

System of
Environmental
Economic
Accounting

SEEA CF Update:

Task Team D – Asset Accounts: Overview of activities since January 2025

Sjoerd Schenau (Statistics Netherlands)

Riaan Grobler (Statistics South Africa)

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United Nations

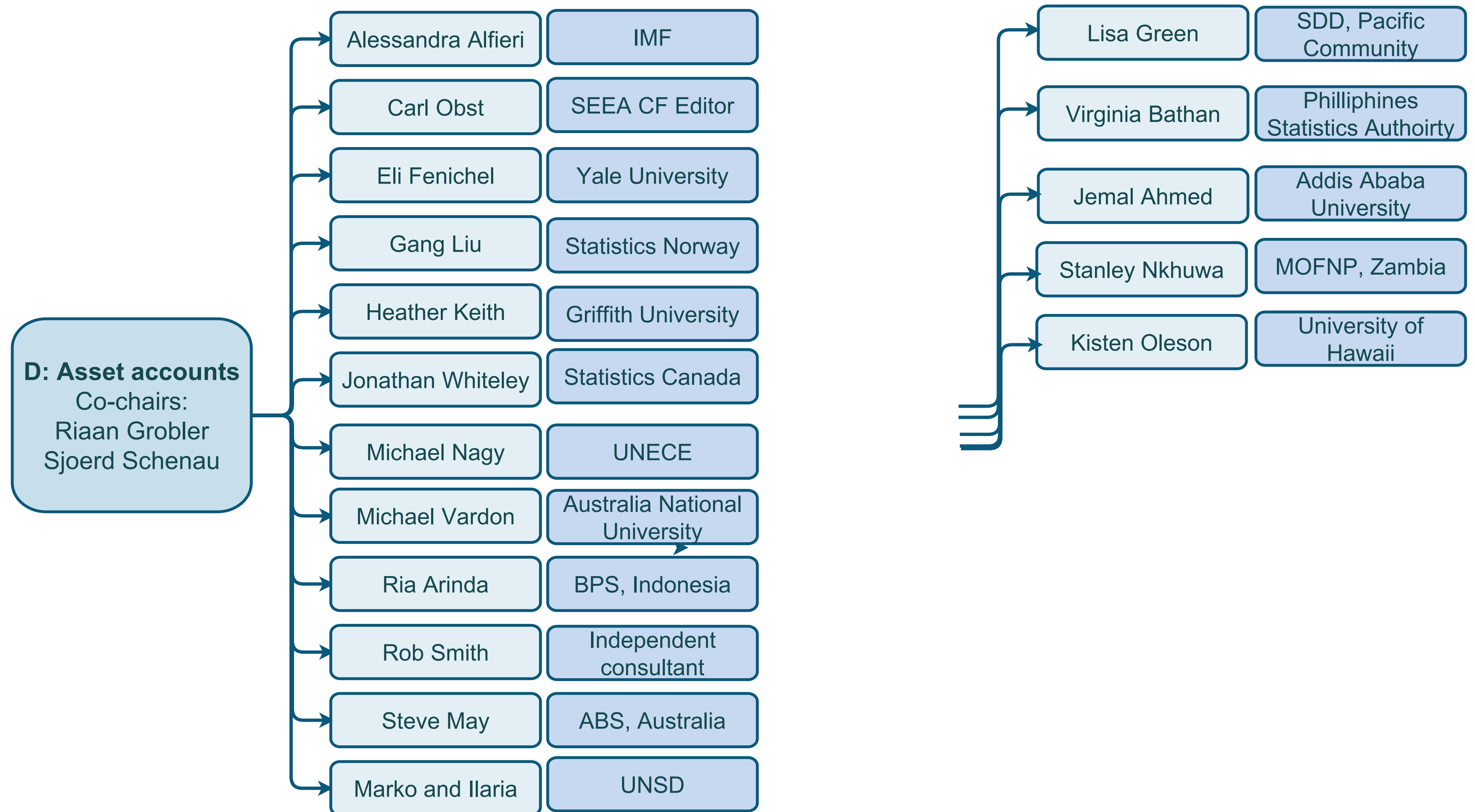
Outline

- What are we looking at?
- Progress so far and next steps
- Brief introduction to the two Task Team D issues being discussed next in this session

