



Definition and classification of assets in the revised SEEA

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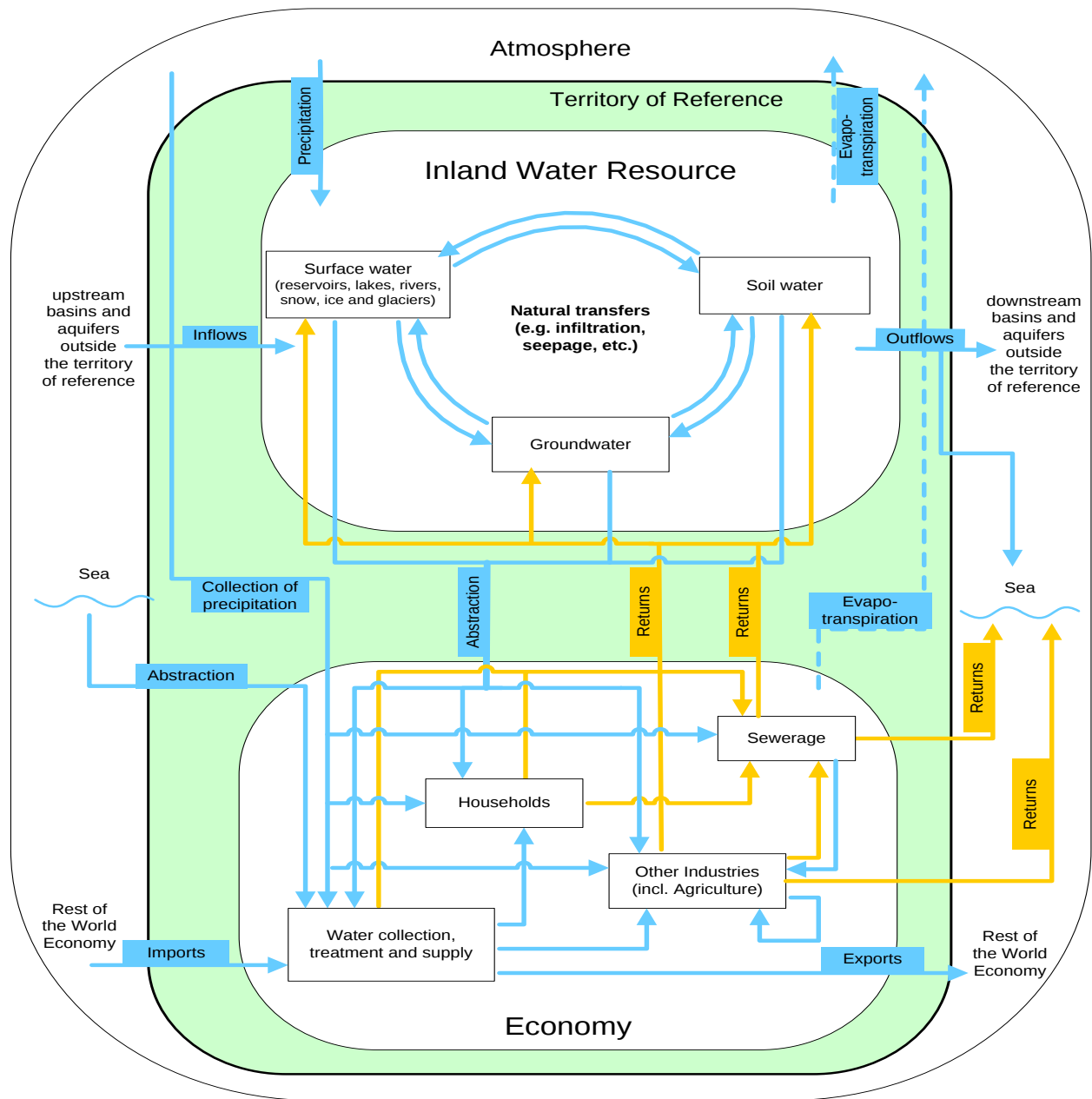
What is the SEEA?

