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DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council
on European environmental economic accounts
(COM(2010)0132 – C7-0092/2010 – 2010/0073(COD))

Committee on the Environment, Public Health and Food Safety

Rapporteur: Jo Leinen

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council on
European environmental economic accounts
(COM(2010)0132 – C7-0092/2010 – 2010/0073(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM (2010)0132),
 - having regard to Article 294(2) and Article 338(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0092/2010),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the reasoned opinions sent to its President by national parliaments on the compliance of the draft act with the principle of subsidiarity,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinion of the Committee on Economic and Monetary Affairs (A7-0000/2010),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) The Sixth Community Environment Action Programme confirmed that sound information on the state of the environment and on the key trends, pressures and drivers for environmental change is

Amendment

(2) The Sixth Community Environment Action Programme 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.

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.

Or. de

Amendment 2

Proposal for a regulation Recital 4

Text proposed by the Commission

(4) The need to supplement already existing indicators with data that incorporate environmental and social aspects in order to allow more coherent and comprehensive policy making has been recognised in Commission Communication COM(2009) 433 of August 2009 on GDP and beyond. To this end, environmental accounts ***offer a means of monitoring the pressures exerted by the economy on the environment and of exploring how these might be abated.*** In line with the tenets of sustainable development and the drive to achieve a low-carbon economy, embedded in the ***Lisbon*** Strategy and various major initiatives, developing a data framework that consistently includes environmental issues along with economic ones becomes all the more imperative.

Amendment

(4) The need to supplement already existing indicators with data that incorporate environmental and social aspects in order to allow more coherent and comprehensive policy making has been recognised in Commission Communication COM(2009) 433 of August 2009 on GDP and beyond. To this end, environmental accounts ***show the interaction between economic, household and environmental factors. Environmental accounts are more informative than national accounts alone. They provide a significant database for environmental decisions and should be consulted for the drawing up by the Commission of impact assessments.*** In line with the tenets of sustainable development and the drive to achieve a low-carbon 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.

Or. de

Amendment 3

Proposal for a regulation Recital 7

Text proposed by the Commission

(7) 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.

Amendment

(7) 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. ***Member States should make available to the public regularly and in comprehensible form information contained in environmental accounts by publishing it together with GDP data, for example.***

Or. de

Amendment 4

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) As the different sets of environmental economic accounts are under development and at different stages of maturity, a modular structure providing adequate flexibility should be adopted.

Amendment

(13) As the different sets of environmental economic accounts are under development and at different stages of maturity ***in the various Member States***, a modular structure providing adequate flexibility ***and facilitating the rapid introduction of additional modules*** should be adopted.

Or. de

Amendment 5

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) The Commission should be entitled to grant derogations to Member States when major adaptations to their national statistical systems are required.

Amendment

(15) The Commission should be entitled to grant derogations to Member States ***for a limited period*** when major adaptations to their national statistical systems are required.

Or. de

Amendment 6

Proposal for a regulation Article 1

Text proposed by the Commission

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.***

Amendment

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 ***pursuant to Council Regulation (EC) No 2223/96 of 23 June 1996 on the European system of national and regional accounts in the Community (hereinafter referred to as ESA 95) to offer a means of monitoring the pressures exerted by the economy on the environment and of exploring how these might be abated.***

Or. en

Justification

Clarification of the objective of the Regulation (see also recital 4).

Amendment 7

Proposal for a regulation Article 3 – paragraph 3

Text proposed by the Commission

3. The Commission shall adopt delegated acts in accordance with Article 9 for the purpose of adjusting the modules to environmental, economic and ***technical*** developments, ***as well as providing methodological guidance.***

Amendment

3. The Commission shall adopt delegated acts in accordance with Article 9 for the purpose of adjusting the modules to environmental, economic and ***other*** developments.

Or. en

Justification

The delegation of power should be restricted to the adjustment of modules and not encompass the introduction of new modules, since this would require a new legislative proposal in accordance with the ordinary legislative procedure. The reference to methodological guidance in the COM-proposal is unclear and should be deleted. It is more appropriate to include such a reference in Art. 5.

