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#### **Statistical Commission**

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Item 3 (o) of the provisional agenda\*
Items for discussion and decision: international statistical classifications

## **Committee of Experts on International Statistical Classifications**

#### Note by the Secretary-General

In accordance with Economic and Social Council decision 2024/312 and past practices, the Secretary-General has the honour to transmit the report of the Committee of Experts on International Statistical Classifications, which is submitted to the Statistical Commission for discussion and decision.

<sup>\*</sup> E/CN.3/2025/1.





## Report of the Committee of Experts on International Statistical Classifications

#### I. Introduction

- 1. In its decision 55/119, the Statistical Commission:
- (a) Endorsed the amended mandate and governance of the Committee of Experts on International Statistical Classifications to strengthen its role in overseeing the implementation of statistical classifications;
- (b) Endorsed the structure of the Central Product Classification, Version 3, recommended that this classification be recognized as the international standard for products covering all goods and services, and encouraged the Committee to finalize the explanatory notes and the development of relevant correspondences;
- (c) Endorsed the explanatory notes, introduction and the implementation plan for the International Standard Industrial Classification of All Economic Activities, Revision 5, and requested the translation of Revision 5 into all the official languages of the United Nations;
- (d) Endorsed the Classification of Environmental Purposes and the International Union for Conservation of Nature and Natural Resources Global Ecosystem Typology as international statistical classifications, and recommended that they be included in the international family of classifications;
- (e) Commended the work of the international statistical classifications sprint on highlighting the importance of having agile and responsive classification systems and the necessity of adequate investment and resourcing for classifications work;
- (f) Recommended more frequent revision of the International Standard Industrial Classification and the Central Product Classification so that they accurately mirror economic realities and aid in effective policymaking, noted the recommendation by the Committee of a five-year revision cycle, acknowledged the concerns expressed about that frequency, noted the need for an adequate statistical infrastructure, concerted efforts and dedicated resources to implement the recommendation, and requested the Committee to propose and evaluate procedures, stages and milestones for implementing a regular revision cycle for the International Standard Industrial Classification and the Central Product Classification, leading to the next revision, and to report back to the Commission by 2028;
- (g) Took note of the progress of work on the revision of the Standard International Energy Product Classification, and requested the Committee to submit the revised version thereof to the Statistical Commission at its next session, in 2025;
- (h) Approved the terms of reference of the task team on the revision of the Classification of the Functions of Government;
- (i) Welcomed the Committee's work programme, which includes advancing the Classification of the Functions of Government revision and implementation of the Classification of Statistical Activities, updating the documentation on best practices and approvals, and promoting the increased availability of classifications in linked open data format and work on modernization of classifications.
- 2. The present report contains a description of the work programme of the Committee on the development and implementation of international statistical classifications in various fields and its work on the coordination of classifications and the review of the international family of classifications. The report also contains an update on the work of the Committee's task teams on the revision of the Central

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Product Classification, the Standard International Energy Product Classification and the Classification of the Functions of Government. The Commission is invited: (a) to endorse the explanatory notes and introductory text to version 3.0 of the Central Product Classification; (b) to note the progress on the revision of the Standard International Energy Product Classification and approve a new timeline for its revision; (c) to note the progress on the revision of the Classification of the Functions of Government; (d) to endorse the International Classification Standard for Administrative Data on Trafficking in Persons as an international statistical classification; and (e) to initiate a limited update of version 2.0 of the Classification of Statistical Activities, to consider a standalone food security and nutrition domain

## II. Activities of the Committee of Experts on International Statistical Classifications

- 3. The Committee of Experts serves as the central coordination body for the work on international statistical classifications that are the responsibility of the Statistics Division of the Department of Economic and Social Affairs of the Secretariat, and for the coordination and review of other international statistical classifications that are the responsibility of other international organizations and that have been proposed for adoption by the Statistical Commission. The Committee works to ensure harmonization and convergence in the development of the classifications within the international family of statistical classifications.
- 4. The 2024 meeting of the Committee was held virtually in two sessions, in May and in October and November 2024. The first session of the meeting focused on the discussion on regular revision cycles of the International Standard Industrial Classification of All Economic Activities and of the Central Product Classification, and the methodology and process for the standing task team on the International Standard Industrial Classification and the Central Product Classification. The second session included a review of the progress of its task teams on the revision of the Central Product Classification, the Standard International Energy Product Classification and the Classification of the Functions of Government, as well as a discussion on progress relating to the development or revision of several classifications. The Committee endorsed the International Classification Standard for Administrative Data on Trafficking in Persons as an international statistical classification and recommended that a limited update of version 2.0 of the Classification of Statistical Activities be initiated in order to consider the food security and nutrition domain.

