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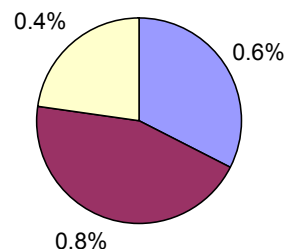
# Environmental Protection Expenditure in Europe by public sector and specialised producers 1995-2002

In 2001 the public sector (government, authorities and agencies)<sup>1</sup> in the EU-25 spent about 54 billion euro on environmental protection. These activities, which aimed at protecting and reducing environmental pressures, came to 0.6% of EU-25 Gross Domestic Product (GDP) as seen in *figure 1*. In 2001 specialised producers<sup>2</sup> of environmental services are estimated to have spent about 75 billion euro or 0.8% of GDP. Industry (Mining, Quarrying, Manufacturing, and Electricity and water sectors) spent around 38 billion euro or 0.4% of GDP. This includes around 12 billion euro in the form of fees and payments for environmental services provided by the public sector and specialised producers.

This Statistics in Focus concentrates on two main sectors that aim at providing services and funding for environmental protection. The responsibilities and focus of the environmental protection expenditure by the public sector are presented along with the growing responsibilities of the specialised producers. For more information about the industry please consult Statistics in Focus: 09/2005 "Environmental protection expenditure by industry in the European Union".

Figure 1: Environmental protection expenditure (EPE) as % of GDP, EU-25 2001, Eurostat estimate

Public sector Specialised producers Industry



The distribution of environmental protection expenditure between the public sector and specialised producers depends on how environmental protection is organised in each country. Responsibilities which are considered traditional for the central government include regulation and control, surveillance and general administration. Activities such as waste collection and wastewater treatment have been the responsibility of local government for a long time. However, the privatisation or in some cases semi-privatisation of these services have caused a shift in expenditure from the public sector to the specialised producers sector. Differences in the degree of privatisation can also to some extent explain variations in expenditure between the two sectors in the different countries. Because of this it is important to analyse the two sectors jointly if you want to get an overview of the total amount spent on these types of environment protection activities regardless of who is actually providing the service.

1. The public sector includes central, regional and local governments, authorities, communities and government agencies (mainly NACE 75). Data reported are net of any transfers between these government bodies.

2. Specialised producers consist mainly of public or private businesses providing environmental services such as waste or wastewater management (mainly NACE 90).

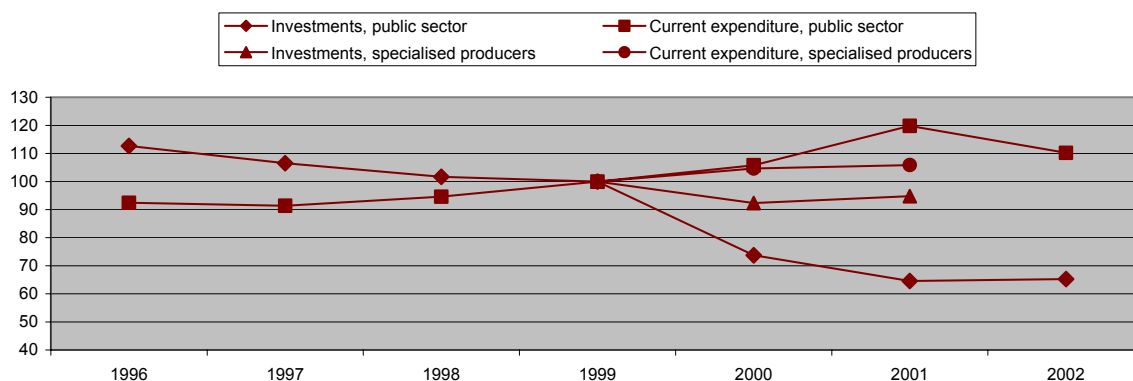
## The public sector and specialised producers, EPE in relation to GDP

Between 1996 and 2002, the total amount of environmental protection expenditure (investments and current expenditure) by the public sector increased by around 6% in the EU-15. The new Member States (MS) add about 5% to the amount spent on investments and current expenditure for environmental protection at an EU-25 level. *Figure 2* shows, when economic growth is taken into consideration, that investments in environmental protection in the public sector in the EU-15 decreased by 47% between 1996 and 2002. The time series for specialised producers at an EU-15 level are not long enough for any trends to be visible but both

investments and current expenditure for environmental protection have been stable.

Current expenditure for environmental protection in the public sector on the other hand is rising in the EU-15; the increase is about 20% for the period 1996 to 2002 as seen in *figure 2*.

