Glossary
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Access rights: authorization, given to a user by a competent management authority or by legislation, to exploit a resource. Access rights can be granted against payment or free of charge.

Air pollution: presence of substances in the atmosphere resulting either from human activities or from natural processes, in sufficient concentration and for a sufficient time, the circumstances being favorable, to interfere with the comfort, health or welfare of persons or the environment.

Allowable catch: catch allowed to be taken from a stock by a fishery during a specified time period. It is often allocated explicitly among those having access rights to the stock. See also quota.

Ancillary activity: a supporting activity undertaken within an enterprise in order to create the conditions within which the principal and secondary activities are carried out. See also externalization of environmental protection cost.

Aquaculture: farming of aquatic organisms including fish, molluscs, crustaceans and aquatic plants. Farming implies some sort of intervention in the rearing process to enhance production, such as regular stocking, feeding, protection from predators and so forth. Farming also implies individual or corporate ownership of the stock being cultivated. For statistical purposes, aquatic organisms that are harvested by an individual or corporate body that has owned them throughout their rearing period contribute to aquaculture, while aquatic organisms that are exploitable by the public as a common property resource, with or without appropriate licences, are the harvest of fisheries. See also produced natural assets and economic assets.

Avoidance costs: actual or imputed costs for preventing environmental deterioration by using alternative production and consumption
processes, or by reducing or abstaining from those economic activities causing environmental degradation. See also *maintenance costing*.

**Biodiversity**: range of genetic differences, species differences and ecosystem differences in a given area.

**Biomass**: total weight (generally measured in dry weight) of all living organisms in a particular area or habitat.

**Biome**: ecological regions determined by complex interactions of climate, geology, soil type, water resources and latitude.

**Built-up and related land**: land under houses, roads, mines, quarries or any other facilities, including their auxiliary spaces, deliberately installed so that human activities may be pursued. Included are also certain types of open land (non-built-up) that is closely connected with activities such as waste tips, derelict land in built-up areas, junkyards and city parks and gardens. Land occupied by scattered farm buildings, yards and their annexes is excluded.

**By-catch**: species taken in a fishery targeting other species or a different size range of the same species. The part of the by-catch that has no commercial value is discarded and returned, usually dead or dying, to the sea.

**Capital accumulation (environmental accounting)**: environmentally adjusted concept of capital formation that accounts for additions to and subtractions from natural capital. The concept may also include discoveries or transfers (from the environment into the economic system) of natural resources, and the effects of disasters and natural growth.

**Capital consumption**: the 1993 SNA (para. 6.179) classifies consumption of fixed capital as a cost of production and defines it as the decline, during the accounting period, in the current value of the stock of fixed assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage. It excludes damage
from war or natural disasters accounted for as other volume changes in asset accounts. The SEEA extends the concept of capital consumption to encompass natural capital in terms of depletion and degradation costs, that is to say, imputed environmental cost.

**Carrying capacity**: maximum number of animals of one or more species that can be supported by a particular habitat or area through the most unfavorable period of the year. The carrying capacity is different for each species in a habitat because of particular food, shelter and social requirements and because of competition from other species that may have similar requirements.

**Cohort**: group of fish in a stock that were generated during the same spawning season and are born at the same time. In cold and temperate areas, where fish are long-lived, a cohort corresponds usually to a year class. In the tropics, where fish tend to be short-lived, cohorts may correspond to shorter time intervals (for example, spring cohort, autumn cohort, monthly cohorts).

**Catch per unit of effort (CPUE)**: measure of the volume of fish caught with given numbers and types of vessels and fishing gear, and with a given number of fishermen. CPUE may vary with the amount of fish in the water (size of fish stocks), the congestion of vessels and other factors. It is an important indicator for estimating the size of fish stocks and the unit cost of fish catch.

**Contingent valuation**: valuation method used in cost-benefit analysis and damage valuation in environmental accounting. Contingent valuation is conditional (contingent) on the simulation of hypothetical markets, reflected in the willingness to pay for potential environmental benefits or for the avoidance of their loss.

**Cost-benefit analysis**: assessment of the direct economic and social costs and benefits of a proposed programme for the purpose of programme
selection. The cost-benefit ratio is determined by dividing the projected benefits of the programme by the projected costs.

