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Delegations will find attached document COM(2022) 329 final ANNEX.

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ANNEX

ANNEX

to the

**Proposal for a Regulation of the European Parliament and of the Council
amending Regulation (EU) No 691/2011 as regards introducing new environmental
economic accounts modules**

ANNEX

'ANNEX VII

FOREST ACCOUNTS

Section 1

OBJECTIVES

Forest accounts record and present data on forest resources and economic activity in the forestry and logging industry in a way that is fully compatible with the data reported under the European System of Accounts (ESA). Forest accounts provide complementary information and use concepts adapted to the particular nature of forests and of the forestry and logging industry.

This Annex defines the data to be collected, compiled, transmitted and evaluated for forest accounts by Member States.

Section 2

COVERAGE

Forest accounts record the stocks and flows of forest resources (wooded land and timber) and economic activity in the forestry and logging industry, including production of roundwood and the extraction and gathering of wild growing non-wood forest products.

Section 3

LIST OF CHARACTERISTICS

Member States shall produce forest accounts according to the characteristics described in this Section.

- (1) **Asset accounts of wooded land and timber.** Wooded land is defined as the sum of the three points below.
 - (a) Forest available for wood supply: Forests where any environmental, social or economic restrictions do not have a significant impact on the current or potential supply of wood. These restrictions can be established by legal rules, managerial/owner's decisions or because of other reasons.
 - (b) Forest not available for wood supply is all forests that are not considered available for wood supply according to point a). These are forests where environmental, social, economic or legal restrictions prevent any significant wood supply. It includes (a) forests with legal restrictions or restrictions resulting from other political decisions that totally exclude or severely limit wood supply for reasons such as environmental or biodiversity conservation

(protection forest, national parks, nature reserves and other protected areas such as those of special environmental, scientific, historical, cultural or spiritual interest); (b) forests where physical productivity or wood quality is too low or harvesting and transport costs are too high to justify wood harvesting, apart from occasional cuttings for auto-consumption.

(c) Other wooded land.

‘Forest’ is defined as land spanning more than 0.5 hectares with trees higher than five metres and a canopy cover of more than 10% or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural land use or trees in urban settings, such as city parks, alleys and gardens.

‘Other wooded land’ is defined as land not classified as forest, spanning more than 0.5 hectares; with trees higher than five metres and a canopy cover of 5-10% or trees able to reach these thresholds in situ; or with a combined cover of shrubs, bushes and trees greater than 10%. It does not include land that is predominantly under agricultural land use or trees in urban settings, such as city parks, alleys and gardens.

‘Net annual increment of timber’ is defined as the average annual volume growth of live trees. It is calculated from the live tree stock (growing stock) available at the start of the year less the average annual mortality.

‘Removals’ are defined as the volume of all trees, living or dead, that are felled and removed from the forest, other wooded land or other felling sites. It includes unsold roundwood stored at the forest roadside. It also includes natural losses that are recovered, removals during the year of wood felled in an earlier period, removals of non-stem wood (such as stumps and branches), and removal of trees killed or damaged by natural causes (known as natural losses), e.g. fire, wind, insects and diseases. It does not include non-woody biomass or any wood that is left in the forest and not removed during the year, e.g. stumps, branches, tree tops and felling residues (harvesting waste).

‘Irrecoverable losses’ are defined as felling residues and all fellings from windthrow that cannot be removed from the forest, and timber lost through forest fires.

(2) **Economic accounts reporting economic activity in the forestry and logging industry.** The forest and logging industry is defined as all local kind-of-activity units (local KAU) which perform activities classified under NACE Rev. 2 division A02.

The following characteristics, using the ESA definitions, shall be reported:

- output;
 - of which: output for own final use
- intermediate consumption;
- gross value added;

- consumption of fixed capital;
- Other taxes on production;
- Other subsidies on production;
- compensation of employees;
- gross fixed capital formation and acquisitions less disposals of non-financial non-produced assets;
- changes in inventories;
- capital transfer.

Member States shall report employment in the forestry and logging industry in thousand annual work units (AWUs) as defined under Regulation (EC) No 138/2004 of the European Parliament and of the Council¹.