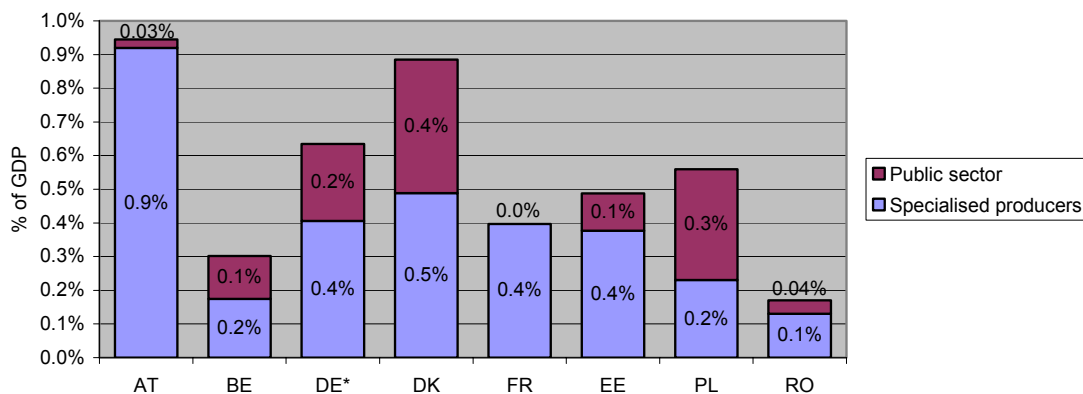
Figure 2: Investments and current expenditure in environmental protection by sector, EU-15 as % of GDP, Index 1999=100



The *figures 3 and 4* show the differences in the relative importance of the public sector and specialised producers in selected countries. As can be seen in *figure 3*, in the wastewater domain the public sector and specialised producers spend together slightly less than 1% of GDP in Austria and about 0.9% of GDP in Denmark. In *figure 4* can be seen that the same countries spend most also in the

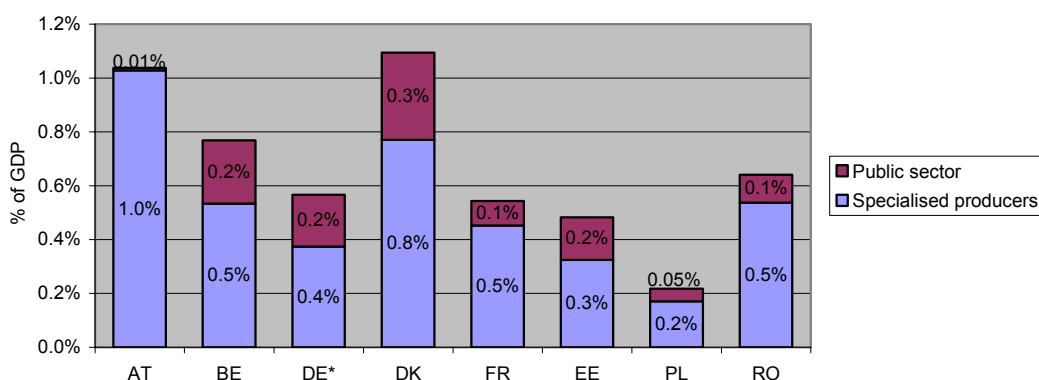
waste area. One extreme is Austria where the public sector has reallocated almost entirely all services for the management of waste and wastewater to specialised producers. In France, wastewater treatment services are run by fully autonomous businesses whereas waste collection services are still dealt with to some extent by the public sector.

Figure 3: EPE in the public sector and specialised producers in the wastewater domain, as % of GDP, Latest available year



\* Only public specialised producers. Note: BE, DK 2000. AT 2001. DE, FR, EE, PL, RO 2002

Figure 4: EPE in the public sector and specialised producers in the waste domain, as % of GDP, Latest available year



\* Only public specialised producers.

Note: BE, DK 2000. AT 2001. DE, FR, EE, PL, RO 2002

In Germany, as seen in figure 5, the public sector has been decreasing investment in environmental protection both for waste and wastewater management following the catch-up investments after re-unification. This figure is an example where the decrease in the latter part of the 1990s shows the effect of the privatisation of former public services. Investments for wastewater within the sector of specialised producers are back at the 1995 level. Investments in waste prevention and treatment are

below 1995 investments. In France, investments made by the public sector in the “waste” domain have been stable over time whereas the specialist producers have increased investment in waste treatment gradually between 1995 and 2002 (figure 6). In general this also applies to the other members of the European Union. Wastewater treatment services in France are however run by fully autonomous businesses as can be seen in figure 3, which is not the case generally in the EU.

Figure 5: Environmental protection investments, public sector and specialised producers, Germany, index 1995=100

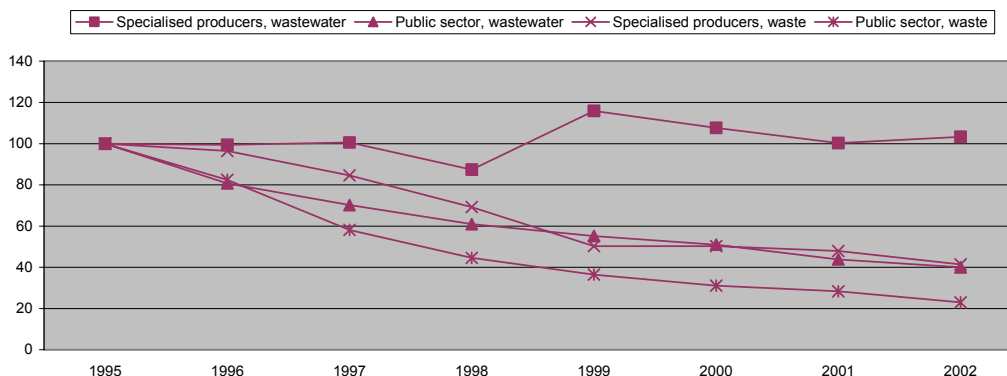
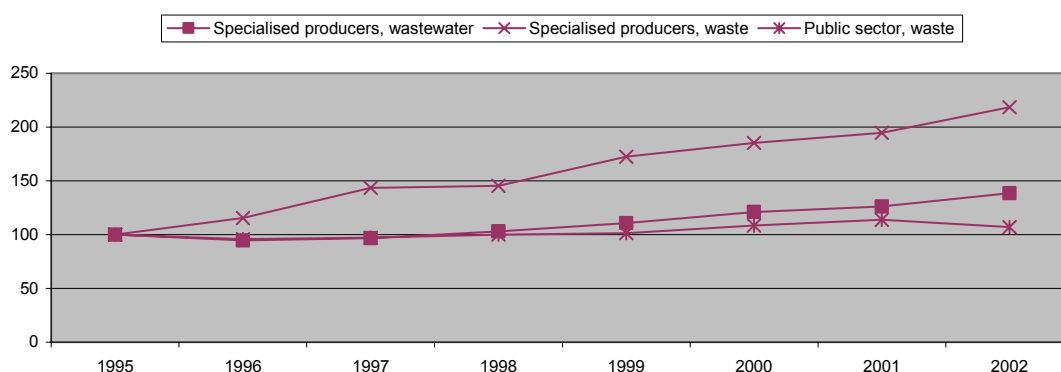


