

## **Management Accounting for Ecosystems:**

**Moving from exploratory assessments to quantified  
reciprocal commitments**

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# Accounting for ecosystems: is there something missing?





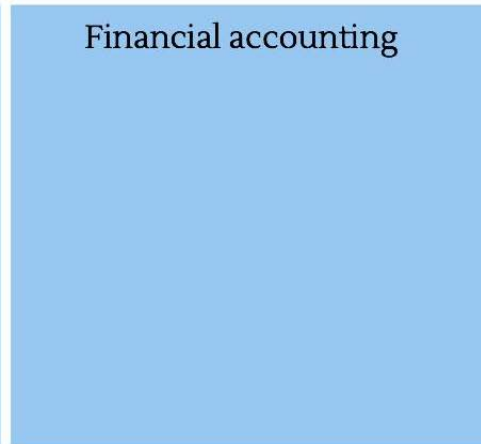
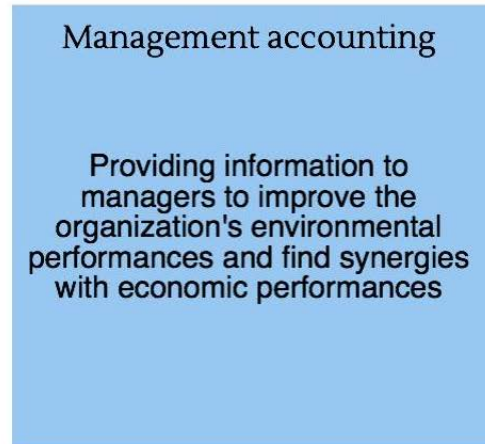
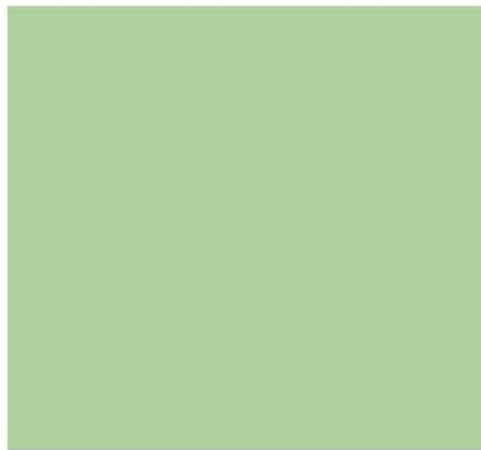
Environmental reporting

Management accounting

Financial accounting

## Tools

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**Ecosystem services life cycle analysis (Zhang, 2010)**

**Assessing business impacts and dependencies with ES in firm's management accounting (Houdet, 2014; NCP&WBCSD)**

**Multiple ES analytical tools for project planning, priority-setting, risk analysis, performance etc. (BSR, 2015)**

**Management accounting**

**Providing information to managers to improve the organization's environmental performances and find synergies with economic performances**

