

The Natural Resource Index prepared at OECD

Pierre-Alain Pionnier, OECD

Recognising the value of natural capital is central to greening growth and to ensuring development is sustainable. Measurement of natural capital begins with sound information on physical stocks and their monetary value, and how they evolve over time. An aggregate natural resource index has been included in the set of OECD headline indicators for Green Growth. We describe a simple way for constructing a natural resource index, in line with the Central Framework of the SEEA and the 2008 System of National Accounts. The key feature of the index is reliance on aggregation weights that reflect private valuations of the assets in the form of discounted flows of resource rents for extractors. Application of the index methodology to published Australian and Canadian data shows that it is feasible to construct meaningful indices of the evolution of a country's natural resources. The data development work on defining and compiling core tables for the SEEA that is presently done at the OECD will help closing gaps and increasing international comparability of existing data series.