#### III. Work of the task teams

5. The work of the Committee in 2024 is currently organized according to five broad areas of work, with members of the Bureau leading the related parts of the programme of work. The areas of work are as follows: (a) the task team on the Central Product Classification, led by the United States of America Bureau of Labour Statistics; (b) the task team on the Standard International Energy Product Classification, also led by the Bureau of Labour Statistics; (c) the task team on the Classification of the Functions of Government, led by the Treasury of the Government of the United Kingdom of Great Britain and Northern Ireland; (d) the standing task team on the International Standard Industrial Classification and the Central Product Classification, led by the Australian Bureau of Statistics; and (e) the task team on best practices and the international family of classifications, led by Statistics New Zealand. The Committee also worked on the finalization of the International Standard

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Industrial Classification and the Classification of Individual Consumption According to Purpose, with support from Statistics Canada and Eurostat.

#### A. Central product classifications

- 6. The Commission, at its fifty-second session, endorsed the revision of the Central Product Classification and approved the creation of a task team on the Classification, under the auspices of the Commission. The task team has worked through a list of revision issues from 2021 to 2023, with two rounds of global consultations launched. The five-digit structure of version 3 of the Classification was endorsed by the Commission at its fifty-fifth session, in March 2024.
- 7. Pursuant to decision 55/119 of the Commission, the task team on the revision of the Central Product Classification continued its work, through several virtual meetings held during 2024 and online discussions, to finalize the explanatory notes and introductory text of the revised Classification and to update its structure in order to introduce corrections of editorial errors and omissions. The Committee, at its 2024 meeting, took note of the updated structure of version 3.0 of the Classification, incorporating corrections, reviewed the explanatory notes and endorsed the timeline for the finalization of version 3.0 by early 2025 following the broad consultation and electronic approval of the documents by the Bureau. The Commission is invited to endorse the explanatory notes and introductory text of version 3.0.
- 8. Following the adoption of version 3 of the Central Product Classification, work will now move to the implementation phase. With the finalization of version 3 and the shift in focus to implementation, the current task team on the International Standard Industrial Classification will be retired and future work on the update and maintenance of version 3 and development of a research agenda and revision cycle will be undertaken by the standing task team on the International Standard Industrial Classification and the Central Product Classification.

#### **B.** Standard International Energy Product Classification

- 9. The revision of the Standard International Energy Product Classification was mandated by the Statistical Commission at its fifty-third session, in March 2022. A task team on the revision of the Standard Classification was created by the Committee to improve harmonization between the Standard International Energy Product Classification and the Central Product Classification, and to revise the Standard International Energy Product Classification. The task team has been working through a list of issues identified through a global consultation that took place in 2023 involving experts from energy statistics, environmental economic accounts, national accounts and classification communities.
- 10. All revision issues have now gone through at least an initial task team discussion. A number of proposals for changes in the Standard International Energy Product Classification were agreed by the task team, with significant decisions reached. However, the discussion has not concluded on some issues, including the overall scope and purpose of the Classification, the impact of the Central Product Classification revision on the structure of the Standard International Energy Product Classification, and how the concepts of renewable/non-renewable and primary/secondary energy sources are treated in the structure. It is therefore proposed that the revised Standard International Energy Product Classification be finalized and submitted to the Statistical Commission at its fifty-seventh session, in 2026, instead of its fifty-sixth session, as originally planned. This postponement will allow for a full consideration of outstanding issues and the impact of the revision and improved

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coordination with the Standard International Energy Product Classification revision process. The Commission is invited to express its views on this proposal.

#### C. Classification of the Functions of Government

- 11. The Committee has established a task team to revise the Classification of the Functions of the Government following the approval of its terms of reference by the Statistical Commission at its fifty-fifth session. The task team comprises experts on statistical classifications and subject matter experts on government finance statistics, national accounts, environmental accounts and other users or producers of the Classification.
- 12. Regular virtual meetings of the task team on the revision of the Classification were held, along with the use of a wiki to facilitate the discussion and compile a preliminary list of revision issues. A global consultation was launched in November 2024. Following a review of the consultation responses, the task team will finalize the list of issues for the revision of the Classification in early 2025. It is proposed that the revised Classification be submitted to the Commission at its fifty-eighth session, in 2027.

