Accounting for Water: From Global to Local Initiatives

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Agenda

• To highlight global functions of Accounting Professionals in local initiatives;

• Linking accounting professionals to accountability of water;

• Share cases and developments of accountability of water in SADC.
Acknowledgement

“Physical flow Accounting of water resources in organisations and companies is an emerging practice in corporate disclosure in SADC”
Global Functions:

- **Financial Accounting** - Recognition, measurement and disclosure of economic activities and flow of capitals through the business model;

- **Management Accounting** – production of information for decision making (Cost Accounting, Valuation, full cost accounting and mgt accounting information systems)

- **Assurance** - Reliability of systems of accountability and information;
Global Accounting Instruments

1. International Financial Reporting Standards (IFRS): (Available for use by private sector companies and organizations);

2. International Public Sectors Accounting Standards (IPSAS); (Available for use by public sector institutions)

3. Sustainability Reporting Guidelines (Available for use by all organizations including Public sector Institutions);
The Bridge? ……to natural capital accounting

Global Reporting Initiatives (GRI) - Sustainability Reporting Framework

Key Principles

• Stakeholder Engagement;

• Materiality;

• Performance Indicators (Economic, Social, Environmental and Governance)
GRI – G4 - Water Indicators:

1. **G4 - EN8** – Total Water Withdrawal by Source
   (Surface water, groundwater, rain, municipal water, waste water from the company)

2. **G4 – EN9** - Water sources significantly affected by withdrawal of water;

3. **G4 – EN10** - Percentages and total volume of water recycled and reused;
Public Sectors Cases from SADC ...

• Water accounts are being produced at a national level in countries like South Africa, Botswana and Namibia;

• Progress has been noted in Tanzania and Mozambique in water accounts;

These cases have been driven by national governments and local authorities in attempts to consider water as capital.
Private Sector Cases in SADC

• 5% of Global GRI Sustainability Reports are from Africa (Economic, Environmental, Social and governance);

• 98% of Africa reports are from SADC (South Africa, Zimbabwe and Mauritius);

• Initiatives being influenced by the profession;
Emerging Drivers in SADC...

• The rising influence of stakeholders like Civil Society Organisations (CSO) demanding accountability on natural resources including water;

• Scarcity of water sources;

• Influence of capital markets in SADC (JSE & ZSE);

• GRI established Focal Point office in SADC

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In Closing.....

• Integration of economic and physical flow accounting in accountability of water;

• Public Sector Accounting leadership role in accounting for water resources;

• Sustainability leadership development on natural capitals management (including groundwater and aquifers);

• Considering of water as capital? By who and at what stage?
Our Vision

‘Advancing Sustainability Initiatives for Africa’
Thank you!!!
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Institute for Sustainability Africa