**Financial accounting**

**Environmental reporting**

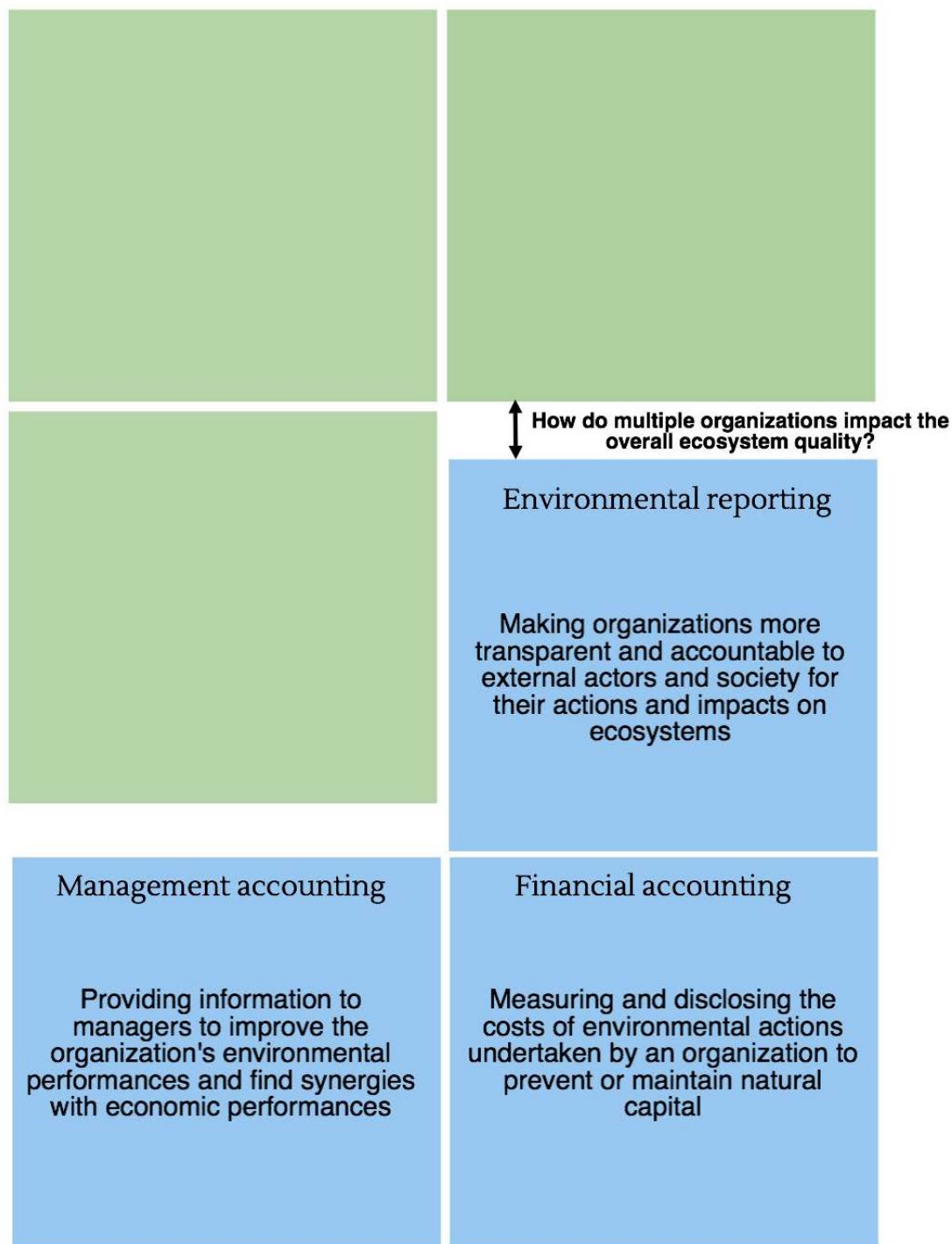


**“Bilan biodiversité” (biodiversity footprint) (Houdet, 2012)**

**Triple Depreciation Line model for social and natural capital maintenance (Rambaud & Richard, 2015)**







Exploratory Accounting

Ecosystem and territorial  
Accounting

?

How do multiple organizations impact the  
overall ecosystem quality?

Environmental reporting

Making organizations more  
transparent and accountable to  
external actors and society for  
their actions and impacts on  
ecosystems

