


# New information related to industries to monitor investments to reduce the effects of climate change

POSTER SESSION 2 - February 24th, 2023

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## 1. Italy's goal for sustainable economic growth in compliance with the European Green Deal for fight climate change

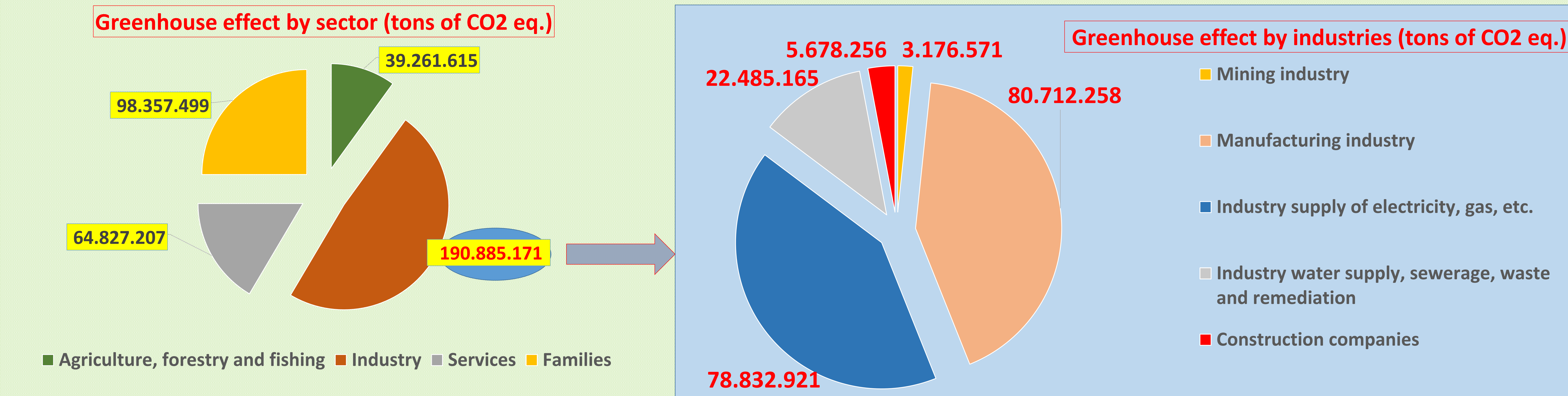
This contribution highlights an original simplified table of the production account and a conceptual scheme associated with six environmental objectives, that allows us to estimate the green gross domestic product, Green GDP. Industries therefore, through their activities, play a fundamental role in the fight against climate change. In order to monitor the global goals it is necessary to suggest new indicators (e.g. Green GDP) at a world level which are necessary to measure the progress achieved by countries in support of the climate.

### The Global Goal 9 SDGs (Industry) promote inclusive and sustainable industrialization

The European Regulation on the “**New Taxonomy**” is an important piece of legislation that entered into force in 2020 and introduces a common classification system to monitor sustainable investments and increase and therefore implement the European Green Deal.

Industries are required to provide some information on environmental factors including information on climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems and their business strategy to demonstrate the transition towards a climate-neutral economy.