- Satellite system of the SNA?
- System in its own right?
- What sets the SNA apart from the SEEA?
- Is the SEEA a simple extension of the SNA that expands its asset boundary and flow account?
- Is the SEEA a system approach to the environment providing information on the state and quality of the ecosystems and their ability of providing services?



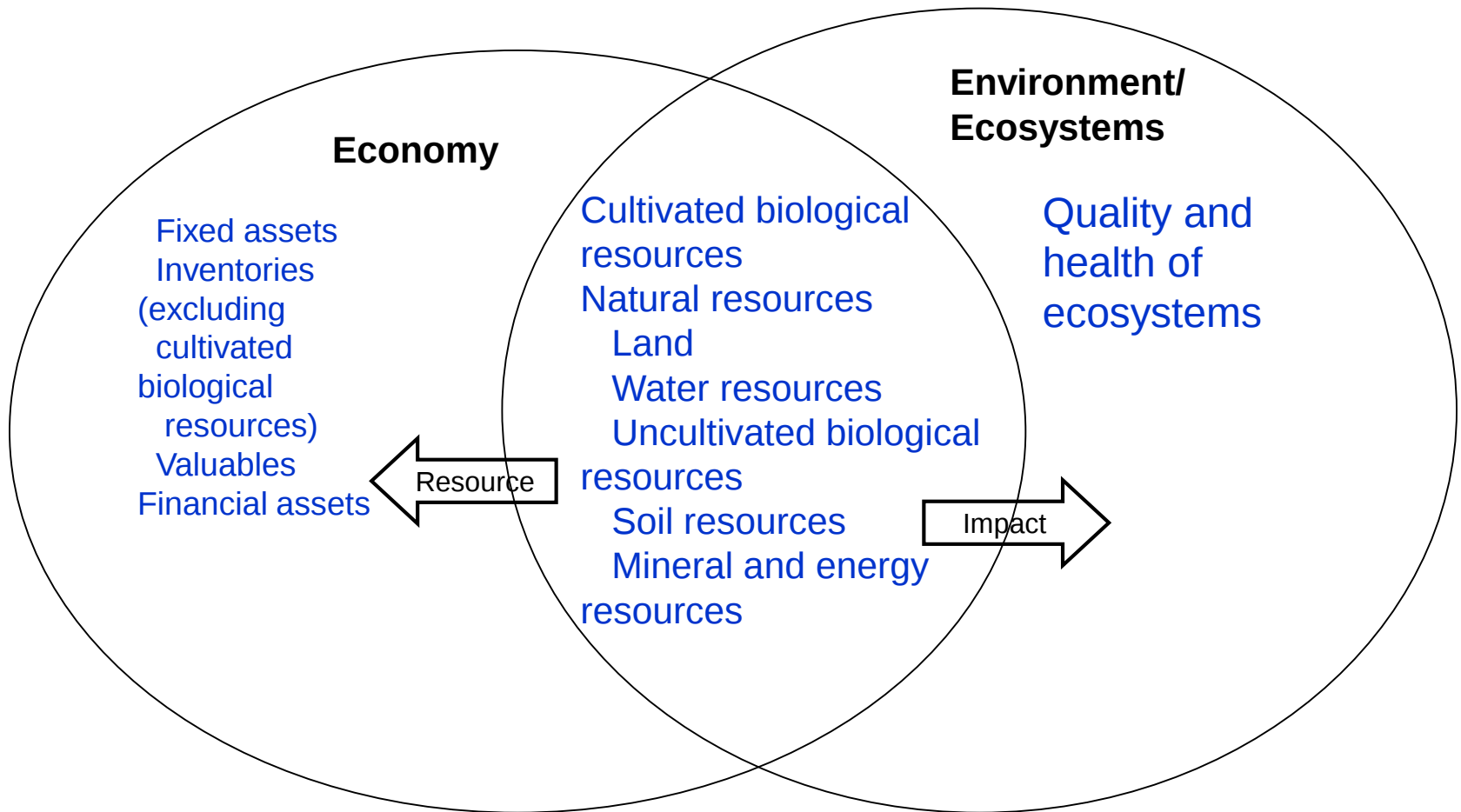
Asset accounts in the SEEA

- Describe the state of the environment
- Stocks and changes in stocks – quantity and quality
- Include produced and non-produced assets (natural capital)
- Closer to the information system of the scientific community
- Strength of the SEEA is to bring together science and economics





Two systems





Implications on the classification structure

Economy	Environment
Cultivated biological resources	Ecosystems
Timber resources	Terrestrial
Natural resources	Forest
Land	Forest land
Forest land	Timber resources (from cultivated and uncultivated forests)
Uncultivated biological resources	Other services
Timber resources	
Ecosystems	
Forest	
Other services	

No change in coverage



Definition of asset

- 2008 SNA

An asset is a store of value representing a benefit or series of benefits accruing to the economic owner by holding or using the entity over a period of time. It is a means of transferring value from one accounting period to another. (2008 SNA, para 3.30).



Definition of asset - Continued

- SEEA-2003

Defined in terms of the provision of environmental functions which provide use and non-use benefits



Definition of asset - Continued

- Revised SEEA - proposal

An asset is a store of value representing a benefit or series of benefits accruing to the owner.

- Value: capacity of the ecosystem of providing services
- Benefits: rewards for providing services – use and non-use benefits
- Owner: could be global owner (atmosphere, oceans)



From 1993 SNA to 2008 SNA

- Changes in the asset classification

- “Tangible non-produced asset” replaced with “natural resources”
- “Intangible non produced assets” split into “Contract leases and licenses” and “Goodwill and marketing assets”
- Land improvement
- Cost of ownership transfers on land recorded as land improvements