**Cost internalization:** incorporation of negative external effects, notably environmental depletion and degradation, into the budgets of households and enterprises by means of economic instruments, including fiscal measures and other (dis) incentives. Integrated Environment 218 and Economic Accounting - An Operational Manual

**Cultivated natural assets:** include livestock for breeding, dairy, draught, and so forth, and vineyards, orchards and other plantation trees yielding repeated products and whose growth is under the direct control, responsibility and management of *institutional units* (within the production boundary of the SNA).

**Defensive expenditures:** expenditures incurred to mitigate or avoid the external costs of the general growth process of production and consumption. Defensive environmental costs are expenditures for preventing or neutralizing a decrease in environmental quality, as well as for compensating for or repairing negative effects (injury to human health and welfare, and other damage to material systems) of environmental deterioration. Their deduction from net domestic product (NDP) is sometimes suggested to obtain a measure of environmentally adjusted economic welfare, but it is not recommended in the SEEA.

**Deforestation:** clearing of tree formations and their replacement by non-forest land uses.

**Degradation of environmental assets:** deterioration in environmental quality, beyond safe absorption or regeneration by environmental media, from ambient concentrations of pollutants and from other activities and processes such as improper land use and natural disasters.

**Depletion of natural resources:** for renewable resources, the part of the harvest, logging, catch and so forth that exceeds the sustainable level of
resource use; for non-renewable resources (mineral deposits), the quantity of the resource extracted. In the SNA, it is defined as the reduction in value of deposits of subsoil assets, natural forests, fish stocks in the open seas and other non-cultivated biological resources as a result of the physical removal and using up of the assets.

**Discount rate**: the rate at which to discount future income in the net present value method of valuing natural resource assets. The discount rate expresses the degree to which an economic agent prefers income today rather than in the future. This time preference will vary depending on the agent in question. In general, individuals and businesses have higher rates of time preference than Governments. In addition to time preference, discount rates can also reflect the risks associated with the future returns expected from an investment.

**Ecological footprint**: land (and water) area of the planet or particular area required for the support either of humankind’s current lifestyle or the consumption pattern of a particular population. It is the inverse of the carrying capacity of a territory.

**Economic assets**: assets recorded in the balance sheets of conventional national accounts, defined as entities over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding or using them over a period of time. Economic natural assets can be produced assets such as agricultural products or non-produced assets such as land, mineral deposits or forests in the wilderness. In the SEEA, economic non-produced natural assets are defined more broadly, including also those natural resources that are currently exploitable, or are likely to be so, for economic purposes, even if no explicit ownership or control is currently exerted over these resources (for example, fish in the oceans, or commercially exploitable timber in tropical forests).
**Economic instruments:** fiscal and other economic incentives and disincentives to incorporate environmental costs and benefits into the budgets of households and enterprises. The objective is to encourage environmentally sound and efficient production and consumption through full-cost pricing. Economic instruments include effluent taxes and charges on pollutants and waste, deposit-refund systems, and tradable pollution permits.

**Ecosystem:** system in which the interaction between different organisms and their environment generates a cyclic interchange of materials and energy.

**Emission:** 1. direct discharge of pollutants into the atmosphere from stationary and mobile sources; 2. in environmental accounting, direct discharges of residuals (pollutants, waste) by an institutional unit into any environmental medium (land, air, water).

**Emission factor (coefficient):** ratio of the amount of a pollutant generated to the amount of a given raw material processed. May also refer to the ratio of the emission generated to the output of a production process.

**Emission standard:** maximum amount of a polluting discharge legally allowed from a single source, mobile or stationary.

**End-of-pipe technology:** equipment added to a production process (but not an integral part of the process) with the sole intent of reducing and/or neutralizing the waste/residual associated with the process. It is used in reference to environmental protection expenditures.

**Environmental assets:** all natural assets that are not economic assets. Environmental assets are nonproduced natural assets that function not as providers of natural resource inputs into production but as providers of environmental services of waste absorption, ecological functions such as habitat or flood and climate control, and other non-economic amenities such as health and aesthetic values.
Environmental cost: 1. actual expenditures for environmental protection; 2. imputed cost for depletion and degradation of natural assets. Various valuation techniques, including market valuation, maintenance costing and contingent valuation, are applied to environmental impacts and effects in environmental accounting.

Environmental damage cost: cost generated by repercussions (effects) of direct environmental impacts (for example, emission of pollutants) such as the degradation of ecosystems, damage to produced structures and health effects borne by individuals. Valuation techniques for damage costs include contingent and related demand-side valuations.

