**Selection of terms from the glossary of the UN publication SEEA–EEA (Experimental Ecosystem Accounting):**

**Biodiversity:** “Biodiversity is the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part, this includes diversity within species, between species and ecosystems.” (Convention on Biological Diversity (2003). Article 2, Use of Terms).

Generally, in SEEA Experimental Ecosystem Accounting, the measurement of biodiversity is focused on the assessment of diversity of species, although changes in the diversity of ecosystems are also an important output from the measurement of changes in ecosystem extent and condition.

**Ecosystems:** “Ecosystems are a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit.” (Convention on Biological Diversity (2003). Article 2, Use of Terms).

Ecosystems may be identified at different spatial scales and are commonly nested and overlapped. Consequently, for accounting purposes, ecosystem assets are defined through the delineation of specific and mutually exclusive spatial areas.

**Ecosystem assets:** Ecosystem assets are spatial areas containing a combination of biotic and abiotic components and other characteristics that function together.

Depending on the analysis being conducted, an ecosystem asset may be defined as containing a specific combination of ecosystem characteristics, e.g. a tropical rain forest represented by an LCEU, or it may contain areas that contain a variety of combinations of ecosystem characteristics, e.g. a river basin containing wetlands, agriculture and settlements represented by an EAU.

Ecosystem assets should be distinguished:

1. from the various individual components, e.g. plants, animals, soil and water bodies, that are contained within a spatial area;
2. from other ecosystem characteristics, e.g., biodiversity and resilience.

In different contexts and discussions, each of these components and other characteristics may be considered assets in their own right. For example, in the SEEA Central Framework many individual components are considered individual environmental assets. However, for ecosystem accounting purposes, the focus is on the functioning system as the asset.

The term “ecosystem assets”, rather than “ecosystem capital” has been adopted since the word “assets” is more aligned with the terminology employed by the SNA and also conveys better the intention for ecosystem accounting to encompass measurement in both monetary and physical terms. In general, however, the terms “ecosystem assets” and “ecosystem capital” may be considered synonymous.

**Ecosystem or ecological capital:** Ecosystem or ecological capital is not explicitly defined in SEEA Experimental Ecosystem Accounting. Instead the term “ecosystem assets” is employed to refer to the individual spatial areas that are the focus of measurement. In many discussions, the term “ecosystem capital” may be considered to relate to a broader concept of the stock that provides a foundation for future well-being, together with human capital, produced/man-made capital and social capital.

These various types of capital are regularly brought together in models of sustainable development and wealth accounting. While there is no difference between the application of the terms “capital” and “assets” in SEEA Experimental Ecosystem Accounting and their use in other contexts, e.g. wealth accounting, some care is needed to understand the potentially different measurement scopes of these types of capital/assets. Specific considerations concern the treatment of mineral and energy resources and the distinction between natural and cultivated biological resources.

**Ecosystem capacity:** The concept of ecosystem capacity is not defined from a measurement perspective in SEEA Experimental Ecosystem Accounting, but it is linked to the general model of ecosystem assets and ecosystem services that is described.

In general terms, the concept of ecosystem capacity refers to the ability of a given ecosystem asset to generate a set of ecosystem services in a sustainable way into the future. While this general concept is very relevant to ecosystem assessment, definitive measurement of ecosystem capacity requires the selection of a particular basket of ecosystem services and in this regard measures of ecosystem capacity are more likely to relate to consideration of a range of alternative ecosystem use scenarios than to a single basket of ecosystem services.

**Ecosystem characteristics:** Ecosystem characteristics relate to the ongoing operation of the ecosystem and its location. Key characteristics of the operation of an ecosystem are its structure, composition, processes and functions. Key characteristics of the location of an ecosystem are its extent, configuration, landscape forms, and climate and associated seasonal patterns. Ecosystem characteristics also relate strongly to biodiversity at a number of levels.

There is no classification of ecosystem characteristics since, while each characteristic may be distinct, they are commonly overlapping. In some situations, the use of the generic term “characteristics” may seem to be more usefully replaced with terms such as “components” or “aspects”. However, in describing the broader concept of an ecosystem, the use of the term characteristics is intended to be able to encompass all of the various perspectives taken to describe an ecosystem.

**Ecosystem condition:** Ecosystem condition reflects the overall quality of an ecosystem asset, in terms of its characteristics.

Measures of ecosystem condition are generally combined with measures of ecosystem extent to provide an overall measure of the state of an ecosystem asset. Ecosystem condition also underpins the capacity of an ecosystem asset to generate ecosystem services and hence changes in ecosystem condition will impact on expected ecosystem service flows.

**Ecosystem services:** Ecosystem services are the contributions of ecosystems to benefits used in economic and other human activity.

The definition of ecosystem services in SEEA Experimental Ecosystem Accounting involves distinctions between the:

(i) ecosystem services;

(ii) benefits to which they contribute;

(iii) well-being which is ultimately affected.