- Cost of ownership transfers on non-produced assets other than land added to the value of non-produced asset
- “Mineral exploration” replaced with “Mineral exploration and evaluation”



Land and natural resources

- 2008 SNA

Natural resources consist of naturally occurring assets such as land, water resources, uncultivated forests and deposits of minerals that have an economic value



Land and natural resources

- SEEA-2003
 - *Natural resource assets are defined as those elements of the environment that provide use used in economic activity (or that may provide such benefits one day) and that are subject primarily to quantitative depletion through human use. They are sub-divided into four categories: mineral and energy resources, soil resources, water resources and biological resources.*
 - *Land and surface water assets are defined as the areas within the national territory that provide direct or indirect use benefits (or that may provide such benefits one day) through the provision of space for economic and non-economic (for example recreational) human activities*



Land and natural resources

2003 SNA	SEEA 2003
Land part of natural resources	Land at the higher level – not as part of natural resources
Natural resources – only naturally occurring assets (excludes cultivated assets, part of produced assets)	All materials that are results of production or natural process (includes cultivated assets)

Difference in the hierarchy



Land and natural resources

- Should the consistency with the SNA be maintained? If yes,

Natural resources consist of naturally occurring assets such as land, mineral and energy resources, soil resources, water resources and uncultivated biological resources that can be primarily used for economic activities now or in the future by the owner



Land and soil

- Breakdown of land to follow the land classification
 - land cover or land use? What level of disaggregation?
- SNA 2008 – soil is included with land
- SEEA-2003 – soil separate resource

Should soil be maintained as a separate item in the classification of natural resources (Volume 1)?

Should soil appear in the classification of ecosystem assets (Volume 2)?