Environmental debt: accumulation of past environmental impacts of natural resource depletion and environmental degradation, whose restoration is owed to future generations.


Environmental externalities: uncompensated environmental effects of production and consumption that affect consumer utility and enterprise cost of other economic agents without being borne (accounted for) by the causing agent. As a consequence of negative externalities, private costs of production tend to be lower than its social cost. Environmental accounting attempts to value externalities, through different valuations of emissions and changes in environmental quality. See also internalization of environmental cost.

Environmental functions: environmental services, including spatial functions, waste disposal, natural resource supply and life support.

Environmental impact assessment (EIA): analytical process that examines systematically the possible environmental consequences of the implementation of projects, programmes and policies.
Environmental impacts: direct effects of socio-economic activities and natural events on the components (media) of the environment. See also environmental damage cost.

Environmental indicator: parameter, or value derived from parameters, that point to, provides information about, and/or describes the state of the environment, and has significance beyond that directly associated with any given parametric value. The term may encompass indicators of environmental pressures, conditions and responses.

Environmentally adjusted national income (ENI): environmentally adjusted net domestic product (EDP), plus factor income and current transfers paid to less received from abroad, plus national use of external (of other countries or global commons) natural assets less external use of national natural assets.

Environmentally adjusted net capital formation (ECF): 1. net capital formation of fixed capital and changes in inventories minus imputed environmental cost of depletion and degradation; 2. an alternative definition, sometimes termed net capital accumulation (NCA), includes also discoveries or transfers (from the environment to the economy) of natural resources and their natural growth. Negative ECF is considered an indicator of non-sustainable economic performance and growth.

Environmentally adjusted net domestic product (EDP): Figure obtained by deducting the environmental cost of natural resource depletion and environmental degradation from net domestic product (NDP). Contributions to NDP and EDP by production sectors are termed value added (VA) and environmentally adjusted value added (EVA), respectively. EDP I, accounting for natural resource depletion only, can be distinguished from EDP II, accounting for both depletion and environmental degradation.

Environmentally sound technologies: techniques and technologies capable of reducing environmental damage through processes and materials that
generate fewer potentially damaging substances, recover such substances from emissions prior to discharge, or utilize and recycle production residues. The assessment of these technologies should account for their interaction with the socio-economic and cultural conditions under which they are implemented.

**Environmental protection:** any activity to maintain or restore the quality of environmental media (air, water, land) through preventing the emission of pollutants or reducing the presence of polluting substances in environmental media.

**Environmental services:** Qualitative functions of natural non-produced assets of land, water and air (including related ecosystems) and their biota. There are three basic types of environmental services: (a) disposal services, which reflect the functions of the natural environment as an absorptive sink for residuals; (b) productive services, which reflect the economic functions of providing natural resource inputs and space for production and consumption; and (c) consumer or consumption services, which provide for physiological as well as recreational and related needs of human beings.

**Environmental tax:** a tax whose tax base is in a physical unit (or a proxy thereof) that has a proven negative impact on the environment.

**Environment statistics:** statistics that describe the state and trend of the environment, covering the media of the natural environment (air/climate, water, land/soil), the biota within the media, and human settlements. A broad definition includes *environmental indicators*, indices and accounting. Typically, it involves a stress-response framework such as the United Nations Framework for the Development of Environment Statistics, which distinguishes data of activities generating environmental impacts, the impacts themselves, the social response to the impacts and inventories of natural resources and ecosystems.
Erosion: wearing away of the land by running water, rainfall, wind, ice or other geologic agents, including such processes as detachment, entainment, suspension, transportation and mass movement. Geologically, erosion is defined as the process that slowly shapes hillsides, allowing the formation of soil cover from the weathering of rocks and from alluvial and colluvial deposits. Erosion is often intensified by land-clearing human activities related to farming, and resident and industrial development and it has as effect increasing run-offs, decline of arable layers, and siltation in lakes, lagoons and oceans.

Exclusive economic zone (EEZ): zone declared under national jurisdiction (up to 200 nautical miles wide) in line with the provisions of the 1982 United Nations Convention of the Law of the Sea, within which the coastal State has the right to explore and exploit, and the responsibility to conserve and manage, living and non-living resources.

Existence value: value of knowing that a particular species, habitat or ecosystem does and will continue to exist. Such value is independent of any use the valuer may or may not make of the resource.