Section 4

FIRST REFERENCE YEAR, FREQUENCY AND TRANSMISSION DEADLINES

- (1) Statistics shall be compiled and transmitted on a yearly basis.
- (2) Statistics shall be transmitted within 21 months of the end of the reference year.
- (3) In order to meet user needs for complete and timely datasets, the Commission (Eurostat) shall produce, as soon as sufficient country data becomes available, estimates for the EU totals for the main aggregates of this module. The Commission (Eurostat) shall, wherever possible, produce and publish estimates for data that have not been transmitted by Member States within the deadline specified in point 2.
- (4) The first reference year is 2023.
- (5) In the first data transmission, Member States shall include annual data from 2022 to the first reference year.
- (6) In each subsequent data transmission to the Commission, Member States shall provide annual data for the years n-2, n-1 and n, where n is the reference year. Member States shall resubmit data for years from 2022 onwards whenever the data are revised. Member States may provide any available data for the years preceding 2022.

¹ Regulation (EC) No 138/2004 of the European Parliament and of the Council of 5 December 2003 on the economic accounts for agriculture in the Community (OJ L 33, 5.2.2004, p. 1).

Section 5

REPORTING TABLES

For the characteristics laid down in Section 3, the following information shall be reported:

(1) Area of wooded land, broken down by:

- forest available for wood supply;
- forest not available for wood supply;
- other wooded land.

Each of those categories shall be further broken down by:

- opening area at the beginning of the reference year;
- afforestation and other increases;
- deforestation and other decreases;
- statistical reclassification;
- closing area at the end of the reference year.

Data shall be reported in thousand hectares.

(2) Volume of timber, broken down by:

- forest available for wood supply;
- forest not available for wood supply;
- other wooded land.

Forest available for wood supply shall be further broken down by:

- opening stock at the beginning of the reference year;
- net increment;
- removals;
- irretrievable losses;
- statistical reclassification;
- balancing item;
- closing stock at the end of the reference year.

Forest not available for wood supply and other wooded land shall be further broken down by:

- opening stock at the beginning of the reference year;
- removals;
- other changes (between opening and closing stocks);
- closing stock at the end of the reference year.

Data shall be reported in over-bark, in thousand m³.

(3) Value of timber, broken down by:

- forest available for wood supply;
- forest not available for wood supply;
- other wooded land.

Forest available for wood supply shall be further broken down by:

- opening stock at the beginning of the reference year;
- net increment;
- removals;
- irretrievable losses;
- revaluation;
- statistical reclassification;
- balancing item;
- closing stock at the end of the reference year.

Forest not available for wood supply and other wooded land shall be further broken down by:

- opening stock at the beginning of the reference year;
- removals;
- other changes (between opening and closing stocks);
- closing stock at the end of the reference year.

Data shall be reported in million national currency.

(4) For economic accounts, output referred to in Section 3 shall be reported according to the following breakdown, with products defined in terms of the classification of products by activity version 2.1:

- live forest tree plants (product 02.10.11) and tree seeds (product 02.10.12);
- forest trees, defined as the sum of the net increment of timber in cultivated forests (product 02.10.30) and sales of timber from uncultivated forests;
- wood in the rough (product 02.20.1), comprising the following items to be reported in two separate rows:
 - (a) fuel wood (products 02.20.14 and 02.20.15);
 - (b) logs, i.e. the sum of logs of coniferous wood (product 02.20.11), logs of non-coniferous wood except tropical wood (product 02.20.12), and logs of tropical wood (product 02.20.13).
- wild growing non-wood products (product 02.30);
- Services characteristic of the forestry and logging activity defined as forest tree nursery services (product 02.10.2), support services to forestry (product 02.4), and any other services provided by a local kind-of-activity unit (KAU) of the forestry industry;
- other products from related secondary activities in the local KAU, such as mushrooms and truffles (01.13.8), other berries, fruit of genus *vaccinium* n.e.c. (01.25.19), natural rubber (01.29.10), other wood in rough including split poles and pickets (16.10.39), wood charcoal (20.14.72), nature reserve services including wildlife preservation services (91.04.12), and any other product produced by a local KAU.

Intermediate consumption of forestry and logging industry referred to in Section 3 shall be reported according to the following breakdown, with products defined in terms of the classification of products by activity version 2.1:

- (a) the sum of live forest tree plants (product 02.10.11), forest tree seeds (product 02.10.12), and forest trees (product 02.10.3) used to produce timber;
- (b) the sum of energy and lubricants, including electricity (product 35.11.10), motor spirit (gasoline) (product 19.20.21), natural gas – liquefied or in a gaseous state (product 06.20.10), lubricating petroleum oils and heavy preparations n.e.c. (product 19.20.29), and other similar products;
- (c) the sum of services characteristic of forestry and logging, including forest tree nursery services (product 02.10.2), support services to forestry (product 02.4), and any other services provided by a local KAU of the forestry and logging industry;

- (d) other goods and services not accounted for in any of the variables of intermediate consumption above.