# D. Standing task team on the International Standard Industrial Classification of All Economic Activities and the Central Product Classification

13. To facilitate the ongoing maintenance, updating and implementation of the International Standard Industrial Classification of All Economic Activities and the Central Product Classification, the Commission, at its fifty-fourth session, in 2023, endorsed the establishment of standing task teams for the International Standard Industrial Classification and the Central Product Classification. At its meeting in October 2023, the Committee agreed to set up one consolidated standing task team on the International Standard Industrial Classification and the Central Product Classification, which will be a permanent task team reporting to the Committee for the ongoing maintenance, revision and implementation of both the International Standard Industrial Classification and the Central Product Classification. The Committee, at its meeting in 2024, approved the terms of reference of the standing task team, which is tasked with the development of a strategy for establishing revision cycles for the International Standard Industrial Classification and the Central Product Classification, including recommendations on the procedures, stages and milestones for implementing a regular revision cycle. It will also be tasked with developing an implementation and maintenance strategy and research agenda for the International Standard Industrial Classification and the Central Product Classification. The Commission is invited to approve the terms of reference of the standing task team.

#### E. Classification of Statistical Activities

14. The Committee reviewed the proposal from the Food and Agriculture Organization of the United Nations (FAO), the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO) to introduce a limited update of version 2.0 of the Classification of Statistical Activities, for the inclusion of a new data domain on food security and nutrition, pursuant to Commission decision 55/110 (e), in which the Commission recommended that the Committee consider food security and nutrition as a standalone statistical data domain in the Classification of Statistical Activities.

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15. Noting the Commission's request and considering that version 2.0 of the Classification of Statistical Activities had only recently been endorsed by the Commission at its fifty-forth session, in 2023, and that the current work on the Classification of Statistical Activities is focusing on implementation, the Committee recommended that an update process to version 2.0 be initiated that is limited in scope, restricting the update to the consideration of additions relating to food security and nutrition in version 2.0 and any rearrangements or subdivisions at the lower levels of the classification that may be needed to enable the inclusion of the proposed domain. The Committee recommended that the Bureau be delegated to conduct the version 2.0 update process in close collaboration with FAO, UNICEF, WHO and experts from the classification and food security and nutrition communities. It is proposed that the updated Classification of Statistical Activities be submitted to the Commission at its fifty-seventh session, in 2026. The Commission is invited to approve the initiation of a limited update of version 2.0 to consider a standalone food security and nutrition domain.

#### F. Best practice and international family of classifications

- 16. The Committee, at its meeting in October 2022, recommended the creation of a task team on best practices to review and update the existing documents that provide guidance on the development of classifications and the approval process of international classifications. Three relevant documents include the Best Practice Guidelines for Developing International Statistical Classifications, the Criteria to Become a Member of the International Family of Classifications and the Grading Criteria for International Statistical Classifications.
- 17. With the approval by the Commission at its fifty-third session, in 2023, of version 2.0 of the Classification of Statistical Activities, the Committee proposed at its meeting in October 2023 that the original proposed terms of reference for a task team to review best practice be extended to cover issues with the international family of classifications and the implementation of the Classification of Statistical Activities in the international family of classifications.
- 18. The Committee, at its meeting in 2024, approved the revised terms of reference of the task team on best practices and the international family of classifications. The task team would determine a process for the maintenance and update of the international family of classifications, on the basis of version 2.0 of the Classification of Statistical Activities, and review the above-mentioned three documents. The Commission is invited to approve the revised terms of reference of the task team.

#### IV. Other work on international classifications

## A. International Classification Standard for Administrative Data on Trafficking in Persons

19. The International Organization for Migration and the United Nations Office on Drugs and Crime have worked with anti-trafficking practitioners and technical experts to develop a draft International Classification Standard for Administrative Data on Trafficking in Persons. The Classification provides standardized definitions

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<sup>&</sup>lt;sup>1</sup> Available at https://unstats.un.org/unsd/classifications/bestpractices/Best\_practice\_Nov\_2013.pdf.

<sup>&</sup>lt;sup>2</sup> Available at https://unstats.un.org/unsd/classifications/Meetings/UNCEISC2022/UNCEISC\_2022 meeting Session 1 Bk4 Criteria IFC.pdf.

