

# What is EMA

- **EMA is broadly defined to be the identification, collection, estimation, analysis, internal reporting and use of physical flow information (i.e. materials, water, and energy flows) , environmental costs, and other monetary information for both conventional and environmental decision making within an organization**

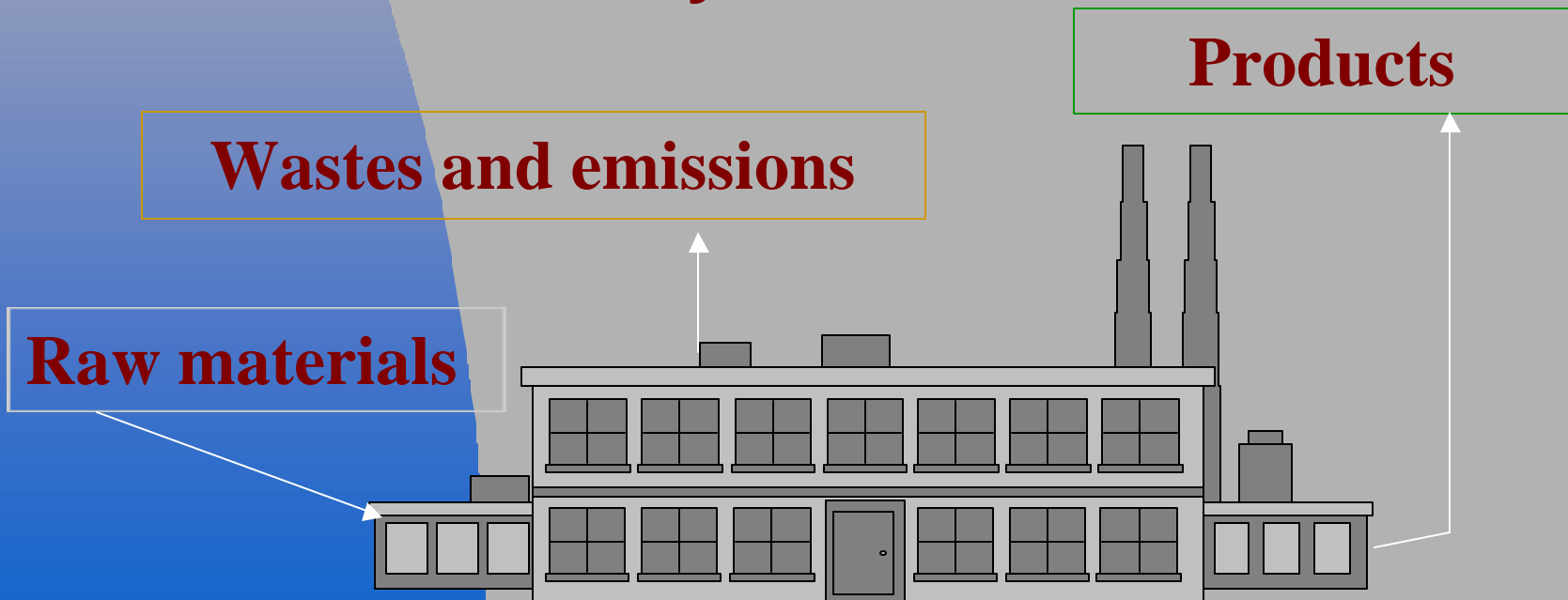
# Environmental Management Accounting

**Simply doing better, more comprehensive management accounting**

**The focus is no longer to assess the total “environmental costs” but on a revised calculation of production costs on the basis of material flows**

- **For all the different environmental initiatives that come along every year – design for environment, Lifecycle analysis, pollution prevention, cleaner production, green purchasing, - for whatever the instrument is in order to be effective you need to have the cost data and materials account data.**
- **EMA is the core tool that provides you with the comprehensive and accurate data you need for all those other corporate environmental initiatives**

- **Disposal and treatment costs**
- **Wasted materials purchase costs**
- **Liability and contingency overhead costs**
- **Production costs of wastes and emissions**
- **Material inventory losses**