Changes in inventories of the forestry and logging industry referred to in Section 3 shall be reported according to the following breakdown:

- changes in work-in-progress on cultivated biological assets;
- other changes in inventories.

All characteristics shall be reported in million national currency.

Section 6

MAXIMUM DURATION OF THE TRANSITIONAL PERIODS

For implementation of the provisions of this Annex, the maximum duration of the transitional period is 2 years from the first transmission deadline.

ANNEX VIII

ENVIRONMENTAL SUBSIDIES AND SIMILAR TRANSFERS ACCOUNTS

Section 1

OBJECTIVES

Environmental subsidies and similar transfers accounts collect and present data on current and capital transfers intended to support activities that protect the environment and natural resources, including the production and use of environmental products, in a way that is compatible with the concepts and definitions of the European System of Accounts (ESA 2010).

This Annex defines the data to be collected, compiled, transmitted and evaluated for environmental subsidies and similar transfers accounts by the Member States. These data are also used for compiling national environmental protection expenditure as set out in Annex IV.

Section 2

COVERAGE

The environmental subsidies and similar transfers accounts record unrequited payments from general government to other institutional sectors (within the domestic economy and to the rest of the world) and from non-residents (rest of the world), for the purpose of protecting the environment or reducing the use and extraction of natural resources.

Section 3

LIST OF CHARACTERISTICS

Member States shall produce environmental subsidies and similar transfers accounts according to the following characteristics:

- subsidies (ESA code D.3);
- other current transfers (ESA codes D.6 and D.7);
- capital transfers (ESA code D.9).

All data shall be reported in million national currency.

Section 4

FIRST REFERENCE YEAR, FREQUENCY AND TRANSMISSION DEADLINES

- (1) Statistics shall be compiled and transmitted on a yearly basis.

- (2) Statistics shall be transmitted within 24 months of the end of the reference year.
- (3) In order to meet user needs for complete and timely datasets, the Commission (Eurostat) shall produce, as soon as sufficient country data becomes available, estimates for the EU totals for the main aggregates of this module. The Commission (Eurostat) shall, wherever possible, produce and publish estimates for data that have not been transmitted by Member States within the deadline specified in point 2.
- (4) The first reference year is 2023.
- (5) In the first data transmission, Member States shall include annual data from 2022 to the first reference year.
- (6) In each data transmission to the Commission, Member States shall provide annual data for the years $n-2$, $n-1$ and n , where n is the reference year. Member States shall resubmit data for years from 2022 onwards whenever the data are revised. Member States may provide any available data for the years preceding 2022.

Section 5

REPORTING TABLES

- (1) For the characteristics referred to in Section 3, data shall be reported by:
 - paying institutional sector, as follows:
 - general government;
 - rest of the world.
 - receiving institutional sector, as follows:
 - general government;
 - corporations;
 - households;
 - non-profit institutions serving households;
 - rest of the world.
- (2) For each of the above reporting categories, data shall be reported by classes of the classification of environmental protection activities (CEPA) and the classification of resource management activities (CReMA), grouped as follows:
 - CEPA 1;
 - CEPA 2;
 - CEPA 3;

- CEPA 4;
- CEPA 5;
- CEPA 6;
- sum of CEPA 7, CEPA 8 and CEPA 9;
- CReMA 10;
- CReMA 11;
- CReMA 13;
- CReMA 13A;
- CReMA 13B;
- CReMA 13C;
- CReMA 14;
- sum of CReMA 12, CReMA 15 and CReMA 16.

(3) Transfers receivable by corporations from general government grouped by the sum of all CEPA classes (CEPA 1-9) and all CReMA classes (CReMA 10-16) should be further grouped according to the classification of economic activities NACE Rev. 2 as follows:

- NACE A – agriculture, forestry and fishing;
- NACE B – mining and quarrying;
- NACE C – manufacturing;
- NACE D – electricity, gas, steam and air-conditioning supply;
- NACE E – water supply, sewerage, waste management and remediation;
- NACE F – construction;
- NACE G – wholesale and retail trade, repair of motor vehicles and motorcycles;
- NACE H – transportation and storage;
- NACE I-U – other NACE sections.