Externalization of environmental protection cost: presentation of internal (ancillary) environmental protection activities (environmental clean-up and reuse of materials) and their cost as a separate production activity delivering the services at cost to the establishment carrying out these activities. Output of the establishment is increased in this manner, while value added remains unchanged. Integrated Environment 222 and Economic Accounting - An Operational Manual

Fish catch/landing: catch and landing are frequently used as synonyms for the volume of fish brought ashore. In some cases, fish catch is defined as the volume of fish taken out of the sea, differing from fish landing by the volume of fish discarded at sea.

Fishing effort: overall amount of fishing (usually per unit of time) expressed in units such as boat days on the fishing ground, number of traps or
trawl haul and so forth. It usually relates to a specific fishery and gear. If more than one gear is considered, the fishing effort has to be standardized to ensure proportionality with fishing mortality (biologists’ perspective) or cost of fishing (economists’ perspective).

**Fish stock:** living resources in the community or population from which catches are taken in a fishery. Use of the term fish stock usually implies that the particular population is more or less isolated from other stocks of the same species and hence self-sustained. In a particular fishery, the fish stock may consist of one or several species of fish.

**Fixed assets:** tangible or intangible assets produced as outputs from processes of production that are they used repeatedly or continuously in other processes of production for more than one year.

**Genuine saving:** term coined by the World Bank. Saving (disposable income minus final consumption) minus imputed *environmental* (depletion and degradation) cost. Negative genuine savings is considered an indicator of non-sustainable economic performance.

**Gross capital formation:** Measured by the total value of the gross fixed capital formation, changes in inventories and acquisition less disposal of valuables for a unit or sector. It is inclusive of the value of capital consumption.

**Gross capital stock:** value of all fixed assets still in use at the beginning of the accounting period, at the actual or estimated price of new assets of the same type, irrespective of the age of the asset. In the SEEA, capital stock is defined as the sum of the value of fixed assets and non-produced economic assets at the beginning of the accounting period.

**Holding gains:** gains that may accrue during the accounting period to the owner of an asset as a result of a change in the asset price.

**Hotelling rent:** net return realized from the sale of a natural resource under particular conditions of long-term market equilibrium. It is defined as the revenue received minus all costs of resource exploitation,
exploration and development including a normal return to fixed capital employed. Used as a measure of natural resource *depletion*. See *market valuation*.

**Individual transferable quota (ITQ):** management tool used to allocate the *total allowable catch (TAC)* to individual fishermen or companies. ITQs are usually granted as a form of long-term fishing right and are tradable (transferable).

**Individual transferable share quota (ITSQ):** management tool used to allocate a fixed share of the *quota* to individual fishermen or companies. ITSQs are usually granted as a form of long-term fishing right and are tradable (transferable).

**Institutional unit:** SNA term. An economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.

**Internalization of environmental cost:** incorporation of *environmental externalities* (imputed environmental costs) into the budgets of *institutional units*, typically prompted by economic instruments (fiscal incentives and disincentives of environmental subsidies, effluent charges, tradable pollution permits or user fees). *Environmental cost* accounting permits setting the initial level of these internalization instruments.

**ISO:** - stands for the *International Organization for Standardization*, located in Geneva, Switzerland. ISO is a non-governmental organization established in 1947. The organization mainly functions to develop voluntary technical standards that aim at making the development, manufacture and supply of goods and services more efficient, safe and clean.

**ISO:** - 14000 refers to a family of voluntary standards and guidance documents to help organizations address environmental issues. Included in the family are standards for Environmental Management
ISO14001:- In September 1996, the International Organization for Standardization published the first edition of ISO 14001, the Environmental Management Systems standard. This is an international voluntary standard describing specific requirements for an EMS. ISO 14001 is a specification standard to which an organization may receive certification or registration. ISO 14001 is considered the foundation document of the entire series. A second edition of ISO 14001 was published in 2004, updating the standard.

**Land degradation:** reduction or loss of the biological or economic productivity and complexity of rainfed crop land, irrigated crop land, range, pasture, forest or woodlands resulting from natural processes, land uses or other human activities and habitation patterns such as land contamination, soil erosion and destruction of the vegetation cover.

**Land improvement:** the only change in non-produced natural (economic) assets accounted as gross fixed capital formation in the SNA. It consists of acquisitions (expenditures) related to land reclamation, forest clearance, drainage of wetlands and flood and erosion prevention.