List of issues for Task Team D

ISSUE	DESCRIPTION	MOTIVATION FOR INCLUSION
D1	Inclusion of the carbon stock account	The carbon stock account has strong links to both the SEEA EA and SEEA CF. It should be investigated whether a) the carbon stock account should also be included in SEEA CF and b) if this warrants a more elaborate description (e.g., concerning carbon in the economy).
D3	Inclusion of accounts for physical produced assets	A key characteristic of the SEEA is that it looks at physical stocks and flows. Yet, physical asset accounts for produced assets are not part of SEEA CF. There is an increasing interest in these kind of stocks in view of the circular economy and analysis of waste flows (e-waste, recycling potentials, etc.). Other types of accumulations could also be examined (e.g. accumulation of durable household goods).
D4	Consideration of water as a produced asset (e.g. artificial reservoirs)	This was also an issue during the SEEA CF 2012 revision, which may need to be revisited. Currently the SEEA CF does not consider water (such as in artificial reservoirs) as a produced asset, but instead only records production at the point the water is abstracted from a water body (natural or artificial). Further discussion is needed on the appropriate recording, considering also the link to the SNA production boundary.
D7	Valuation of water	There are multiple issues surrounding the valuation of water in the SEEA CF. Firstly, the asset boundary of water in the SEEA CF is very broad and includes, in principle, all inland bodies of water, not all of which are able to be valued. In addition, water prices are seldom "market" or "near market". Water is often provided free of charge or at prices which do not reflect the costs of providing the related services, thus leading to a non-positive resource rent. However, avoiding economic valuation of water beyond market prices hinders the ability of the accounts to answer policy questions.
D8	Treatment of the atmosphere as an asset	The SEEA CF does not currently include the atmosphere as an environmental asset, citing that their stocks are too large to be meaningful for analytical purposes. However, it was included in the SEEA-2003 as an asset and was considered for inclusion as an asset during the revision of the SEEA EA (in the end, the SEEA EA only includes the atmosphere directly above and within an ecosystem as an integral part of the ecosystem asset). Further work is needed to articulate how the atmosphere and its functions may be appropriately characterised in accounting terms. This work should consider how transactions related to the atmosphere, for example transactions related to reducing greenhouse gas emissions, are most appropriately recorded. Research on this topic must link to related work in the context of the SEEA EA and the SNA.

Task Team D members



Task Team D - Timeline for 2025

Research and drafting

Drafting of scoping notes

Research on issues (guidance notes)

Formulation of proposals






2025

Meetings of TT-D

TT-D kick-off meeting on 15 April 2025 to review the scoping notes and discuss next steps

Regular meetings to review drafts and progress : TT- D met already on 28 May 2025 and 16 September 2025. Next meeting of TT-D scheduled for 30 October 2025 and 9 December 2025

Task Team D – Scoping Notes finalisation

TT-D issue	Scoping Note compiler	Final draft scoping note consultation with UNCEAA and SEEA CF TC completed?
D1: Inclusion of the carbon stock account	Carl Obst	
D3: Inclusion of accounts for physical produced assets	Roel Delahaye and Sjoerd Schenau	
D4: Consideration of water as a produced asset	Michael Vardon	
D7: Valuation of water	Carl Obst	
D8: Treatment of the atmosphere as an asset	Carl Obst	

Task Team D – Guidance Notes Authors and Drafting Teams

TT-D issue	Guidance Note compiler confirmed confirmed?	Guidance Note drafting team established?
D1: Inclusion of the carbon stock account (Tranche #1)	Carl Obst	Confirmed: <ul style="list-style-type: none"> • Heather Keith (University of Hawaii) • Lars Hein (Wageningen University) • Roberto Astolfi (OECD)
D3: Inclusion of accounts for physical produced assets (Tranche #2)	Rob Smith	No drafting team (the preference of the GN compiler).
D4: Consideration of water as a produced asset (Tranche #1)	Michael Vardon	Confirmed: <ul style="list-style-type: none"> • Michael Nagy (UNECE) • Sjoerd Schenau (Statistics Netherlands) • Steve May (Australian Bureau of Statistics) • Ken Bagstad (United States Geological Survey) • Mark Henry (Statistics Canada)
D7: Valuation of water (Tranche #3)	Kirsten Oleson	Confirmed: <ul style="list-style-type: none"> • Michael Vardon (Australian National University) • Carl Obst (IDEEA Group) • Eli Fenichel (Yale School of the Environment) • Silvia Ferrini (University of East Anglia)
D8: Treatment of the atmosphere as an asset (Tranche #3)	Rob Smith	No drafting team (the preference of the GN compiler).

Proposed allocation of GNs to Global Consultation tranches

Tranche #1	Tranche #2	Tranche #3
A4 (Making SEEA CF spatially explicit) – Peter Meadows	A1 (Linking SEEA CF & EA) – Peter Meadows	A3 (EE-IOT) ³ – Nils Brown
A9a (SNA: Natural resource and Terminology) ² – Carl Obst	A2 (Indicators) - Peter Meadows	A6 (Thematic accounts) – Carl Obst
	A5 (Harmonisation with int. stand.) - Carl Obst	A7 (Links to the social domain) - Carl Obst
	A9b (SNA: Transactions and Other) ² – Carl Obst	A8 (Linking all SEEA CF accounts) – Peter Meadows
B1/5 (Description of PSUT and EW-MFA) ¹ - Stephan Moll	B6 (Pressure accounts) – Carl Obst	B4 (Quarterly accounts) – Roberto Astolfi
B2 (Treatment of losses) – Stephan Moll	B7 (Waste accounts) – Julie Hass	
B3 (Carbon flows) ³ – Sjoerd Schenau		
C2 (Integrated framework) – Angelica Tudini	C1 (Inclusion of CEP) – Carl Obst	C8 (Sust. Finance) – Carl Obst
C3 (Scope of env activities) – Isabelle Remond-Tiedrez	C6 (PEDS) ³ – Sven Kaumanns and Ivo Litera	
C4 (Primary and secondary purpose) – Rodrigo Pizarro and Arturo De La Fuente	C7 (Tax abatements) ³ – Viveka Palm	
C5 (Climate expenditures) ³ – Julie Hass		
D1 (Carbon stock) – Carl Obst	D3 (Physical produced assets) – Rob Smith	D7 (Valuation of water) – Kirsten Olsen
D4 (Water as a produced asset) ³ – Michael Vardon		D8 (Atmosphere as an asset) – Rob Smith
Total GN: 11	Total GN 10	Total GN: 8