(4) The CEPA classes referred to in points 2 and 3 are as set out in Annex IV; the CReMA classes are as set out in Annex V.

Section 6

MAXIMUM DURATION OF THE TRANSITIONAL PERIODS

For implementation of the provisions of this Annex, the maximum duration of the transitional period is 2 years from the first transmission deadline.

ANNEX IX

ECOSYSTEM ACCOUNTS

Section 1

OBJECTIVES

Ecosystem accounts present data on the extent and condition of ecosystem assets and the services they provide to society and the economy. The data are in line with the SEEA Ecosystem Accounting and compatible with the data reported under the European System of Accounts.

Ecosystem accounts use existing information where possible, including from earth observation, environmental reporting and other data sources.

Section 2

COVERAGE

Ecosystem accounts record the extent of ecosystems, the condition of ecosystems, and the flows of ecosystem services.

Ecosystem extent is the size of ecosystems in area. Ecosystem extent accounts cover terrestrial (including freshwater) and marine ecosystems in the national territory.

Ecosystem condition is the quality of an ecosystem measured in terms of its abiotic, biotic and landscape characteristics, by ecosystem types.

Ecosystem services are the benefits ecosystems provides to economic and other human activities. They include (i) provisioning, (ii) regulating and maintenance, and (iii) cultural services. Ecosystem services accounts record the actual supply and use of ecosystem services provided by the ecosystems in the national territory.

Thematic accounts are accounts that organise data according to specific policy themes such as biodiversity, climate change, oceans and urban areas.

Section 3

LIST OF CHARACTERISTICS

Member States shall produce ecosystem accounts according to the following characteristics.

- (1) Ecosystem extent accounts recording the area and change in area for each ecosystem type within the national territory. Member States shall report ecosystem extent accounts in thousand hectares.

- (2) As a component of the ecosystem extent accounts, a conversion matrix recording conversions between ecosystem types between two points in time, in hectares.
- (3) Ecosystem condition accounts recording ecosystem characteristics as follows:
- (a) for settlements and other artificial areas:
 - green areas in cities and adjacent towns and suburbs shall be reported in % of total area, calculated for the entire area of the cities and adjacent towns and suburbs, including all ecosystem types in that area;
 - concentration of particulate matter, with a diameter up to 2.5 µm in cities, shall be reported in µg/m³ as a national average for the reporting period.
 - (b) for cropland:
 - soil organic carbon stock in topsoil shall be reported in tonne/ha, as a national average for the reporting period.
 - (c) for grassland:
 - soil organic carbon stock in topsoil shall be reported in tonne/ha, as a national average for the reporting period.
 - (d) for cropland and grassland together:
 - common farmland bird index shall be reported as a national aggregate index for the reporting period.
 - (e) for forest and woodland:
 - dead wood shall be reported in m³/ha, as a national average for the reporting period;
 - tree cover density shall be reported in %, as a national average for the reporting period.
 - (f) for coastal beaches, dunes and wetlands:
 - the share of artificial impervious area cover, present in coastal area that includes ecosystem type coastal beaches, dunes and wetlands shall be reported in % as a national average for the reporting period.

Cities, towns and suburbs are local administrative units, categorised according to the degree of urbanisation typology set out under Regulation (EU) [2017/2391](#).

- (4) Ecosystem services accounts recording the supply and use of ecosystem services in supply and use tables. The supply table shall record the supply of ecosystem services from ecosystems to society. The use table shall record the use of ecosystem services by the type of use as defined in Section 5.

The supply and use tables shall be reported in the following physical units.

(a) Provisioning services

- Crop provision, defined as the ecosystem contribution to plant growth as approximated by the amount of harvested crops for different uses. This includes food and fibre production, fodder and energy, and grazed biomass, as set out under Annex III, Table A, Section 1.1 and Section 1.2.
- Pollination, defined as the ecosystem contribution by wild pollinators to the production of the crops above. The contributions shall be reported in tonnes of pollinator-dependent crops that can be attributed to wild pollinators, by type of crop for the main types of pollinator-dependent crops comprising fruit trees, berries, tomatoes, oilseeds and ‘other’.
- Wood provision, defined as the ecosystem contribution to the growth of trees and other woody biomass, shall be reported as net increment as defined in Annex VII in over-bark, in thousand m³.