**Maintenance costing:** method of measuring imputed environmental degradation (in some cases also depletion/destruction) cost caused by economic agents. The value of the maintenance costs depends on the most efficient avoidance, restoration, replacement or prevention activities chosen. It is defined as the cost of using the natural environment, that would have been incurred if the environment had been used during the accounting period in such a way as not to have affected its future use.

**Market valuation:** 1. market price valuation applied in national accounts; 2. imputed value of natural resources and of their depletion and degradation, based on expected market returns. Methods applied, in the absence of
market prices of natural assets, include (a) finding the net present value of future net returns from natural asset use, (b) the net price method which determines the unit asset value as the difference between market price of a raw material minus its unit exploitation cost (including a normal return to the produced capital invested) and (c) the user cost allowance, that is to say, the difference between the finite net returns from the sales of an exhaustible asset during the accounting period and true income remaining after investing the allowance during the lifetime of the asset so as to penetrate a permanent income stream.

**Material flow accounts**: accounts that measure the material throughput through the economy by providing information on the material input from the environment into the economy, the transformation and use of that input in economic processes (extraction, conversion, manufacturing, consumption) and its return to the natural environment as residuals (wastes).

**Natural assets**: assets comprising economic assets (produced and non-produced) and environmental assets, including biological assets, land and water areas with their ecosystems, subsoil assets and air.

**Natural capital**: natural assets in their role of providing natural resource inputs and environmental services for economic production and human well-being.

**Net present value**: present value of an investment, found by discounting all current and future streams of income by an appropriate rate of interest. See *market valuation*.

**Non-produced natural assets**: naturally occurring assets, such as land and certain uncultivated forests and deposits of minerals that are needed for production but have not themselves been produced. They can be economic or environmental.

**Normal return to capital**: portion of the earned revenue from the use of produced capital by the owner of the capital asset.
**Operating surplus:** the surplus or deficit accruing from production before taking account of any interest, rent or similar charges payable on non-financial and tangible non-produced assets borrowed or rented by the enterprise, or any interest, rent or similar receipts receivable on financial non-produced assets owned by the enterprise.

**Opportunity cost:** value of the next best use (or opportunity) for an economic good, or value of the sacrificed alternative.

**Other accumulation:** volume changes in natural assets based on economic decisions or interest, thus distinct from non-economic causes of asset change, for example, political or natural events or disasters. It includes, for example, discoveries of natural resources, natural growth of economic assets and changes in land use. Added to *environmentally adjusted net capital formation (ECF)*, a broader indicator of net capital accumulation (NCA) is obtained.

**Other volume changes:** 1. in the SNA, changes in assets that are not economic transactions and are thus recorded outside the production (supply and use) accounts. Include changes in non-produced natural assets such as discoveries, natural growth, *depletion* and *degradation of natural assets*, and natural disasters or war that may affect produced and non-produced assets; 2. in the SEEA, depletion and degradation of natural assets are shifted from other volume changes into the production accounts as cost and into the accumulation/asset accounts as capital consumption. All other changes in asset volume remain as other volume changes in the asset accounts.

**Pollutant:** substance present in concentrations that may harm organisms (humans, plants and animals) or exceed an environmental quality standard. The term is frequently used synonymously with contaminant.

**Pollution:** 1. presence of substances and heat in environmental media (air, water, land) whose nature, location or quantity produces undesirable environmental effects; 2. activity that generates pollutants.
**Pollution abatement:** technology applied or measure taken to reduce pollution and/or its impacts on the environment. The most commonly used technologies are scrubbers, noise mufflers, filters, incinerators, waste-water treatment facilities, and composting of wastes.

**Pollution abatement costs or expenditures:** costs incurred to reduce or mitigate specific pollution.

**Quota:** share of the *total allowable catch (TAC)* allocated to an operating unit such as a country, a vessel, a company or an individual fisherman (individual quota). Quotas may or may not be transferable, inheritable or tradable. While generally used to allocate TAC, quotas could be used also to allocate fishing effort or biomass.

**Renewable natural resources:** natural resources that, after exploitation, can return to their previous stock levels by natural processes of growth or replenishment. _Conditionally renewable resources_ are those whose exploitation eventually reaches a level beyond which regeneration becomes impossible. Such is the case with the clear-cutting of tropical forests.

**Rent:** property income paid to the owners of land and subsoil assets by tenants or users of the assets. Rents for the use of subsoil assets are often termed royalties.

**Resource rent:** difference between total revenue generated from the extraction of natural resources and all costs incurred during the extraction process including the cost of produced capital, but excluding taxes, royalties and other costs that are not directly due to the extraction process.