Figure 6: Environmental protection investments, public sector and specialised producers, France, index 1995=100



## Public sector spending on environmental protection

The total amount of environmental protection expenditure (investments and current expenditure) varies greatly between countries and over time. The share of environmental protection activities in the economy varies from 0.1% in Lithuania to 1.5% in the Netherlands. Lithuania is also the country which together with Romania spends the least on environmental protection per capita as can be seen in *table 1*.

also reporting practices. One example of the former is Austria where practically none of the collective waste and wastewater management falls under the public sector. As shown in Figures 3 and 4, Austria is one of the two countries with the highest total expenditure in both these areas if you consider also expenditure by specialised producers which is presented later in this publication.

It should be remembered that, as shown above, differences in the amount of expenditure are affected both by differences in the degree of privatisation, and

*Table 1: Environmental protection expenditure in the public sector, as % of GDP and euro per capita, Mio euro*

Country	1995	1996	1997	1998	1999	2000	2001	2002	Share of GDP <sup>1)</sup>	Euro per capita <sup>1)</sup>
BE	:	929	973	1149	1113	1266	1390	:	0.5%	135
CZ <sup>2)</sup>	316	365	344	303	298	301	354	231	0.3%	23
DK	1768	1808	1882	1946	2101	2189	2210	:	1.2%	413
DE	14110	12700	11680	10460	10100	9550	9070	9470	0.4%	110
EE	26	9	9	11	11	17	12	23	0.2%	17
EL	565	665	681	702	730	:	:	:	0.6%	67
ES	3665	3356	3552	3886	4270	:	:	:	0.8%	108
FR	3026	3092	3219	3349	3475	3724	3992	4101	0.3%	67
IE	:	:	:	412	:	:	:	:	0.5%	111
IT	:	6587	7013	7527	8032	9054	9887	9993	0.8%	175
CY	:	:	:	:	:	:	:	:	:	:
LV	:	:	:	:	:	1	16	16	0.2%	7
LT	:	16	20	19	14	12	13	15	0.1%	4
LU	:	:	108	:	:	:	:	:	0.7%	257
HU	:	:	:	:	:	:	338	456	0.7%	45
MT <sup>3)</sup>	:	:	:	:	:	:	7	7	0.2%	18
NL	4593	:	4072	3874	5286	:	6259	:	1.5%	390
AT <sup>4)</sup>	2637	2416	358	484	353	445	449	:	0.2%	56
PL	:	:	:	1314	1315	1409	1545	938	0.5%	25
PT	:	754	775	628	665	729	788	804	0.6%	78
SI	:	:	:	:	:	36	128	151	0.6%	76
SK <sup>5)</sup>	:	:	:	:	137	31	23	49	0.2%	9
FI	543	529	538	520	481	509	:	:	0.4%	98
SE	:	353	190	381	359	543	616	689	0.3%	77
UK <sup>6)</sup>	:	:	5542	5967	6624	7576	7179	7815	0.5%	132
BG	14	9	10	25	52	43	70	59	0.4%	8
HR	:	9	18	15	20	61	:	:	0.3%	14
RO <sup>7)</sup>	114	135	159	194	131	63	58	95	0.2%	4
TR	:	303	1604	:	:	829	351	:	0.2%	5
IS	18	18	22	24	30	31	30	26	0.3%	92
NO	:	:	:	:	:	:	1214	1412	0.7%	311
CH	:	2154	1943	2028	2043	2219	2317	:	0.8%	319