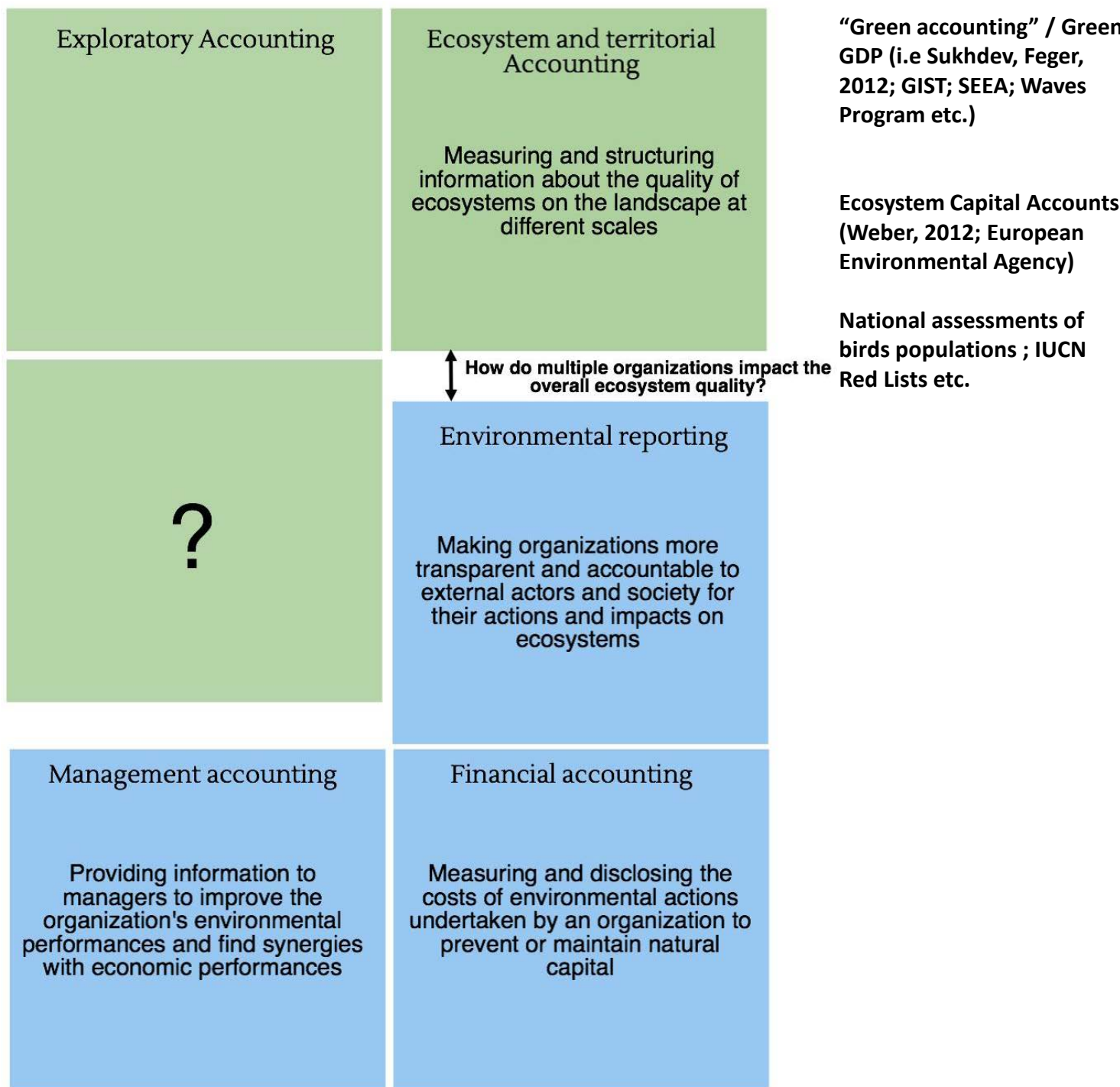
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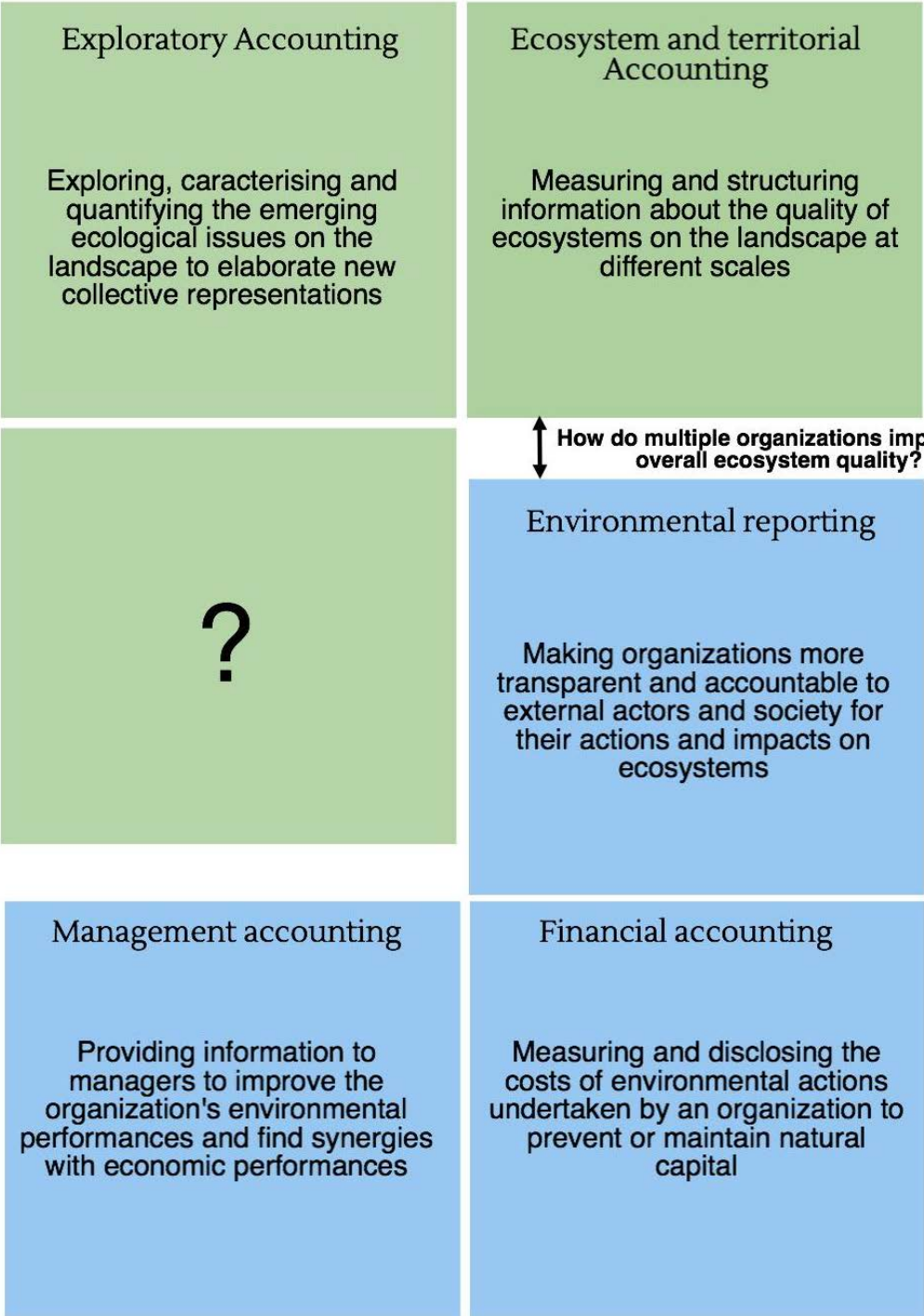
Financial accounting