(b) Regulating and maintenance services

- Air filtration is defined as the ecosystem contribution to filtering airborne pollutants through the deposition, uptake, fixing and storage of pollutants by ecosystem components (particularly trees). This mitigates the harmful effects of the pollutants. The contributions shall be reported in tonnes of particulate matter adsorbed.
- Global climate regulation is defined as the ecosystem contribution to reducing concentrations of greenhouse gases in the atmosphere through the removal (net sequestration) of carbon from the atmosphere and the retention (storage) of carbon in ecosystems. The contributions shall be reported in terms of tonnes of net sequestration of carbon and tonnes of organic carbon stored in terrestrial ecosystems, including above ground and below ground in the first 0.3 metres of the soil (including in peatlands).
- Local climate regulation is defined as the ecosystem contribution to regulating ambient atmospheric conditions in urban areas through vegetation that improves the living conditions of people and supports economic production. It shall be expressed and reported as the reduction of temperature in cities, due to the effect of urban vegetation, in degrees Celsius on days exceeding 25 degrees Celsius.

(c) Cultural services

- Nature-based tourism-related services are defined as the ecosystem contribution, in particular through the biophysical characteristics and qualities of ecosystems, that enable people to use and enjoy the environment through direct, in-situ, physical and experiential interactions with the environment. These contributions shall be reported in number of overnight stays in hotels, hostels, camping grounds, etc. that can be attributed to visits to ecosystems.

(5) Ecosystem accounts shall use the following table of ecosystem types:

Category	Ecosystem type
1	Settlements and other artificial areas
2	Cropland
3	Grassland (pastures, semi-natural and natural grassland)
4	Forest and woodland
5	Heathland and shrub
6	Sparsely vegetated ecosystems
7	Inland wetlands
8	Rivers and canals
9	Lakes and reservoirs
10	Marine inlets and transitional waters
11	Coastal beaches, dunes and wetlands
12	Marine ecosystems (coastal waters, shelf and open ocean)

Section 4

FIRST REFERENCE YEAR, FREQUENCY AND TRANSMISSION DEADLINES

- (1) Statistics shall be compiled and transmitted:
 - every 3 years for ecosystem extent and ecosystem condition accounts. The data shall refer to a representative average for the reference year, and to the conversion matrix to the change in the 3 years between 2 reference years;
 - on a yearly basis for ecosystem services accounts.
- (2) Statistics shall be transmitted within 24 months of the end of the reference year.
- (3) In order to meet user needs for complete and timely datasets, the Commission (Eurostat) shall produce, as soon as sufficient country data become available, estimates for the EU totals. The Commission (Eurostat) shall, wherever possible, produce and publish estimates for data that have not been transmitted by Member States within the deadline specified in point 2.
- (4) The first reference year is 2024. For the conversion matrix, the first reference year is 2027.
- (5) In the first data transmission, Member States shall include data from 2024 for extent and condition accounts and for ecosystem services supply and use tables in physical units. For the conversion matrix, the data shall show the changes between 2024 and 2027.

- (6) In each subsequent data transmission to the Commission, Member States shall provide ecosystem services annual data for the years n-1 and n; and extent and condition accounts data for years n-3 and n, where n is the reference year. Member States shall resubmit data from 2024 onwards whenever the data are revised. Member States may provide any available data for the years preceding 2024.

Section 5

REPORTING TABLES

- (1) Ecosystem extent accounts: For all ecosystem types referred to in Section 3, data in the first transmission shall be reported for the first reference year. For all subsequent data transmissions, data shall be reported as follows:

- extent in the previous reference year;
- additions;
- reductions;
- extent in the current reference year.

The conversion matrix shall report conversions between all ecosystem types referred to in Section 3 between the previous and current reference year.

- (2) Ecosystem services accounts: For ecosystem services referred to in Section 3, data shall be reported in supply and use tables as follows:

Supply table recording the annual supply of the services as referred to in Section 3 by all ecosystem types as referred to in Section 3, except categories 10 and 12;

Use table recording the use of ecosystem services according to the following breakdown:

- intermediate consumption by industries;
- government final consumption;
- households final consumption;
- gross capital formation;
- exports.

- (3) A Member State is not obliged to report data if its total land area does not exceed 0.1% of the EU's total land area.

Section 6

MAXIMUM DURATION OF THE TRANSITIONAL PERIODS

For implementation of the provisions of this Annex, the maximum duration of the transitional period is 2 years from the first transmission deadline.’