1) Latest available year

2) Only investments

3) Only current expenditure

4) Change in methodology in 1997

5) Change in methodology in 2000

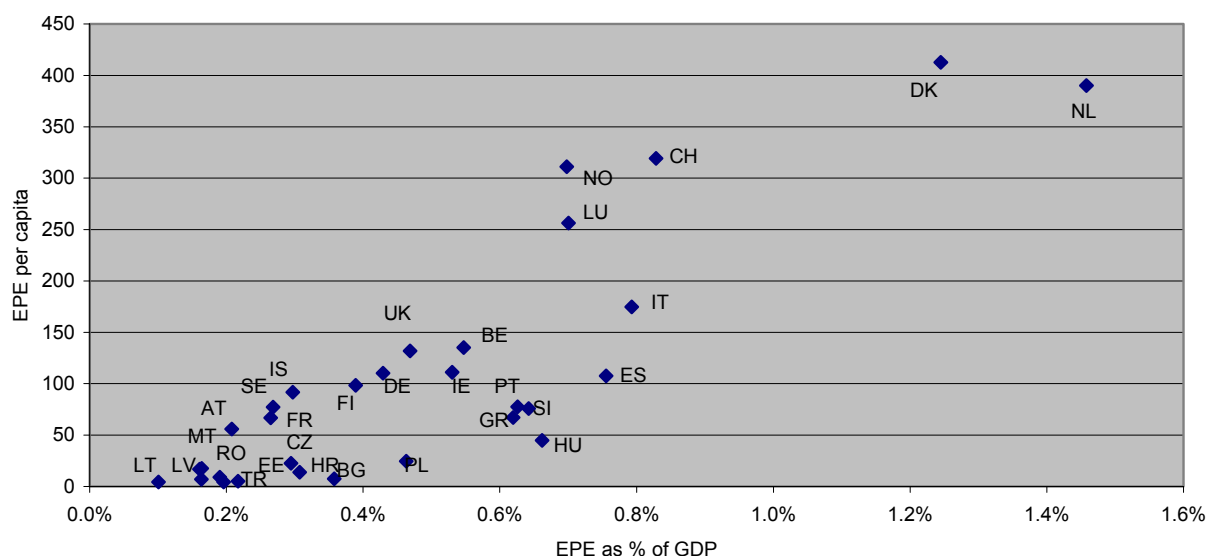
6) Change in methodology in 2002

7) Change in methodology in 2000

Figure 7 shows each country's contribution to environmental protection based on the share of EPE by GDP and EPE per capita within the public sector from table 1. As the environmental protection expenditure is the underlying numerator to both GDP and population the relationship is very strong between the X and Y axis. This is seen in for example the Netherlands and Denmark that in 2001 were spending most on

environmental protection both as a percentage of GDP and euro per capita. What is noticeable however in the figure is that Hungary, Slovenia, Greece and Portugal have comparatively high spending on environmental protection per GDP but low spending of EPE per capita. These countries also have relatively low GDP per capita.

Figure 7: Environmental protection expenditure in the public sector per capita and as % of GDP, Latest available year



### General stability of environmental protection investment in the public sector

The total cost of investments by the new MS in environmental protection in order for them to comply with EU environment legislation was set at about 2 to 3% of GDP. The cost of this has been adjusted downwards by the Commission from over 120 billion euro to between 50 and 80 billion euro. It has been estimated that the implementation of the Wastewater treatment Directive alone would cost 15 billion euro of investments<sup>3</sup>. The EU has assisted in financing some environmental investments through several aid programmes, one being the "Instrument for structural policy for Pre-Accession" (ISPA)<sup>4</sup>. Between 2000-2003 about 3.4 billion euro had been allocated to the 10 eligible countries<sup>5</sup> through this particular programme in particular for wastewater treatment.

Overall since the mid 1990s most EU countries have invested in a stable manner in environmental protection. In the new MS Hungary, Latvia and

Slovenia have increased environmental protection investments substantially, Hungary by over 300% from 1997 to 2002. It should not be forgotten that investments in environmental protection are generally not stable over several years but often fluctuate with the decisions taken at a given point.

In monetary terms Germany has invested through the public sector 2.4 billion euro in 2002 but has decreased the investment rate by about 60% from 1995 to 2002. Taking economic growth into consideration, Poland made important investments for environmental protection during the mid 1990s reaching a high in 1997 by almost 0.6 % of GDP in environmental protection activities. Since 1998 Poland has gradually decreased environmental investment as a proportion of GDP and had in 2002 reached the same level as in 1995 with 0.3% of GDP despite the increase in actual investments.

3 2003 Environment policy review Com (2003) 745final/2

4 The Challenge of Environmental Financing in the Candidate Countries COM (2001)304

5 Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

Table 2: Environmental protection investments in the public sector, Mio euro

Country	1995	1996	1997	1998	1999	2000	2001	2002
BE	:	162	164	266	270	305	281	:
CZ	316	365	344	303	298	301	354	231
DK	535	510	506	508	537	564	571	:
DE	6130	4970	4270	3740	3360	3010	2630	2390
EE	13	7	7	9	9	14	6	10
EL	184	217	200	219	199	:	:	:
ES	1462	1380	1913	2116	2441	:	:	:
FR	667	631	675	683	703	768	910	860
IE	:	:	:	141	:	:	:	:
IT	:	1414	1396	1436	1429	1476	1817	1788
CY	:	:	:	:	:	:	:	:
LV	3	:	2	2	2	0	11	9
LT	:	14	16	16	9	9	10	9
LU	:	:	38	:	:	:	:	:
HU	:	:	92	219	:	:	284	393
MT	:	:	:	:	:	:	:	:
NL	803	:	661	786	863	834	983	:
AT <sup>1)</sup>	1114	964	32	34	34	55	53	:
PL	307	654	744	759	763	768	807	651
PT	:	336	358	288	300	330	341	318
SI	:	:	:	:	:	34	119	134
SK <sup>2)</sup>	73	:	:	:	51	22	18	34
FI	137	158	169	140	88	117	:	:
SE	:	44	38	26	33	87	89	84
UK <sup>3)</sup>	:	:	355	324	331	335	329	1429
BG	6	5	5	14	22	17	24	32
HR	:	5	6	6	6	5	:	:
RO <sup>4)</sup>	57	52	76	107	85	19	13	14
TR	163	229	651	:	:	617	205	:
IS	3	3	4	4	8	4	7	6
NO	:	:	:	:	:	:	229	290
CH	:	906	738	817	797	752	741	:

1) Change in methodology in 1997

2) Change in methodology in 2000

3) Change in methodology in 2002

4) Change in methodology in 2000

### Increase in current expenditure for environmental protection in the public sector

In 2002 the public sector in the EU-25 spent about 0.5% of GDP or about 51 billion euro on total environmental protection expenditure. Current expenditure in the public sector consists of administrative activities, personnel and other inputs used for environmental protection purposes. In 2002 more than 75% of total environmental protection expenditure in EU-25 was in the form of current expenditure.

An increase in current expenditure for environmental protection is seen in *table 3* for the majority of EU, Accession and EFTA countries, especially since the mid 1990s. In the most recent years expenditure has risen extensively in Estonia, Lithuania, Latvia, and in Bulgaria. Taking into consideration the economic growth in these countries the increase in current expenditure

for environmental protection is not just due to inflation and general increases in prices. In Estonia expenditure rose from 0.05% of GDP to 0.16% over 1996-2002. In Lithuania however no increase is seen when taking into account the increase of GDP in the country.

The development of current expenditure has been fairly stable in the period from 1995 to 2001 in Denmark and Switzerland, even taking into account economic growth in these countries. During the period over 1995 to 2002, Germany has experienced a decrease in expenditure by over 11%. This could possibly be the result of waste and wastewater management being privatised.

Table 3: Current expenditure on environmental protection in the public sector, Mio euro

Country	1995	1996	1997	1998	1999	2000	2001	2002
BE	:	767	809	883	843	961	1109	:
CZ	:	:	:	:	:	:	:	:
DK	1234	1298	1375	1438	1564	1625	1639	:
DE	7990	7720	7410	6730	6740	6540	6440	7100
EE	13	2	1	2	2	2	6	12
EL	381	448	482	483	531	:	:	:
ES	2203	1976	1639	1770	1829	:	:	:
FR	2360	2461	2544	2666	2772	2956	3082	3242
IE	:	:	:	270	:	:	:	:
IT	:	5173	5617	6091	6603	7578	8070	8205
CY	:	:	:	:	:	:	:	:
LV	:	:	:	:	:	1	4	7
LT	:	2	3	3	5	3	3	5
LU	:	:	70	:	:	:	:	:
HU	:	:	:	:	:	:	54	63
MT	:	:	:	:	:	:	7	7
NL	3790	:	3411	3088	4423	:	5277	:
AT <sup>1)</sup>	1523	1452	326	450	318	390	396	:
PL	:	:	:	555	552	641	738	287
PT	:	418	417	340	365	399	447	486
SI	:	:	:	:	:	1.2	:	:
SK <sup>2)</sup>	:	:	:	:	86	9	5	15
FI	406	371	368	380	393	392	:	:
SE	:	308	152	355	326	456	527	605
UK <sup>3)</sup>	:	:	5187	5643	6294	7241	6850	6385
BG	8	4	5	12	30	26	46	27
HR	:	4	12	9	14	56	:	:
RO <sup>4)</sup>	57	83	83	87	45	44	45	81
TR	:	74	953	:	:	212	147	:
IS	15	15	18	20	23	26	23	21
NO	:	:	:	:	:	:	985	1122
CH	:	1248	1204	1211	1245	1468	1577	:

1) Change in methodology in 1997  
 2) Change in methodology in 2000  
 3) Change in methodology in 2002  
 4) Change in methodology in 2000

## Administration costs and research receive the largest share of environmental protection expenditure

The focus of current expenditure was under the heading “other” which accounted for 63% of total current expenditure for environmental protection as is shown in *table 4*.

“Other” includes, for example, expenditure on general administration, “Research and Development” and on “Protection of Biodiversity and Landscape”. In 2002, at an EU-25 level, “Protection of Biodiversity and Landscape” made up 8% of total EPE in “other”. “Noise” and “Soil and groundwater” together accounted for less

than 1% of total EPE in “other”. The rest of environmental protection expenditure in the “other” is for expenditure on “Research & Development” and administrative costs.

There has been an increase in investment and current expenditure from 2000 to 2002 in “other”, shifting the relative importance away from “waste” and “wastewater” in EU-25. However, there are differences between the new MS and the old. The new MS are still focusing on preventing and treating wastewater pollution.