Amendment 8

Proposal for a regulation Article 3 a (new)

Text proposed by the Commission

Amendment

As a matter of priority, the Commission shall, in cooperation with the Member States, develop the following modules for inclusion into the scope of this Regulation:

- Environmental Protection Expenditure and Revenues (EPER)/Environmental Protection and Expenditure Accounts (EPEA), Environmental Goods and Services Sector (EGSS);***
- Energy Accounts;***
- Environmentally Related Transfers (subsidies) and Resource Use and Management Expenditure Accounts (RUMEA);***
- Water Accounts and Waste Accounts;***

Justification

These modules are, according to Eurostat, already under development. In order to provide planning security for Member States and national statistical offices, it should be stated what further data will be requested in the future.

Amendment 9

Proposal for a regulation

Article 4

Text proposed by the Commission

1. The Commission shall draw up a programme for pilot studies to be carried out by Member States on a voluntary basis in order to develop the reporting and data quality, establish long time series and develop methodology.

2. The results of *the* pilot studies shall be evaluated and published by the Commission, taking into account the benefits of the availability of the data in relation to the cost of collection and the response burden. On the basis of *the* conclusions *of the pilot studies*, the Commission shall adopt the necessary delegated acts in accordance with Article 9.

Amendment

1. The Commission shall draw up a programme for pilot studies to be carried out by Member States on a voluntary basis in order to develop the reporting and data quality, establish long time series and develop methodology. ***The programme shall include the introduction of the new environmental account modules referred to in Article 3a.***

2. The results of *these* pilot studies shall be evaluated and published by the Commission, taking into account the benefits of the availability of the data in relation to the cost of collection and the response burden. On the basis of *these* conclusions, the Commission shall adopt the necessary delegated acts in accordance with Article 9.

Justification

The pilot studies should also be used for the introduction of new environmental account modules in order to obtain experience in using this instrument at an early stage, with a possible view to expanding the scope of the regulation.

Amendment 10

Proposal for a regulation Article 5

Text proposed by the Commission

1. Member States shall collect the necessary data for the observation of the modules' characteristics referred to in Article 3(2).
2. Member States shall collect the necessary data using a combination of the different sources specified below, applying the principle of administrative simplification:
 - (a) surveys;
 - (b) statistical estimation procedures where some of the characteristics have not been observed for all of the units;
 - (c) administrative sources.
3. Member States shall inform the Commission and shall provide details concerning the methods *used* and *the quality of the data from the sources listed in paragraph 2*.

Amendment

1. ***In accordance with the annexes of this Regulation***, Member States shall collect the necessary data for the observation of the modules' characteristics referred to in Article 3(2).
 2. Member States shall collect the necessary data using a combination of the different sources specified below, applying the principle of administrative simplification:
 - (a) surveys;
 - (b) statistical estimation procedures where some of the characteristics have not been observed for all of the units;
 - (c) administrative sources.
 3. Member States shall inform the Commission and shall provide details concerning the methods ***and*** sources ***used***.
- 3a. The Commission may adopt, by means of delegated acts in accordance with Article 9 and subject to the conditions of Articles 10 and 11, delegated acts to provide methodological guidance to facilitate the application of this Article.***

Or. en

Justification

The collection requirements should be clarified in paragraphs 1 and 2.

The deletion of the reference to quality in paragraphs 3 is due to the fact that the quality issues are set out in Article 7.

The Commission should provide methodological guidance on the application of this article to facilitate the collection of high quality and comparable data.

Amendment 11

Proposal for a regulation

Article 9 – paragraph 1

Text proposed by the Commission

1. The powers to adopt the delegated acts referred to in Articles 3(3) and **4(2)** shall be conferred on the Commission **for an indefinite period of time.**

Amendment

1. The powers to adopt the delegated acts referred to in Articles 3(3) and **5(3a)** shall be conferred on the Commission **for a period of five years following the entry into force of this Regulation. The Commission shall make a report in respect of the delegated powers at the latest 6 months before the end of the five-year period. The delegation of powers shall be automatically extended for periods of an identical duration, unless the European Parliament or the Council revokes it in accordance with Article 10.**

Or. en

Justification

In light of the provisions of Article 290 (1) and (2) TFEU, it is essential to explicitly establish that the duration of the delegation of power will be five years and that this period shall be automatically extended for successive periods of five years unless the European Parliament or the Council revokes it.