Measuring and disclosing the  
costs of environmental actions  
undertaken by an organization to  
prevent or maintain natural  
capital





InVEST and other Natural Capital Project tools (scenario making tools etc.)



# What is missing to better organize and act for change?

- **Despite many hopes:**
  - Nat Cap' case studies show **that information provision is useful BUT not enough** to be systematically a “game changer”
  - Gaps between information produced, decision-making and real change for the conservation agenda
- **The challenge is thus how to :**
  - **Negotiate, put in place and maintain** a long term collective management of ecological issues **beyond punctual interventions or exploratory pilot projects...**
  - ....and **without necessarily benefiting from very favorable conditions** for change already in place

# Adopting a management accounting perspective

- **What is management accounting?**
  - In essence, management accounting systems as a set of practices and tools *“for gathering and communicating data for the ends of aiding and coordinating collective decisions in light of the overall goals and objectives of an organization”* (Horngren and Sundem, 1990, p4 in Quattrone and Busco)
  - Theories and practices aiming to connect information with what is at the core of any organizational processes: A system of accountability and reciprocal rights and obligations
- **Why adopting a management accounting for ecosystems perspective ?**
  - MA to help quantifying, informing and managing reciprocal responsibilities and commitments made by stakeholders in order to reach, through complex organized action, a set of ecological objectives that they collectively agreed on

# Towards new accounting tools to develop the “Management Accounting for Ecosystems” agenda

## Ecological issues account

Measuring, tracing and regularly communicating on the evolution of the ecological issues identified by the collective

### Ecological contributions account

Tracing the actions directly contributing to ecosystem management made by each individual stakeholder and assessing :

- its + or - impact on the ecological quality of the identified issues
- the costs of these various actions

### Organizational support account

Tracing the activities contributing to the organization of the collective action and its accounting system:

- development and use of the ecological quantification tools used (i.e InVEST)
- coordination work, organization of participatory workshops, communication etc.
- the costs of these activities

### Finance and resources account

Gathering and allocating resources (money, access to land, shared material, manpower and time etc.) among the stakeholders for their ecological contributions or organizational support actions

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### Exploratory Accounting

Exploring, characterising and quantifying the emerging ecological issues on the landscape to elaborate new collective representations



### Management Accounting for Ecosystems

Measuring a set of ecological issues managed by a collective and organizing the contributions and resources of each stakeholder

### Ecosystem and territorial Accounting

Measuring and structuring information about the quality of ecosystems on the landscape at different scales



How do multiple organizations impact the overall ecosystem quality?

### Environmental reporting

Making organizations more transparent and accountable to external actors and society for their actions and impacts on ecosystems

### Management accounting

Providing information to managers to improve the organization's environmental performances and find synergies with economic performances

### Financial accounting

Measuring and disclosing the costs of environmental actions undertaken by an organization to prevent or maintain natural capital

Completing exploratory tools with strategies and negotiation methodologies

Tools do develop, materialize, and test MAfE accounts in practice/field experiments



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↕ How do multiple organizations impact the overall ecosystem quality?

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Making organizations more transparent and accountable to external actors and society for their actions and impacts on ecosystems

↕ How does one organization contribute to collective ecosystem management projects?

### Management accounting

Providing information to managers to improve the organization's environmental performances and find synergies with economic performances

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Measuring and disclosing the costs of environmental actions undertaken by an organization to prevent or maintain natural capital

**Completing management accounting tools of organizations who actively participate in ecosystem management (NGOs, firms who deliver environmental services etc.)**

# What roles for the Natural Capital Project in a Management Accounting for Ecosystems perspective?



Thank you !  
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