<sup>&</sup>lt;sup>3</sup> Available at https://unstats.un.org/unsd/classifications/bestpractices/Grading\_Criteria\_May\_ 2015.PDF.

for classification variables of the trafficking in persons event, as well as disaggregating variables at the victim, perpetrator and reporting entity levels. It is intended to improve the harmonization and comparability of data related to trafficking in persons and enables consistent reporting across jurisdictions, countries and regions.

20. The Committee reviewed the classification and its development process and evaluated it against the approval process. The Committee noted that the Classification meets the best practice requirements. In the light of that review, the Committee endorsed the Classification and recommended it for approval by the Commission as an international statistical classification. The Commission is invited to endorse the Classification.

#### B. International Standard Classification of Education

21. The Committee was informed of the activities undertaken by the Institute for Statistics of the United Nations Educational, Scientific and Cultural Organization (UNESCO) on the revision of the International Standard Classification of Education. The Classification review panel was established in June 2023 to provide recommendations on implementation of the Classification, identify applications for the production of international education indicators and identify areas for further development of the Classification. A number of challenges are currently considered by the review panel, including: (a) ensuring consistency in the classification of education programmes at the same Classification level across countries and regions; (b) considering expanding the scope of the Classification to include work-based learning; (c) refining specific categories and guidance for specific levels; and (d) integrating new fields of education to reflect the fast-evolving landscape of education on offer in national education systems. The review panel is in the process of finalizing a recommendation paper on the revision of the Classification, which will be presented to the UNESCO member States for endorsement.

#### C. International Standard Classification of Occupations

22. The Committee was informed of the activities undertaken by the International Labour Organization on the revision of the International Standard Classification of Occupations. Significant progress was made in 2024 to address more of the complex conceptual issues and resolve skills-related issues. Some progress has been made on some structure-related issues, with major revision work planned for the period 2025–2027. It is planned that a revised Classification be presented to the International Conference of Labour Statisticians at its 22nd meeting, in 2028.

#### D. Framework for Cultural Statistics

23. The Committee was informed of the activities undertaken by the UNESCO Institute for Statistics on the revision of the UNESCO Framework for Cultural Statistics, to better reflect contemporary global priorities that provide the foundation for the definitions and concepts used to measure culture; to define indicators for designing evidence-based policies; and to review the international classifications to measure the culture sector. The global consultation on the 2025 Framework took place from July to August 2024, with 96 responses received from 55 countries. It is expected that the final version of the 2025 Framework, consisting of a conceptual document and classification guide on the Framework, will be released late in the third quarter of 2025.

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#### E. International Classification of Crime for Statistical Purposes

24. The Committee was informed of the activities undertaken by the United Nations Office on Drugs and Crime on the develop the implementation manual for the International Classification of Crime for Statistical Purposes. The manual provides guidance to Member States for the national implementation of the Classification and offers concrete steps to promote its uptake, determine the scope of implementation, build a correspondence table and produce data according to the Classification. The manual is scheduled to be released late in 2024.

#### F. Extended Balance of Payments Services Classification

25. The Committee was informed of the activities undertaken by the task team on international trade statistics, under the Committee of Experts on Business and Trade Statistics, on the revision of the Extended Balance of Payments Services Classification. The Classification is a trade in services classification based on the standard service components of the Balance of Payments and International Investment Position Manual, with some references to the Central Product Classification. The Extended Balance of Payments Services Classification will be submitted to the Committee for review in 2025 prior to its submission to the Commission at its fifty-seventh session, in 2026.

#### V. Action to be taken by the Statistical Commission

- 26. The Statistical Commission is invited to:
- (a) Endorse the explanatory notes and introduction to version 3.0 of the Central Product Classification;
- (b) Note the progress on the revision of the Standard International Energy Product Classification and approve a new timeline for its revision;
- (c) Note the progress on the revision of the Classification of the Functions of Government;
- (d) Endorse the International Classification Standard for Administrative Data on Trafficking in Persons as an international statistical classification;
- (e) Initiate a limited update of version 2.0 of the Classification of Statistical Activities to consider a standalone food security and nutrition domain;
- (f) Approve the terms of reference of the standing task team on the International Standard Industrial Classification of All Economic Activities and the Central Product Classification;
- (g) Approve the terms of reference of the task team on best practices and the international family of classifications;
- (h) Welcome the progress made by the Committee and its task teams on advancing international statistical classifications;
- (i) Express its views on the progress of work and provide guidance on the elements of the work programme of the Committee.

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