The purpose of the specific report on the delegation of power is different from the evaluation report set out in Article 11a. The delivery deadline (five years), however, is the same for both in order to facilitate the Commission's reporting tasks.

Amendment 12

Proposal for a regulation

Article 10 – paragraphs 1 and 2

Text proposed by the Commission

1. The delegation of power referred to in Articles 3(3) and **4(2)** may be revoked by

Amendment

1. The delegation of powers referred to in Articles 3(3) and **5 (3a)** may be revoked **at**

the European Parliament or by the Council.

2. The institution which has commenced an internal procedure for deciding whether to revoke the delegation of powers shall inform the other *legislator* and the Commission ***at the latest one month*** before the final decision is taken, ***stating*** the delegated powers which could be subject to revocation and the reasons for any such revocation.

any time by the European Parliament or by the Council.

2. The institution which has commenced an internal procedure for deciding whether to revoke the delegation of powers shall ***endeavour to*** inform the other *institution* and the Commission ***within a reasonable time*** before the final decision is taken, ***indicating*** the delegated powers which could be subject to revocation and the reasons for any such revocation.

Or. en

Justification

Changes and adjustments are introduced to align this provision with standard language adopted by the European Parliament and the Council on the so-called pets file.

Amendment 13

Proposal for a regulation

Article 11 – paragraph 1 and 2

Text proposed by the Commission

1. The European Parliament or the Council may object to a delegated act within a period of two months from the date of notification. At the initiative of the European Parliament or the Council this period may be extended by ***one month***.

2. If, on expiry of that period, neither the European Parliament nor the Council has objected to the delegated act, ***or if, before that date, the European Parliament and the Council have both informed the Commission that they have decided not to raise objections, the delegated act*** shall enter into force ***on*** the date stated ***in its provisions***.

Amendment

1. The European Parliament or the Council may object to a delegated act within a period of two months from the date of notification. At the initiative of the European Parliament or the Council this period may be extended by ***two months***.

2. If, on expiry of that period, neither the European Parliament nor the Council has objected to the delegated act, ***it shall be published in the Official Journal of the European Union and*** shall enter into force ***at*** the date stated ***therein***.

The delegated act may be published in the Official Journal of the European Union and enter into force before the expiry of

that period if the European Parliament and the Council have both informed the Commission of their intention not to raise objections.

Or. en

Justification

Changes are introduced to align this provision with standard language adopted by the European Parliament and the Council on the so-called pets file.

Amendment 14

Proposal for a regulation
Article 11 a (new)

Text proposed by the Commission

Amendment

Article 11a
Report and Review

The Commission shall submit a report on the implementation of the Regulation to the European Parliament and the Council every three years. This report shall evaluate in particular the quality of the data transmitted, as referred to in Article 6, the data collection methods, the administrative burden and the usefulness of these statistics in particular with regard to the objectives set out in Article 1. It shall also assess the possibilities for introducing new environmental account modules as referred to in Article 3a.

The report shall, if appropriate, be accompanied by proposals:

- for introducing new environmental account modules;***
- designed to further improve data quality and data collection methods, thereby improving the coverage and comparability of data and reducing the administrative burden on business and***

administration.

The first report shall be submitted by 31 December 2013.

Or. en

Justification

The COM proposal is lacking a review clause including an obligation for the Commission to submit on a regular basis an overall report on the experience gained with the implementation of the Regulation. This report should also evaluate the possibilities for introducing new environmental account modules (see Article 3a (new)).

Amendment 15

Proposal for a regulation

Annex III – section 5 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Concerning the report referred to in Article 11a, the Commission shall consider whether optional information may be replaced by compulsory reports.

Or. de

Justification

Once the data collection structures have been established, there is no longer any reason to exclude optional information from mandatory reports.

