

We agree with the concept of environmental asset presented in Section 5.2. We also agree with defining environmental assets in the broad sense and then narrow the scope to what is measurable in the central framework.

Having said that, we believe that it would be useful to add in the introduction to the section (after para 8) some background on why we decide to define the assets in terms of the ecosystem services and what are the boundaries in the central framework for the physical asset accounts and monetary asset accounts (i.e. individual environmental assets and their individual asset-related services) and what are the boundaries in the experimental accounts for ecosystems.

Definition of environmental asset (para 14): we would suggest replacing the term “components” with “entities”. “Entity” is the term used in defining assets in the 2008 SNA and although it is vague, it seems to fit the purpose better than any other term (e.g. element, component, etc.). The part of the sentence “that are used in production” is not accurate and we suggest deleting it. Although it was introduced to account for mineral and energy resources that do not provide ecosystem services, it seems to refer only to resources that are extracted and not to the stock underground. We suggest adding the term “jointly” to the sentence. That is: “that *jointly* deliver ecosystem services to the benefit....” to highlight the fact that the scope of environmental asset includes the individual assets in the ecosystems (e.g. timber, fish, water, etc.) but also the interaction between these assets is essential in delivering the services. In conclusion we would suggest the following definition of environmental asset:

“Environmental assets are defined as naturally occurring living and non-living entities of the Earth, together comprising the bio-physical environment, that jointly deliver ecosystem services to the benefit of current and future generation.”

In a subsequent paragraph we can clearly explain that environmental assets include also mineral and energy resources. We also believe that it would be useful to define ecosystem services, as now they are referred to in several places but never exactly defined.

In para 17, when the scope of the assets in the central framework is explained, it would be useful to make clearer the relationship between the ecosystem services and the asset. We would suggest something along the lines: “Environmental assets constitute the individual components of the ecosystems as well as their interactions. The individual components of the ecosystems are measured in the asset accounts of the central framework. The interactions between the environmental assets within the ecosystems are key to understanding the functioning of ecosystems and their capacity to providing services. These are discussed in the Experimental Ecosystem Accounts (Volume 2).”

Table 5.2.1 The presentation of the table could be improved. We would suggest removing the columns and show for example cultivated timber resources and natural timber resources indented under timber. Also it would be useful to code the classes in the asset classification.

The definition of economic asset in para 36 is based on the 2008 SNA but it is different. There are good reasons for it and these should be explained, it would also help to better explain the relationship between environmental assets in the SEEA and economic assets. The definition should include the word “economic owner” rather than simply “owner”.

Either in the introduction of the Section 5.2. or in the subsection “Relationship between environmental and economic assets”, it would be helpful to explain why ownership does not appear in the definition of environmental assets. It should also be explained that the asset accounts should be compiled for the territory of reference that could be the national territory (defined in terms of economic territory) or broader (e.g. including fish in the high seas over which the country has exploitation rights as well as management rights). This will facilitate the understanding for national accountants given the central importance of economic ownership in the SNA definition of assets.

We believe that it is important that we make clear the boundary in the physical asset accounts of the economic assets (cultivated and non-cultivated) that are within the scope of the SNA and thus will be valued in the monetary accounts and those that do not provide economic benefit but other benefits. Physical asset accounts for all resources should make clear this difference in the text and the tables.