Ecosystem services should also be distinguished from the ecosystem characteristics, and the functions and processes of ecosystem assets.

Ecosystem services are defined only when a contribution to a benefit is established. Consequently, the definition of ecosystem services excludes the set of flows commonly referred to as supporting or intermediate services. These flows include intra- and inter-ecosystem flows and the role of ecosystem characteristics that are reflected in ecosystem processes.

A range of terms is used to refer to the concept of ecosystem services defined here. Most common are the terms “ecosystem goods and services” and “final ecosystem services”. These two terms highlight particular aspects of the definition above. The first recognises that ecosystem services include flows of tangible items, e.g. timber and fish, in addition to intangible services. The second recognises that only those ecosystem services that contribute to a benefit, i.e. final outputs of the ecosystem, are within scope.

Ecosystem services as defined in SEEA Experimental Ecosystem Accounting exclude abiotic services and do not encompass the complete set of flows from the environment. A complete set of flows from the environment may be reflected in the term “environmental goods and services”.

Three main types of ecosystem services are described: provisioning services, regulating services and cultural services. The Common International Classification for Ecosystem Services (CICES) is an interim classification for ecosystem services ‒ but adopted as working standard at UN and EU level.

**Environmental assets:** Environmental assets are the naturally occurring living and non-living components of the Earth and they constitute the bio-physical environment which may provide benefits to humanity.

This definition of environmental assets is intended to be broad and encompassing. As explained in the SEEA Central Framework, the measurement of environmental assets can be considered from two perspectives. First, from the perspective of individual components, i.e. individual environmental assets that provide materials and space to all economic activities, e.g. land, soil, water, timber, aquatic, mineral and energy resources. Second, environmental assets can be considered from the perspective of ecosystems. However, the scope of environmental assets is not the same as ecosystem assets since it includes mineral and energy resources which are excluded from the scope of ecosystem assets.

Also, the scope of environmental assets is broader than natural resources as it includes produced assets such as cultivated crops and plants ‒ including timber and orchards, livestock, and fish in aquaculture facilities.

In the SEEA Central Framework, the measurement scope of environmental assets is broader in physical terms than in monetary terms as the boundary, in monetary terms, is limited to those assets that have an economic value in monetary terms following the market valuation principles of the SNA.

**Expected ecosystem service flow:** Expected ecosystem service flow is an aggregate measure of future ecosystem service flows from an ecosystem asset for a given ‘basket’ of ecosystem services.

In general terms, the measure of expected ecosystem service flows is an assessment of the capacity of an ecosystem asset to generate ecosystem services in the future. However, the focus is on the generation of specific, expected combinations of ecosystem services – which may not be produced on a sustainable basis. The measure is not necessarily reflective of sustainable or optimal scenarios of future ecosystem asset use. At the same time, the expectations of future ecosystem service flows must be informed by likely changes in ecosystem condition ‒ noting that the relationship between condition and ecosystem service flow is likely to be complex and non-linear.

**Inter-ecosystem flows:** Inter-ecosystem flows are flows between ecosystem assets that reflect ongoing ecosystem processes. An example is the flow of water between ecosystem assets via rivers.

These flows may relate directly or indirectly to flows of ecosystem services. Most commonly, inter-ecosystem flows relate to the flows considered as supporting or intermediate services.

**Intra-ecosystem flows:** Intra-ecosystem flows are flows within ecosystem assets that reflect ongoing ecosystem processes, e.g. nutrient cycling.

These flows may relate directly or indirectly to flows of ecosystem services. Most commonly, intra-ecosystem flows relate to the flows considered supporting or intermediate services.

**Natural capital:** Natural capital is described as the elements of nature that directly, or indirectly, produce value for people – including ecosystems, species, freshwater, land, minerals, air and oceans, as well as natural processes and functions.

The term natural capital is not defined in SEEA Experimental Ecosystem Accounting. Commonly, natural capital is used to refer to all types of environmental assets as defined in the SEEA Central Framework. Used in this way natural capital has a broader scope than ecosystem assets as defined in SEEA Experimental Ecosystem Accounting since it includes mineral and energy resources.

Generally, natural capital incorporates broad notions of the set of services from ecosystems in line with the accounting for ecosystem assets described in SEEA Experimental Ecosystem Accounting. In this regard, although aligned in bio-physical terms, natural capital may be considered a broader measure than the measures of environmental assets that are described in the SEEA Central Framework which are limited to consideration of material/SNA benefits.

**Natural resources:** Natural resources include all natural biological resources, including timber and aquatic resources, mineral and energy resources, soil resources, and water resources.

In the SEEA, unlike the SNA, natural resources exclude land which is considered a distinct type of environmental asset.

Following the SNA, natural resources are defined in the SEEA to include only non-produced environmental assets, i.e. they are not considered to have come into existence as outputs of processes that fall within the production boundary of the SNA. A distinction is thus made between “natural” and “cultivated” environmental assets.