been regarded as fairly detailed, structural data, which becomes available with long delays. The Commission (Eurostat) and the Member States are assessing whether environmental accounts could be compiled and submitted earlier and are also examining ways of producing early estimates for some of the main indicators. These early estimates may have a higher margin of error and may be less detailed than the data required under the Regulation, but appear to offer valuable early information to users. Early estimates enable statistics to be produced several months earlier, without increasing the burden on Member States. Considerable progress has been made to have more and better early estimates. As a result, the Commission (Eurostat) now produces and publishes early estimates of economy-wide material flow accounts (Annex III to the Regulation) 6 months after the end of the reference year, which is 18 months earlier than the deadline in the Regulation. Similarly, the Commission (Eurostat) compiles estimates for air emission accounts (Annex I) 12 months after the end of the reference period, which is one year earlier than required in the Regulation. Work is also ongoing to streamline the data collected on environmental taxes (Annex II) with data on national tax lists compiled under the National Accounts ESA2010 transmission programme[26]. The Commission (Eurostat) is exploring the feasibility and quality of early estimates for the other modules.

(c) **Publishing handbooks and providing methodological guidance.** This reference material enables the production of statistics and helps statisticians both within and outside the EU. Since the last implementation report in 2016, the Commission (Eurostat) has published the following manuals and guidelines: i) the Handbook on environmental goods and services sector[27] (2016); ii) the Practical guide on

25 https://circabc.europa.eu/ui/group/b01d2930-990e-44fb-9121-a9a6b00a1283/library/bfd9a826-38e7-4a02-b7d6-89064f903e51?p=1&n=10&sort=modified_DESC

26 http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32013R0549

27 https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-GQ-16-008

environmental goods and services sector[28] (2016); iii) the Handbook on environmental protection expenditure accounts[29] (2017); and iv) the Handbook on economy-wide material flow accounts[30] (2018).

(d) **Setting standards for transmissions of data and quality reports.** Seeking better efficiency and robustness, standards for data transmission were agreed between the Member States and the Commission (Eurostat). They are in turn aligned to global standards by the UN, the OECD and the Commission (Eurostat), enabling global databases of environmental information to be created. Quality reports based on Microsoft Word and Excel are also being gradually discontinued in favour of reports independent of proprietary software.

(e) **Maintaining classifications.** The Commission (Eurostat) and the Member States maintain and improve two classifications used for Annexes IV and V: the Classification of Environmental Protection Activities and the Classification of Resource Management Activities. These classifications are also used outside Europe.

(f) **Providing compilation tools.** The Commission (Eurostat) creates tools for compiling accounts available to Member States and other countries. For example, it provides an IT tool, called PEFA-Builder, that compiles physical energy flow accounts (Annex VI to the Regulation) on the basis of energy statistics. The Commission (Eurostat) also maintains up-to-date lists (classifications) of the products and activities needed to compile the accounts. The Commission (Eurostat) provides tools for calculating footprints, which measure the global impact of economic actors (businesses, families, government) in the environment when they use natural resources. Footprints are derived from combining environmental economic accounts with other statistics like input-output tables.

(g) **Facilitating training courses** under the European statistical training programme. The Commission organises around five courses a year on environmental economic accounts. The material used in past courses is published on the CIRCABC site.[31]

(h) **Promoting the exchange of experience between countries.** The Commission (Eurostat) organises two working groups[32] that meet every year to share experiences, identify best practices and coordinate improvements. There are also task forces that study specific methodological issues and propose recommendations. The Commission (Eurostat) participates in the international initiatives organised by the OECD, the United Nations Economic Commission for Europe and the UN.

## (5) CONCLUSIONS

The Commission and the Member States continue to improve the European environmental accounts under Regulation (EU) No. 691/2011, in particular by means of:

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28 https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-GQ-16-011

29 https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-GQ-17-004

30 https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-GQ-18-006

31 https://circabc.europa.eu/w/browse/6ade1ca8-6a06-44bd-bff0-498217d0ec05

32 Working group environmental accounts and working group monetary environmental statistics and accounts

- strengthening data quality and effectiveness;
- better communication;
- developing further indicators to meet users' needs; and
- assessing the need to adjust the European environmental accounts to new priorities and areas.