Table 4: Environmental protection expenditure by domain in the public sector, EU-25, 2000-2002. Mio euro. Eurostat estimate

	Air	Waste	Wastewater	Other	Total	% of GDP	Euro per capita
2000							
EPE	2%	33%	22%	43%	50,214	0.56%	111
Environmental protection investment	3%	11%	43%	43%	12,701	0.14%	28
Current expenditure for environmental protection	2%	41%	15%	43%	37,513	0.42%	83
2001							
EPE	3%	32%	16%	49%	54,243	0.58%	120
Environmental protection investment	4%	8%	41%	47%	11,969	0.13%	26
Current expenditure for environmental protection	3%	39%	9%	49%	42,274	0.45%	93
2002							
EPE	2%	27%	8%	63%	50,893	0.53%	112
Environmental protection investment	4%	10%	23%	64%	12,310	0.13%	27
Current expenditure for environmental protection	1%	33%	3%	63%	38,583	0.40%	85

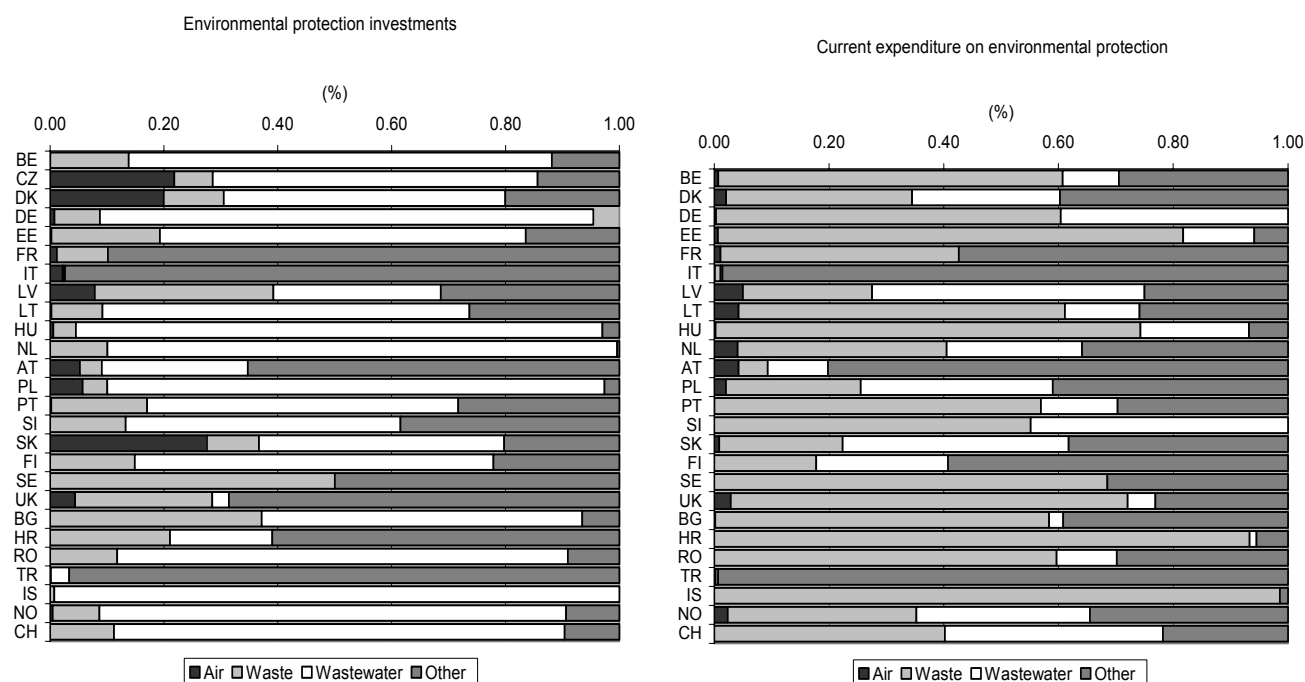
At country level the shares of the environmental domains differ, but generally it is investments into wastewater treatment and “other” investments that receive contributions from the public sector as figure 8 shows.

In some countries wastewater treatment plants are still owned by the government (in some cases even when the operation is managed by specialised producers) and investments were primarily focused

on this domain. The treatment and monitoring of wastewater is dependant on advanced technology and does not demand a high workforce.

However, it is interesting to note that the data in 2002 on current expenditure on environmental protection focused mainly on either “waste” or “other” for the majority of countries presented.

Figure 8: Investments and current expenditure on environmental protection by environmental domain, public sector, 2002



Note: BE, DK, DE, NL, AT, SE, TR, and CH: data refers to 2001  
 Note: FI, HR: data refers to 2000



## Specialised producers of environmental protection services

Table 5 shows environmental protection expenditure by specialised producers by country. As seen there are fewer countries reporting data for specialised producers compared with table 1 for the public sector. On the basis of presented countries most of the environmental protection expenditure by specialised producers is current expenditure. The share of investments varies greatly from country to country but was on average 22% in 2001.

In general, the increases of expenditure seen in table 5 are attributable to the increase in current expenditure. As far as investments are concerned, they have been decreasing in most Member States with the exception of some of the new Member States such as Poland, Latvia, Slovenia and Slovakia.

