

## **The degradation of natural assets by economic activities and the central framework of the national accounts**

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Three parts in this presentation.

1. The relative importance given to the measurement of the degradation of natural assets changed significantly in the various versions of the SEEA (1993, 2003, 2012) and more widely in societal concerns and environmental policies. Expectations from environmental accounting widened. A consequence was that, while their field extended and they gave room to imperative objectives, particularly considering biodiversity, they sometimes became rather vague.
2. Presentation of the conceptual framework “ Unpaid ecological costs, ecological debt, final demand at total costs “ The purpose is limited to estimating the degradation of natural assets caused by economic activities (unpaid ecological costs). The accumulation of UEC upon time constitutes the ecological debt of the economy to nature. The targeted objective is to insert in some way the UEC in an enlarged SNA/ESA central framework. This requires the estimation of the degradation to be worked out in “ transaction value equivalents “ . Transaction values are the valuation rule in the SNA/ESA central framework. It is proposed to add the UEC to the value of national accounts final demand, which is at paid costs, in order to get final demand at total costs. Then capital transfers from Nature to the Economy are introduced. International flows are to be taken into account. The practical implementation of such a project is of course significantly complex.
3. Short comparison between the objectives of the UEC approach and the objectives pursued by other reference frameworks, namely those presented in session 1, but also the experimental framework elaborated by Jean-Louis Weber at the EEA, that will be dealt with in session 2 of the conference