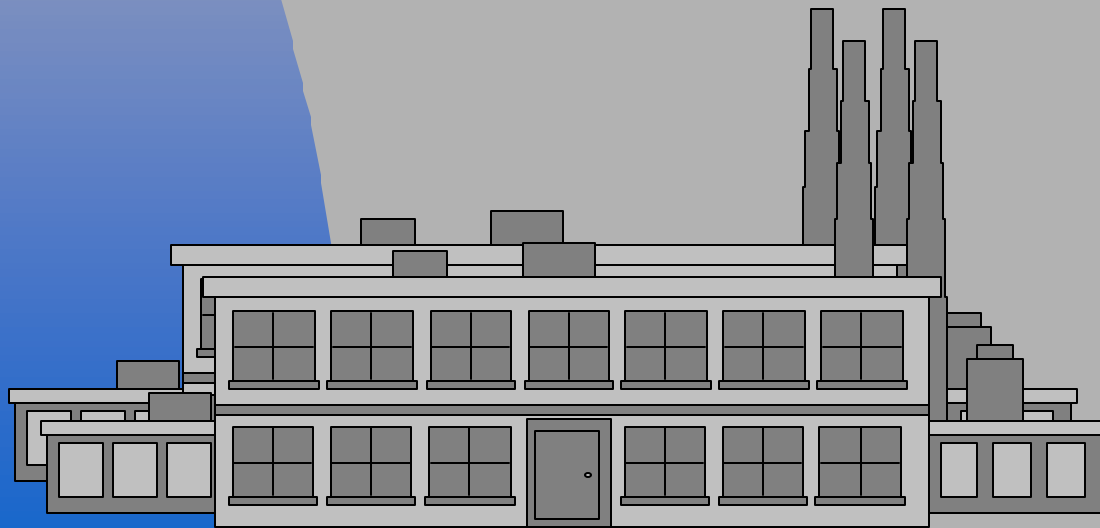


**Government Policies**

**New Technologies**

**Costs external to  
production**

**Profit maximising  
through production  
efficiencies using EMA**



# **Key application fields for the use of EMA data**

- **Budgeting**
- **Investment appraisal, calculating investment options**
- **Calculating costs and savings of environmental projects**
- **Design and implementation of EMS**
- **Environmental performance evaluation, indicators and benchmarking**

# Key applications - continued

- **Setting quantified performance targets**
- **CP and eco-design projects**
- **External disclosure of environmental expenditures, investments and liabilities**
- **External environmental or sustainability reporting**
- **Other reporting of data to statistical agencies and local authorities**

# Expert working group on EMA

## Purpose

**To examine how governments can effectively encourage industry to develop and use environmental management accounting**



# Membership

- The members of the working group are from national environment agencies and ministries, international organizations, industry, accounting firms and associations, academia and United Nations agencies. The UNDSD has acted as secretariat for the group
- To date the group includes experts from government agencies in Argentina, Australia, Austria, Brazil, Canada, China, Colombia, Czech Republic, Denmark, Egypt, Finland, Germany, Hungary, India, Indonesia, Italy, Japan, Republic of Korea, Malaysia, Mexico, Nepal, Netherlands, Norway, Philippines, Poland, Portugal, Slovak Republic, Sweden, UK, USA, Vietnam, Zimbabwe

# Publications

- Environmental Management Accounting: Procedures and Principles
- Environmental Management Accounting: Government Policies and Links
  - ❖ EMA: Policy review
  - ❖ EMA: links to other information systems and stakeholder

# The expert working group on EMA

- **1<sup>st</sup> meeting: Washington DC, USA  
August 1999**
- **2<sup>nd</sup> meeting: Vienna, Austria  
May 2000**
- **3<sup>rd</sup> Meeting: Bonn, Germany  
November 2000**
- **4<sup>th</sup> Meeting: Tokyo, Japan  
5-7 June 2001**
- **5<sup>th</sup> meeting planned for Bristol, UK  
12-15 February 2002**

# Future work of the Group

## Publications

- **“EMA: Quick & Dirty Guides” for Industry and Government**
- **“Improved Investment Analysis Tools” – compilation of training modules from this workshop**
- **Workbook on Improved Financial Analysis Tools (expanded version of Lisbon training)**
- **EMA: Principles and Procedures for SMEs**
- **Links between EMA and Quality Management (ISO 9000) / USA-Hungary**
- **Links between EMA and National Environmental Accounts**

## Other accomplishments:

- Environmental Management Accounting Resource and Information Centre (EMARIC)
- International EMA website  
*(Hosted by EMARIC)*

## Other activities:

- Tokyo meeting was held jointly with a symposium for Japanese industry on EMA as well as the 1<sup>st</sup> meeting of EMAN-AP. Symposium was attended by over 300 industry participants

# Future work - continued

- **Planning International Conference on EMA for industry to be hosted by Private Sector Members in mid-2002**

## Liaison work

- **GRI, ISO TC-207**
- **Accountancy association members : CICA, ACCA, FEE and CAPA, USGASB, IASB and others**
- **Will be hoisting a session with these organizations to discuss future work in this area**

# WEBSITE

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**[HTTP://WWW.UN.ORG/ESA/SUSTDEV/ESTEMA1.HTM](http://www.un.org/esa/sustdev/estema1.htm)**

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	<b>ENVIRONMENT</b>	<b>ECONOMIC + ENVIRONMENT</b>	<b>SOCIAL</b>	<b>ETHICS + OTHERS</b>
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<b>Analysis + Evaluation</b>	<b>Environmental Impact Assessment</b> <b>Risk Assessment</b> <b>Life Cycle Assessment</b> <b>Environmental Auditing</b>	<b>Full Cost Accounting</b> <b>Total Cost Assessment</b> <b>Cost-Benefit Analysis</b> <b>Life Cycle Costing</b> <b>Environmental Management Accounting</b>	<b>???</b>	<b>???</b>
	<b>Environmental Policy Declaration</b> <b>Eco-design</b>	<b>Business-to-Business Green Procurement</b> <b>Suppliers Accreditation</b>	<b>Social Management Accounting</b> <b>Business-to-Business Procurement (social concerns)</b>	<b>Business-to-Business Procurement (human rights concerns)</b>
	<b>Eco-label</b> <b>Product Declaration (environmental aspects)</b> <b>Reporting</b> <b>Benchmarking</b>	<b>Environmental Aspects in Financial Reporting</b> <b>Eco-marketing</b> <b>Benchmarking</b> <b>Eco-rating</b>	<b>Suppliers Accreditation</b>  <b>Social Reporting</b> <b>Benchmarking</b> <b>Sustainability Index</b>	<b>Suppliers Accreditation</b>  <b>---</b> <b>---</b> <b>---</b>

Government for use by Business

Business

Business and Government

