

## **Workshop on the Fundamentals of Accounting as Applied to Ecosystem Accounting**

June 10, 2014

Time: 9 am to 4 pm (with 12-1 lunch break)

Target Participants: Members of the LLDA-TWG

### **Objectives:**

1. To re-visit the concepts learned by the participants regarding ecosystem valuation and environmental accounting, and clarify questions regarding the processes involved in environmental accounting;
2. To create a basic analytical framework that the LLDA-TWG could use to guide them in carrying-out their tasks and teach the participants how to modify the framework.
3. To assist the LLDA-TWG in mapping out their work plan in the next few months.

### **Outline of Workshop Topics/Activities**

- I. The basics of environmental accounting
  - a. Understanding the relationship between environmental accounting and the pursuit of sustainability
  - b. The nature and types of natural Capital
    - i. Renewable Resources
    - ii. Non-renewable resources
    - iii. Valuation of Natural Capital
  - c. Natural Capital and the “Ecological Balance Sheet”
  - d. Harvest, Extraction, Pollution, and the threats against natural capital
  - e. Exercise: Creating a hypothetical Ecological Balance Sheet
- II. Environmental services
  - a. Environmental goods and services as a source of (rise in) social welfare
  - b. The Laguna de Bai as an environmental asset, its management, and the WAVES project.
  - c. Exercise: Valuation of an environmental asset
- III. Building a framework of analysis in constructing environmental accounts
  - a. Leveling the field: Understanding what a framework is
  - b. Identifying the variables needed to build a framework
  - c. Establishing the relationships between variables
  - d. Project: Creating the framework for WAVES-Laguna de Bai

- IV. Applied Work/Exercises (Group work)
  - a. Inventory of the data currently collected/at hand
  - b. Valuation of Laguna de Bai using the collected data
  - c. Creating an Ecological Balance Sheet using the collected data
  - d. Identify the data gaps that have to be filled to refine the valuation of Laguna de Bai and the Ecological Balance Sheet.
  - e. Exercise: Adjustments of the valuation figure and the Ecological balance sheet based on hypothetical issues.
  - f. Exercise: Based on the results of the previous exercise, identify policy issues that need to be addressed.
  
- V. Planning the next steps and mapping out the work plan of the LLDA-TWG