Table 5: Environmental protection expenditure, specialised producers, Mio euro

Country	1997	1998	1999	2000	2001	2002	Share of GDP <sup>1)</sup>	Euro per capita <sup>1)</sup>
BE	1394	1356	1591	1799	:	:	0.7%	18
CZ	401	428	430	550	576	692	0.9%	68
DK	2028	2080	2165	2161	2258	:	1.3%	422
DE <sup>2)</sup>	14740	15080	16420	16080	16470	17250	0.8%	209
EE	10	12	6	7	58	55	0.7%	41
FR	9396	10314	11018	11915	12561	13539	0.9%	220
IT	7783	:	:	:	:	:	0.8%	135
LV	:	:	:	30	29	45	0.5%	19
LT	:	65	53	75	70	91	0.6%	26
HU	:	:	:	:	351	396	0.6%	39
NL <sup>3)</sup>	3040	2600	2927	3368	:	:	0.8%	212
AT	4822	5167	5161	4326	5289	:	2.5%	658
PL	:	:	:	:	:	874	0.4%	23
PT <sup>4)</sup>	114	202	7	8	8	7	0.0%	0.7
SI	:	:	:	6	70	100	0.4%	50
SK	:	3	5	11	7	61	0.2%	11
FI <sup>5)</sup>	128	130	139	158	:	:	0.1%	31
BG	:	:	3	6	5	6	0.0%	0.8
HR	4	5	10	14	:	:	0.1%	3
RO <sup>6)</sup>	45	55	54	148	134	330	0.7%	15

1) Latest available year

2) Excludes fees and purchases, only public specialised producers

3) Only private specialised producers

4) From 1999 onwards only NACE 90

5) Only public specialised producers

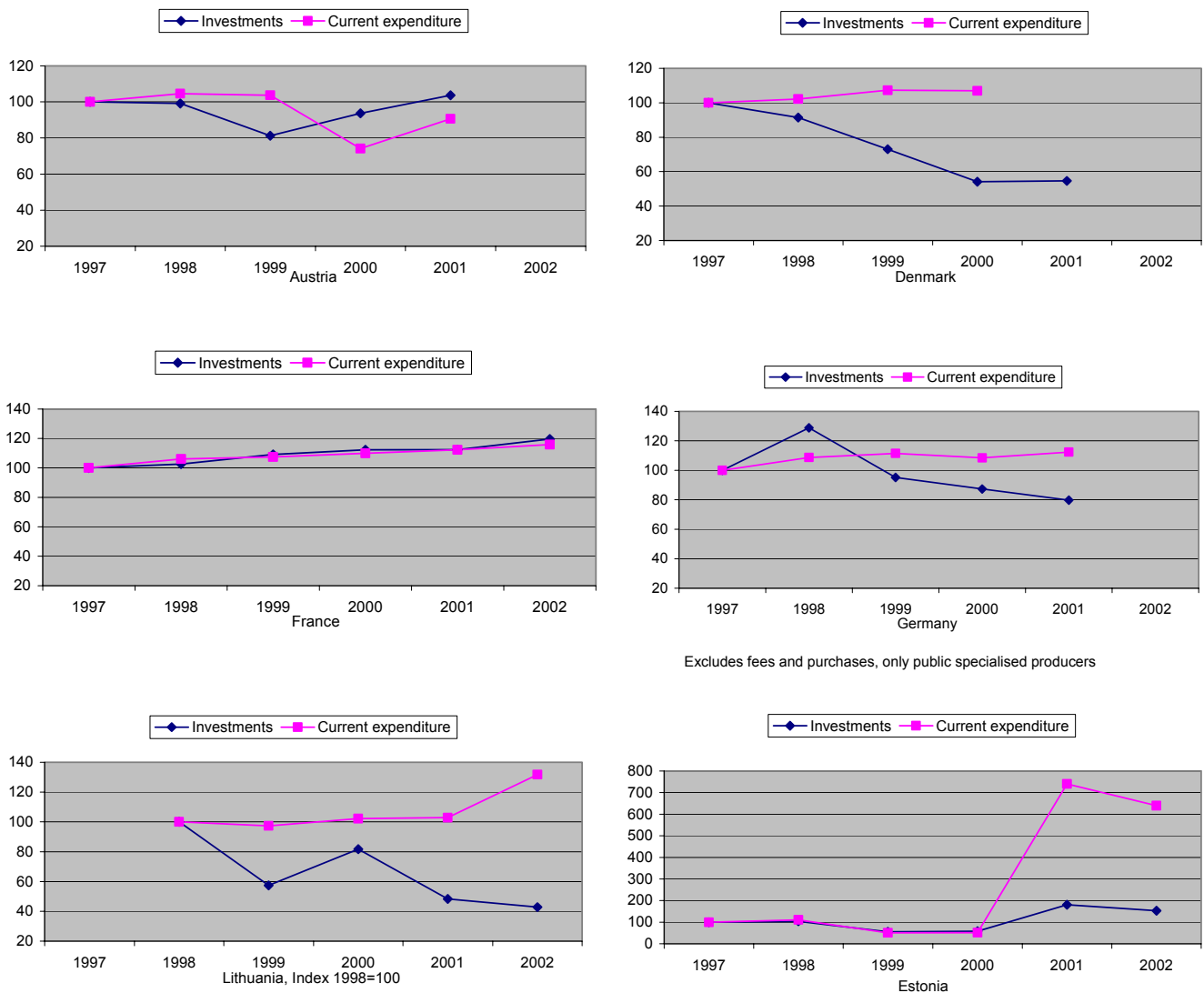
6) Change in methodology in 2000

Figure 9 shows the development of environmental protection expenditure for specialised producers in six countries from 1997 to 2002. For example, current expenditure in the waste and wastewater domains has increased dramatically in Estonia. Although partly affected by methodological changes there are also real changes. Large restoration works have been in progress in waterworks in Estonia since the beginning of 2000 which is also reflected in the increase in investments.