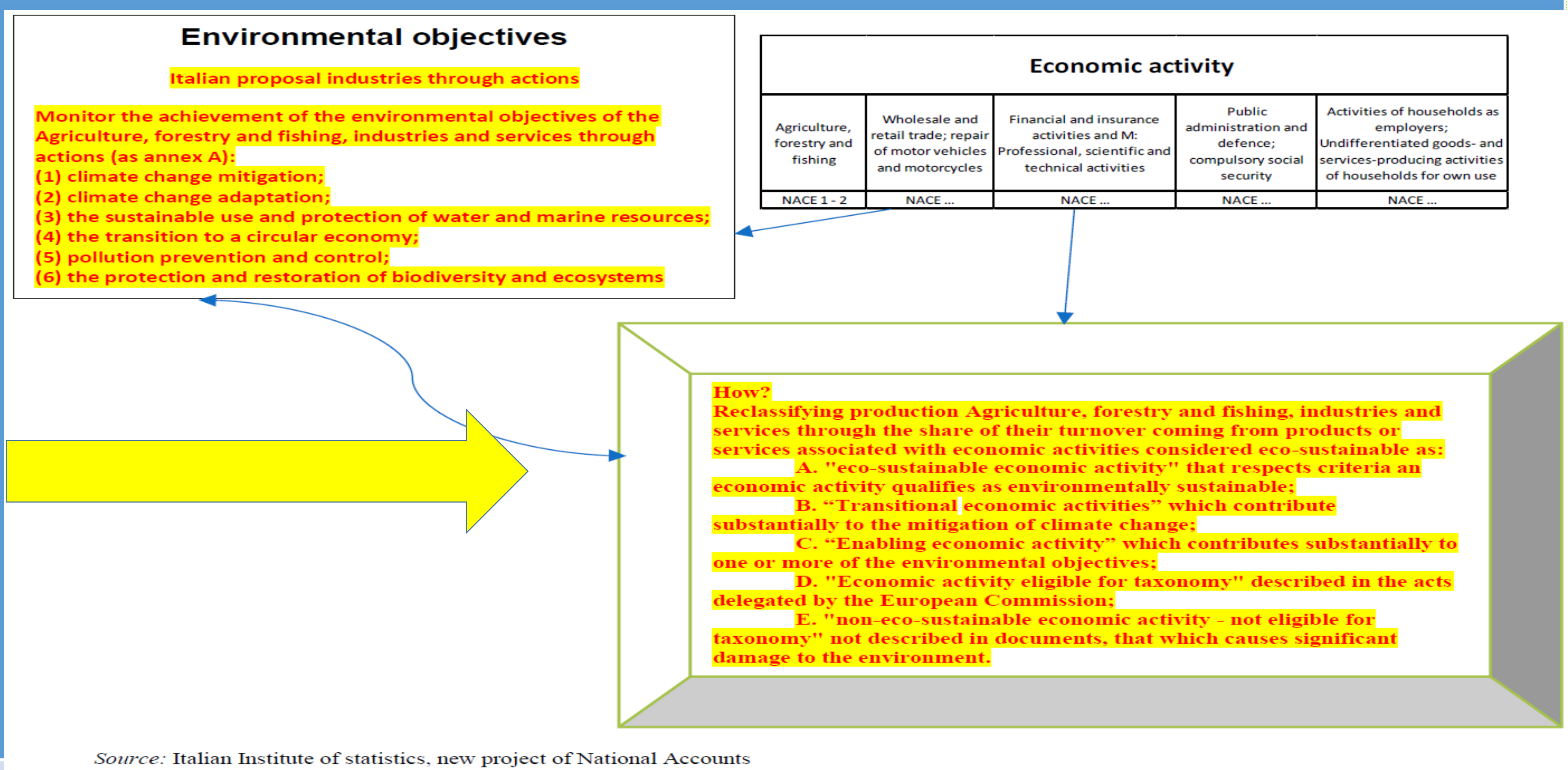
In Italy the emissions of greenhouse gases amounted, in 2019, to over **431 million tons of CO2 equivalent**. The Italian production system generates 3 quarters of the total climate-changing emissions (industry 48.4 per cent, services 16.9 per cent and agriculture 9.1 per cent) of the entire economy compared to households which contribute to emissions only with 25.6 percent. The manufacturing and energy industries emit about 159 million tons of CO2 of the total 190 million tons and contribute significantly to greenhouse gas emissions.



## 2. This proposal launches a new conceptual scheme associated with six environmental objectives

The scheme provides:

- It is necessary to introduce one or more specific questions in the survey of the Permanent Census of Enterprises using a new codification of eco-sustainable economic activity (CEEA) or information contained in "sustainability report".
- The type of economic activity (NACE) linked to the eco-sustainable one will be analyzed and codified with the one to which it belongs: all sustainable (A); only partially sustainable (B,C,D); completely unsustainable (E).
- The percentage of turnover will be divided by products or services associated with environmentally sustainable economic activities.



Source: Italian Institute of statistics, new project of National Accounts

- The value of production calculated based on the green contribution to the activity and the product, net of costs, makes it possible to determine the percentage share of production sustainability necessary to estimate the green added value.
- The table, placed to the right, shows the various economic aggregates of production at current prices and highlights the list of activities, products, and services, deemed relevant for compliance with the principle "do not cause significant damage" to six environmental objectives to which economic activity has been associated.
- In extreme synthesis, once the production's value has been reclassified and the costs have been subtracted, the added value is obtained, i.e. a new indicator, the "**Green**" GDP.

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New classification ECO - codification of eco-sustainable economic activity qualifies as environmentally sustainable	Economic activity (NACE)					Production and value added
	Agriculture, forestry and fishing	Wholesale and retail trade; repair of motor vehicles and motorcycles	Financial and insurance activities and M: Professional, scientific and technical activities	Public administration and defence; compulsory social security	Activities of households as employers; Undifferentiated goods- and services-producing activities of households for own use	
	NACE 1 - 2	NACE ...	NACE ...	NACE ...	NACE ...	NACE ...
A. "eco-sustainable economic activity" that respects criteria an economic activity qualifies as environmentally sustainable;						
1. the mitigation of climate change				X		X
OAMCC 1.1						
OAMCC 1.1.1 improving energy efficiency etc.						
2. adaptation to climate change				X	X	X
3. sustainable use and protection of water and marine resources						X
4. the transition to a circular economy		X				
5. the prevention and reduction of pollution						
6. the protection and restoration of biodiversity and ecosystems				X		X
B. "transitional economic activities" which contribute substantially to the mitigation of climate change;			X			
C. "enabling economic activity" which contributes substantially to one or more of the environmental objectives;						
D. "economic activity eligible for taxonomy" described in the acts delegated by the European Commission;						
E. "non-eco-sustainable economic activity - not eligible for taxonomy" not described in documents, that which causes significant damage to the environment.	X	X	X	X	X	X
Tot A - D	X	X		X	X	Green GDP (% GDP)
Tot E	X	X	X	X	X	GDP