Notes:

¹: Issues B1 (Description of PSUTs) and B5 (Differences between PSUTs and EW-MFA) were merged

²: Issue to be split into two parts each for a separate consultation batch

³: Issue also discussed by the London Group

Task Team D – Additional Clarification Note

- Proposed short clarification note on environmental assets that has emerged as an option from the discussions in TT-D.
- An input to a number of TT-D GNs and also relevant in determining the language/content in the updated SEEA CF about environmental assets, including the link to the SNA.
- **Note that the discussion points from this clarification note are not finding fundamental changes** - it is more about clarification and making sure we all have the same understanding of the SEEA CF on the definition and measurement scope with respect to environmental assets.
- **First draft clarification note already engaged upon in TT-D meeting of 16 September 2025** - determine the way forward in terms of process and links to other issues.

Task Team D – First draft Guidance Notes Tranche #1

- Two TT-D Guidance Notes in Tranche#1:
 - **D1: Inclusion of the carbon stock account (Carl Obst and drafting team).**
 - **D4: Consideration of water as a produced asset (Michael Vardon and drafting team).**
- First draft GNs for D1 and D4 were received by 8 September 2025.
- TT – D meeting held on 16 September 2025 to engage on the first draft GN for D4: Consideration of water as a produced asset.
- Aiming to receive the comments on first draft GN's for Tranche #1 received from TT-D (and LG) by 30 September 2025.
- Second draft GN's for Tranche #1 : Revised first draft based on comments from TT (and LG) – aiming to receive by 15 October 2025.

D4 – Consideration of water as a produced asset

Nature of the proposed change : The proposal is to classify water in artificial reservoirs as a produced asset (an inventory), rather than a non-produced asset. In this the water is produced when it enters an artificial reservoir.

Some key questions to be further investigated include:

1. How should the production boundary be defined for water in artificial reservoirs in relation to the SNA and SEEA-CF?
2. What are the broader implications for consistency between SEEA-CF, SEEA-EA, SEEA-Water, and the SNA?
3. How should losses (e.g., evaporation from reservoirs) be recorded and attributed?
4. What are the implications for accounting tables, including the addition of inventory columns and the division of water supply industries (e.g., separating water storage and distribution)?
5. What guidance is needed for recording managed aquifer recharge, rainwater harvesting by households, and other emerging water management practices?

Links to other SEEA CF update issues:

1. **Issue A1** – Linking SEEA CF & EA: Water is recognised in the SNA, SEEA-CF and SEEA-EA and the effects of the proposed change must be considered .
2. **Issue A4** – Making SEEA CF spatially explicit: A key feature of water is that its availability changes between places and over time.
3. **Issue B2** – Treatment of losses: Evaporation for artificial reservoirs is one type of loss. Treatment of these losses would also affect valuation.
4. **Issue D7** – Valuation of Water: If water in reservoirs is a produced asset, then the water in storage is an inventory. Part of the reservoir (i.e., the dam wall) is also a produced asset which is relevant for valuing the ecosystem assets. Water quality has an impact on water value

D7 – Valuation of water

Nature of the proposed change: Ultimately, there is a question about whether the SEEA CF can provide more definitive guidance on the valuation of water compared to the current SEEA CF and other manuals including the SNA and SEEA Water. Concerns the appropriate valuation concepts and methods that should be applied for the valuation of water in water resources asset accounts and the monetary supply and use table for water.

Some key questions to be further investigated include:

1. Should alternative and complementary valuations of water be described in the SEEA CF?
2. How should valuation methods account for variation in prices across catchments within a country?
3. How should water quality be taken into account?
4. How can entries in the SNA supply and use table (in monetary terms) best support the compilation of monetary supply and use tables for water?
5. What valuation framework and concepts should be applied?
6. What scope of water resources should be considered, for example, only those water resources where there is abstraction?

Links to other SEEA CF update issues:

1. **Issue A1** – Linking SEEA CF & EA: The valuation of water will require understanding the role of the valuation of ecosystem services and ecosystem assets in relation to the valuation of water resources.
2. **Issue A4** – Making SEEA CF spatially explicit: Since water resources are ideally accounted for on a catchment basis, the valuation of water will need to consider the ways in which methods can be applied at sub-national level.
3. **Issue A9** – SNA: Natural resource and Terminology and SNA: Given the limited discussion of the valuation of water resources in the 2025 SNA, it will be relevant to ensure that the investigation supports aligned accounting across SNA balance sheets and SEEA asset accounts.