Mineral and energy resources

- SNA 2008
Mineral and energy resources consist of mineral and energy reserves located on or below the earth's surface that are economically exploitable, given current technology and relative prices
- SEEA-2003
Mineral and energy resources include subsoil deposits of fossil fuels, metallic minerals and non-metallic minerals
- Revised SEEA- proposal
Mineral and energy resources include known deposits of mineral and energy resources such as petroleum resources, non-metallic minerals and metallic minerals that can be primarily used for economic activity now or in the future by the owner.



Classification of mineral and energy resources

EA.1	Natural resources			
	EA.1	Mineral and energy resources		
		EA.111	Petroleum resources	
			EA.111.1	Natural gas (including NGL and condensate)
			EA.111.2	Crude Oil
			EA.111.3	Natural bitumen, extra heavy oil, shale oil , sand oil and others n.e.c.
		EA.112	Non-metallic minerals and solid fossil energy resources	
			EA.112.1	Non-metallic minerals except for coal and peat
			EA.112.2	Coal
			EA.112.3	Peat
		EA.113	Metallic minerals	
			EA.113.1	Uranium ores
			EA.113.2	Other metallic minerals



Biological resources

- 2008 SNA

Non-cultivated biological resources consist of animals, birds, fish and plants that yield both once-only and repeat products over which ownership rights are enforced but for which natural growth and regeneration is not under the direct control, responsibility and management of institutional units

- SEEA-2003

Non-cultivated biological resources consist of animals, birds, fish and plants that yield both once-only and repeat products that can be primarily used for economic activity now or in the future by the owner



Water resources

- 2008 SNA

Water resources consist of surface and groundwater resources used for extraction to the extent that their scarcity leads to the enforcement of ownership or use rights, market valuation and some measure of economic control

- *SEEA-Water*

Water resource assets are defined as water found in fresh and brackish surface and groundwater bodies within the national territory that provide direct use benefits, now or in the future (option benefits), through the provision of raw material, and may be subject to quantitative depletion through human use

- Revised SEEA

Water resource assets are defined as water found in fresh and brackish surface and groundwater bodies that can be primarily used for economic activity now or in the future by the owner



Water resources - classification

EA.13 Water Resources

EA.131 Surface water

EA.1311 Artificial reservoirs

EA.1312 Lakes

EA.1313 Rivers and streams

EA.1314 Glaciers, snow and ice

EA.132 Groundwater

EA.133 Soil water



Questions to the LG?

- Q1: Do you agree that the classification of assets presented in Volume 1 should structure the classification in line with the 2008 SNA asset classification?
- Q2: Do you agree with the proposed definition of asset in the revised SEEA?
- Q3: Do you agree with the explanation of what is intended with value and benefits?
- Q4: Do you agree that the revised SEEA asset classification should align with the changes in the 2008 SNA?
- Q5: Is there a need to rectify the asymmetry in recording the costs of ownership transfer on non-produced assets other than land as part of produced assets and thus diverging from the SNA?



Questions to the LG?

Q6: Do you agree with including land as part of natural resources (with a changed definition)?

Q7: What is your opinion in maintaining the distinction between produced and non-produced assets in the presentation of the asset classification, that is maintaining the hierarchy of the classification as in the 2008 SNA?

Q8: Do you agree with the proposed definition of natural resources?

Q9: Do you agree to revisit the definition and breakdown of the land classification to ensure it is aligned with the SEEA classification of assets?



Questions to the LG?

- Q10 Should soil be maintained as a separate item in the asset classification (Volume 1) or should it combined with land? Should it appear as part of the ecosystem classification?
- Q11: If soil is combined with land, will it appear explicitly as an item in the classification or only included in the definition?
- Q12: Do you agree with the proposed definition of mineral and energy resources?
- Q13: Do you agree with the proposed breakdown of the classification of mineral and energy resources in the SEEA-Energy (Table 3)?



Questions to the LG?

Q14: Do you agree with the proposed definition of non-cultivated biological resources?

Q15: Do you agree with the proposed definition of water resources assets?

Q16: Do you agree with aligning the revised SEEA with the SEEA-Water asset classification?