Amendment 16

Proposal for a regulation

Annex III – section 5 – table A – point 3 – subpoint 3.10 a (new)

Text proposed by the Commission

Amendment

*3.10a Unused extraction/harvest and excavation****

*3.10a.1 Unused harvest of biomass****

3.10a.2 Unused extraction ores***

3.10a.3 Unused extraction non-metallic minerals***

3.10a.4 Unused extraction fossil energy carriers***

3.10a.5 Unused earth excavation and dredging***

3.10a.5.1 Unused excavation by construction ***

3.10a.5.2 Dredging***

Or. de

Justification

Inclusion of unused extraction is in accordance with the Eurostat (2001) and OECD (2008) procedural guidelines. Data regarding unused extraction is already collected by a number of Member States. Introduction and harmonisation of this practice at EU level should be expedited by the regulation.

Amendment 17

Proposal for a regulation

Annex III – section 5 – table B – point 3 – subpoint 3.10 a (new)

Text proposed by the Commission

Amendment

3.10a Unused extraction/harvest and excavation*

3.10a.1 Unused harvest of biomass*

3.10a.2 Unused extraction ores*

3.10a.3 Unused extraction non-metallic minerals*

3.10a.4 Unused extraction fossil energy carriers*

3.10a.5 Unused earth excavation and dredging*

3.10a.5.1 Unused excavation by

*construction **

*3.10a.5.2 Dredging**

Or. de

Justification

Inclusion of unused extraction is in accordance with the Eurostat (2001) and OECD (2008) procedural guidelines. Data regarding unused extraction is already collected by a number of Member States. Introduction and harmonisation of this practice at EU level should be expedited by the regulation.

EXPLANATORY STATEMENT

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. The communication by the Commission of 28 September 2009 ‘GDP and beyond - Measuring progress in a changing world’ (COM (2009) 0433 final) must be seen in this context. This communication proposes a number of measures to be taken in the short and medium term for the development of more comprehensive indicators providing more reliable basic information for better public debate and policy making. This Commission proposal for European environmental economic accounts is a valuable contribution to this political approach.

A sound assessment of European environmental policy is only possible if reliable data is available. Mandatory data collection by the Member States is therefore necessary. Environmental data currently available at European level should be expanded in the medium term to facilitate policy assessment. Recycling and prevention of waste, air emissions and climatic change and sustainable consumption and production could be monitored much more effectively if high-quality data were available regarding the interaction between environmental and economic factors. While such information can be gleaned from environmental accounts, it is essential for this purpose to ensure the cooperation of all Member States and full harmonisation at EU level.

While, in my opinion, the Commission proposal basically meets these requirements, it is necessary to set out the desired objectives more specifically and establish clearly the future direction to be taken with regard to environmental economic accounts.

Aims and purposes

Environmental economic accounts should contribute to policy evaluation, particularly by making available data concerning the environmental impact of economic activities. Such information could be extremely valuable for the purposes of environmental policy making.

The aims and purposes of this proposal for a regulation, together with its contribution to the ‘GDP and beyond’ strategy should be made clearer in the proposal.

Scope

The proposal for a regulation concerns only the collection and compilation of data regarding air emissions, environmental taxes applicable to various economic sectors and macro-economic material flow accounting. In my view, this is a step towards more comprehensive environmental accounting since, according to the relevant European and national statistics offices, it is only in these areas that data for the whole of Europe is currently available. In my opinion, new priority modules, on which work is currently in progress and for which relevant data is likely to be available soon, should be identified in a working plan. Pilot studies should be carried out into their practical application. Since the data collected could be of great value for the purposes of environmental policy making, I am in favour of the rapid introduction and implementation at EU level of the proposed modules.

Verification

The Commission proposal should contain a verification clause. The Commission should report regularly on the implementation of the regulation in practice. No experience has yet been acquired at European level with legally binding environmental economic accounting standards. It is therefore important to verify the reliability and comparability of the data in order to be able to make improvements and in order to guarantee a high standard of European environmental accounting. Due account should also be taken of the development of new modules and experience acquired in the course of pilot studies. The verification report should be regarded as an opportunity to adjust the regulation in the light of fresh developments and experiences.