In Austria since 1999 investment in waste treatment has increased along with "other" investments which include investments made by businesses in research

and development, wholesale scrap and metal among other businesses. Since 1997 Denmark has seen a sharp decline in investment in particular in wastewater equipment. On the other hand, current expenditure increased within the wastewater domain as well as that of waste. In France in the waste domain there have been increases in investments as well as in current expenditure. Lithuania had a stable development of current expenditure on environmental protection until 2001 but between 2001 and 2002 there was an increase. This is mainly due to a rise in expenditure within the wastewater management domain. Investments on the other hand have declined both within the area of waste and wastewater treatment.

Figure 9: Environmental investments and current expenditure as % of GDP, specialised producers, index 1997=100



## ➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

### DEFINITIONS

Environmental protection expenditure (EPE) is the money spent on all purposeful activities directly aimed at the prevention, reduction and elimination of pollution or any other degradation of the environment.

EPE does not include:

- Activities that, while beneficial to the environment, primarily satisfy technical needs or health and safety requirements.
- Expenditure linked to exploitation of natural resources (e.g. water supply).
- Calculated cost items such as depreciation (consumption of fixed capital) or the cost of capital.
- Payments of interest, fines and penalties for non-compliance with environmental regulations or compensations to third parties.

Activities such as energy and material saving are only included to the extent that they mainly aim at environmental protection. One example is recycling which is included to the extent that it constitutes a substitute for waste management.

### ENVIRONMENTAL DOMAINS

Environmental protection expenditure is further defined by the Classification of environmental protection expenditure and activities (CEPA). CEPA is also used to classify expenditure items into different environmental domains according to the environmental media or type of pollution/degradation concerned. The domains presented in this publication include the following activities:

Air:

Protection of Ambient Air and Climate.

Wastewater:

Emission to water, wastewater management

Waste:

Waste collection, treatment and prevention

Other:

Protection of soil and groundwater, Noise, Biodiversity and Landscape, Radiation, Research and development, General administration and multifunctional activities.

### ECONOMIC VARIABLES

Total environmental protection expenditure presented in this publication is the sum of investments and current expenditure

#### EP investments

All outlays in a given year for machinery, equipment and land used for environmental protection purposes. Total investments are the sum of two categories: Pollution treatment and pollution prevention investments.

#### Current expenditure on EP

The money spent during the year for the execution of environmental protection activities (excluding investments expenditure) it is the sum of two categories:

#### In-house expenditure

Own production of environmental services for own use: wages and salaries, rents, energy, maintenance expenditure and other intermediate inputs used for environmental protection purposes.

#### Fees and purchases

All purchases of environmental protection services bought from the market (e.g. a firm has its waste collected by a specialised enterprise), both from

public and private producers. These payments are clearly linked with an environmental protection activity done outside the enterprise and exclude e.g. fines and penalties.

### SECTORS

This publication covers expenditure by the public sector and specialised producers. The public sector includes central, regional and local governments, authorities, communities and government agencies (mainly NACE 75). Data reported are net of any transfers between these government bodies. The main activity is to produce services which are delivered free or at price not economically significant for individual and collective consumption. Specialised producers include activities for the collection of wastewater and waste. These can be found mainly in NACE 90.

### INDICATORS

Comparisons have been made with GDP at current prices, derived from the Eurostat database NewCronos. The ECU/euro exchange rates are averages for the year. Comparisons have also been made with population data per 1000 inhabitants, of 1 January.

### DATA QUALITY

The data presented in this publication is a selection of the data reported by the Statistical services in the countries through the Joint Eurostat/OECD Questionnaire 2004. There are discrepancies among the countries of reported units. Various work of the harmonisation of data is needed. More detailed information is available in the Eurostat web-site CIRCA.

EPE is still under development and the coverage and quality of the data still varies between countries, limiting data comparability and effective interpretation. The data presented here are those reported by the countries. No estimates have been made to compensate for variations in coverage or possible underestimates. For more information see footnotes to tables and graphs and the Eurostat database NewCronos.

EPE is an indicator of the response from society to reduce environmental pressure and move towards sustainability. However, improvements are also made as part of day-to-day activities, where no specific expenditure to protect the environment can be identified. In addition, high levels of spending could be a result of new, stricter policies in a country where much already has been done to reduce pollution and where the marginal cost is high, or could be a result of long periods of no spending. As a complementary exercise, a further analysis focused on the links to physical data (size of emissions, amounts of waste, etc) is recommended.

### EU-25 ESTIMATES

An estimate of EPE by the public sector in the EU-25 2000-2002 has been made based on the data reported in the Joint Questionnaire taking into account other data available at Eurostat, mainly data reported with the COFOG classification (Expenditure of general government by function). In this estimate, compensations have been made for clear data gaps in the data reported by the countries but not for possible inherent underestimating. The results should be seen as a low-end-estimate.

Estimating has also been done for specialised producers within the EU-25 2000-2001. EU-15 estimates have been made for the period 1999-2001. For quality reasons the estimates only cover the waste and wastewater domain. EU averages were used together with complementary data on economic growth such as the GDP for the estimating procedures.

## ***Further information:***

### **Databases**

[EUROSTAT Website/Environment and energy/Environment/Environmental expenditure and environmental taxes/Environmental protection expenditure in Europe - detailed data](#)

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