**Restoration costs:** actual and imputed expenditures for activities aimed at the restoration of depleted or degraded natural systems, partly or completely counteracting the (accumulated) environmental impacts of economic activities.
**Run-off**: portion of rainfall, melted snow or irrigation water that flows across the ground’s surface and is eventually returned to streams. Run-off can pick up pollutants from air or land and carry them to receiving waters.

**Salinization**: change in the salinity status of the soil. It can be caused by improper management of irrigation schemes, mainly in the arid and semi-arid regions covering small areas, or it may also occur if sea water or fossil saline groundwater intrudes in coastal regions or in closed basins with aquifers of different salt content when there is an excessive use of groundwater. It usually takes place where human activities lead to an increased evapotranspiration in soils on salt-containing parent material or with saline groundwater.

**Satellite accounts**: additional or parallel accounting system that expands the analytical capacity of national accounts. The purpose is to avoid overburdening or disrupting the central system. The System of integrated Environmental and Economic Accounts (SEEA) is a satellite account of the System of National Accounts (SNA).

**Straddling fish stock**: Fish stocks that migrate between EEZs and the high seas.

**Stumpage value**: maximum amount that potential concessionaires are willing to pay for logging rights. Under perfect market conditions, this value reflects the net present value of the discounted net returns from using forests for timber production.

**Subsoil assets**: 1. proved reserves are such quantities of mineral deposits, at a specific date, as analysis of geologic engineering data demonstrates with reasonable certainty to be recoverable in the future under the same economic and operational conditions; 2. probable (indicated) reserves are the estimated quantity and grade of a mineralized body for which sufficient information on continuity, extent, grade, operating and capital costs, and so forth is available on the basis of a study indicating an economically viable operation at long-term forecast average mining.
prices; 3. Established (demonstrated) resources are the sum of (1) and (2); 4. Possible (inferred) resources are resources for which quantitative estimates are based largely on broad knowledge of the geologic character of the deposit and for which there are few, if any, samples of measurements.

**Sustainability:** (1) use of the biosphere by present generations while maintaining its potential yield (benefit) for future generations; (2) non-declining trends of economic growth and development that might be impaired by natural resource depletion and environmental degradation.

**Sustainable catch:** number (weight) of fish in a stock that can be taken by fishing without reducing the stock biomass from year to year, assuming that environmental conditions remain the same. Different levels of sustainable catch exist for different stock sizes. Maximum sustainable catch is defined in reference to the size and composition of a stock that make the natural growth of the stock equal to this maximum.

**Sustainable development:** development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Assumes the conservation of natural assets for future growth and development.

**Sustainable income:** sustainable national income is defined as the maximum amount a nation can consume while ensuring that future generations will have living standards at least as high as those of the current generation.

**Sustainable yield:** yield of a renewable (living) resource exploited without compromising the ability of the population/ecosystem to regenerate itself. It is usually taken to be equal to the growth of the resource.

**Tangible assets:** assets including human-made (produced) non-financial assets and non-produced natural assets and excluding intangible (non-produced) assets such as patents or good will. See also *natural assets.*
Technological change: improvement of technology that allows for more output created by the same amount of inputs.

Total allowable catch (TAC): see allowable catch.

Tradable pollution permits: rights to sell and buy actual or potential pollution in artificially created markets. See also economic instruments.

Transboundary pollution: pollution that originates in one country but, by crossing the border through pathways of water or air, is able to cause damage to the environment in another country.

Value added: difference between the value of goods produced and the cost of materials and supplies used in producing them.

Waste: materials that are not prime products (that is to say, products produced for the market) for which the generator has no further use in terms of his/her own purposes of production, transformation or consumption, and of which he/she wishes to dispose. Wastes may be generated during the extraction of Integrated Environment 228 and Economic Accounting - An Operational Manual raw materials, the processing of raw materials into intermediate and final products, the consumption of final products, and other human activities. Residuals recycled or reused at the place of generation are excluded.

Water resources: a distinction is made between renewable and non-renewable water resources. Non-renewable water resources are not replenished by nature at all or not for a very long time. These include the so-called fossil waters. Renewable water resources, comprising groundwater aquifers and surface water like rivers and lakes, are rechargeable owing to the hydrologic cycle unless they are overexploited. Internal renewable water resources encompass the average annual flow of rivers and groundwater generated from endogenous precipitation.