

CONCEPT NOTE FOR SCOPING WORKSHOP ON SEEA AND BUSINESS ACCOUNTING

[“The new front for green revolution rests on warrior accountants”](#)
([Financial Times, Dec 4, 2018](#))

Introduction

There is an increasing recognition within the private sector on the importance of including environmental risk assessments (impacts and dependencies) in the business decision-making process. A pre-requisite for doing so effectively and efficiently is the ability to capture environmental impacts and dependencies into business risk management processes and related accounting and company reporting systems. There are a growing number of companies implementing such environmental accounting systems, albeit these comes with different names. In parallel with the growing interest, initiatives are emerging that seek to standardize environmental accounting methods for the purpose of enhanced efficiency, robustness and comparability (over time and across locations). Similar interests and developments are occurring within governments attempting to better understand and manage the consolidated environmental impacts or dependencies. Several have started engaging with the private sector to help in delivering policies and programmes that safeguard that value for future developments.

In order for the public and private sectors to join forces in decision making and reporting on the relationships between the economy and environment, effort is needed for both communities to understand the needs and approaches of the other. At the national level, the [System of Environmental-Economic Accounting \(SEEA\)](#) is the international statistical standard that produces internationally comparable statistics and accounts that provide a view of the interrelationships between the economy and environment. At present, there is no equivalent available yet at the business level. Financial accounting is standardized through the International Financial Reporting Standards (IFRS), but there is little consideration of environmental issues. There nevertheless exist many initiatives for business accounting and reporting on the environment, although a globally accepted standard is lacking. Steps towards aligning public and private sector approaches are being made, but this alignment is still in a stage of infancy.

To contribute to advancing these issues, the United Nations Statistics Division (UNSD) proposes a technical workshop to better understand the similarities and differences of the public and private sectors in terms of natural capital accounting approaches and data requirements. This workshop is one of the activities of the [Natural Capital Accounting and Valuation of Ecosystem Services Project](#), a multi-year project funded by the European Union, to advance natural capital accounting in Brazil, Mexico, South Africa, India and China as a pilot for a more global initiative.

Objectives

The workshop will serve as a first opportunity to communicate between the statistical community and the business community in order to identify synergies and differences in terms of natural capital accounting approaches and related data requirements. In particular, the workshop will focus on informing each other, exploring synergies and defining the way ahead:

- Inform:
 - the statistical community about the current state of play in terms of corporate NCA and reporting and about the obstacles businesses are facing, i.e. business needs
 - the business community about the SEEA Experimental Ecosystem Accounting (SEEA EEA) framework, its basic concepts and approaches, type of data that are collected and the revision process
- Explore:
 - to what extent the SEEA EEA framework in its current form is useful for natural capital assessment and natural capital accounting by businesses, both in terms of methodological approach and data collection
 - the opportunities for adapting the SEEA EEA framework to make it more tailored to the business needs
 - the extent to which national statistical offices (NSOs) can benefit from data collection by businesses.
- Define the way forward:
 - In terms of future strategy and steps to be taken

Date and venue

- 16-17 October 2019
- Venue: UN Headquarters, Conference Room E

Audience

The workshop will bring together a number of key stakeholders and experts from the business, statistical, and accounting and reporting communities. The envisaged number of participants is 25 to 35.

Potential participants

- Statistical community (NSOs)
- Businesses practicing NCA (several businesses have shown interest and will be invited)
- CSR community, for example The Capitals Coalition, WBCSD, GRI, IIRC
- NGOs, for example IUCN, WWF, CI, The Nature Conservancy
- Accounting community practicing / supporting NCA
- International and regional organizations, for example OECD, the European Commission, UN Environment
- Other natural capital accounting experts

Programme

The 2-day programme is composed of 3 main blocks:

- Overview of the current state of play (SEEA EEA Framework, business community initiatives) as well as the perspectives of the private sector, the public sector and the accountants
- Case study centered discussions: break out group discussions on six case studies. Case studies will be concrete NCA approaches applied by the private sector, but each from a different perspective (e.g. water, biodiversity). The discussions aim to explore how these

NCA approaches align with the SEEA EEA approach and how data collected by NSOs could support application of these NCA approaches.

- Structured discussion on key takeaways for each community (statisticians, businesses, financials and accountants) and preparation of a roadmap.

Day 1			
9:00 – 9:15	Introduction (UNSD) Welcome, objectives, expected outcomes		
9:15 – 9:40	Participants introduce themselves		
9:40 – 10:10	The SEEA EEA framework (UNSD)		
10:10 – 10:35	State of play of corporate NCA and reporting (UNSD)		
10:35 – 10:55	Coffee break		
10:55 – 11:20	The business perspective Clarifying business challenges and needs in terms of NCA (speaker to be confirmed)		
11:20 – 11:45	The policy perspective and NCA priorities (European Commission)		
11:45 – 12:30	The perspective of the accounting community		
12:30 – 13:30	Lunch		
13:30 – 13:40	Introduction to break-out sessions on case studies Part I <ul style="list-style-type: none"> • 3 case studies will each be discussed by 3 different groups, according to a rotating concept • Each group has 10 to 13 persons, with a predefined composition for Part I (to be changed for Part II) • Case studies to be elaborated and led by 2 stakeholders, e.g. a business + NGO (so chairs don't rotate!) • Each session takes 50 minutes, including a 5 minutes description of the case, a 40 minutes brainstorm and 5 minutes conclusions formulation 		
	Case study 1: e.g. water accounting	Case study 2: e.g. biodiversity accounting	Case study 3: e.g. ecosystem services accounting
13:40 – 14:30	Group 1A	Group 2A	Group 3A
14:35 – 15:25	Group 2A	Group 3A	Group 1A
15:25 – 15:50	Coffee break		
15:50 – 16:40	Group 3A	Group 1A	Group 2A
16:40 – 17:20	Plenary feedback of outcomes + discussion		
DAY 2			
9:00 – 9:10	Introduction to break-out sessions on case studies Part II <ul style="list-style-type: none"> • Similar approach as on Day 1, but the composition of the groups will be changed (again to be predefined) 		
	Case study 4: e.g. Environmental Profit and Loss	Case Study 5: e.g. NCA for infrastructure	Case Study 6: e.g. The Biological Diversity Protocol
9:10 – 10:00	Group 1B	Group 2B	Group 3B
10:05 – 10:55	Group 2B	Group 3B	Group 1B
10:55 – 11:20	Coffee break		
11:20 – 12:10	Group 3B	Group 1B	Group 2B
12:10 – 12:50	Plenary feedback of outcomes + discussion		
12:50 – 13:50	Lunch		
13:50 – 15:00	Key take aways - structured discussion <ul style="list-style-type: none"> • for the statistical community (30') • for the business community (20') • for the financial and accountants community (20') 		
15:00 – 15:45	Preparing a roadmap for aligning private and public-sector approaches to natural capital accounting – structured discussion		
15:45 – 16:00	Closing		

Outcomes

After the workshop, a workshop report will be prepared, which will form the basis of a concise roadmap for aligning private and public-sector approaches to natural capital accounting that suggests concrete areas of work that UNSD can facilitate between companies and the national statistical offices of the project countries and the statistical community at the global level.

Examples might be:

- Development of methods and/or indicators that promote alignment
- Review of SEEA EEA from a business perspective
- Development of case studies
- Alignment with other initiatives such as E-GAAP (EC, Value Balancing Initiative)
- Second workshop
- Etc.