

WELCOME TO THE PRESENTATION



ENVIRONMENTAL MANAGEMENT
ACCOUNTING PRACTICES IN A
DEVELOPING COUNTRY-
AN EMPIRICAL CASESTUDY OF
BANGLADESH

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OBJECTIVES OF THE STUDY:

- TO IDENTIFY CURRENT PRACTICES IN ENVIRONMENTAL MANAGEMENT ACCOUNTING.
- TO IDENTIFY THE SHORTCOMINGS OF THE IMPLEMENTED (IF ANY) ENVIRONMENTAL MANAGEMENT ACCOUNTING
- TO DEVELOP BENCHMARKING METHODOLOGY FOR COMPARISON OF ENVIRONMENT RELATED COSTS AND ENVIRONMENTAL PERFORMANCES.

- RECOMMENDATIONS AND TO STIMULATE FIRMS AND INDUSTRY ASSOCIATIONS TO TAKE ACTIONS.
- TO CREATE AWARENESS AT THE REGULATORY, CIVIL SOCIETAL, NGO AND INDUSTRY LEVELS.

ENVIRONMENT PROFILE OF BANGLADESH:

- IN THE DEVELOPING COUNTRIES EMS/EMA IS NOT PRACTICED SERIOUSLY EITHER FOR POOR AWARENESS OR FOR POOR REGULATORY REGIME OR FOR FINANCIAL CONSTRAINTS OR FOR ALL

- EMA IS IN THE NASCENT STAGE IN BANGLADESH AND IS ONE OF THE MOST NEGLECTED AREAS
- EMA STILL NOT ORIENTED EITHER TOWARD EXTERNAL DISCLOSURE OR FINDS ANY EFFECTIVE APPLICATIONS TO INTERNAL MANAGEMENT.
- THE STUDY CONSIDERED REPRESENTATIVE SAMPLES BOTH FROM MANUFACTURING SECTOR AND SERVICE SECTOR

- IN GENERAL MANUFACTURING SECTOR IS CONSIDERED TO BE MORE RELEVANT AND RESPONSIBLE FOR EMS AND EMA COMPARED TO SERVICE SECTOR IN BANGLADESH
- EMA IS EITHER VERY LITTLE KNOWN OR NOT AT ALL KNOWN AT ANY LEVEL INCLUDING PROFESSIONAL ACCOUNTANCY BODIES
- EMA IS NOT CONSCIOUSLY OR KNOWINGLY PRACTICED IN ANY OF THE SURVEYED COMPANIES.

➤ FINANCIAL SERVICES SECTOR IS NOT AT ALL AWARE OF THE EQUATOR PRINCIPLE

THE FOLLOWING SETS OF ENVIRONMENTAL ACTS AND RULES ARE THERE IN BANGLADESH NOW

➤ □ ENVIRONMENT ACT 1995

- □ NATIONAL WATER POLICY, FOREST POLICY, LAND POLICY, AGRICULTURE POLICY AND FISHERIES POLICY
- □ A NETWORK OF PROTECTED AREAS, A LIST OF ECOLOGICALLY CRITICAL AREAS (ECAs)
- □ ENVIRONMENT REGULATIONS OF 1997 AND REQUIREMENT FOR CONDUCTING ENVIRONMENTAL IMPACT ASSESSMENT FOR PROJECT

❖ *WASTE RECYCLING:*

- A CANADIAN COMPANY SUBMITTED PROPOSAL FOR GENERATION OF ELECTRICITY FROM SOLID WASTES OF DHAKA CITY AT A TOTAL COST OF ABOUT US\$ 563 MILLION UNDER BOT.

❖ *BUSINESS OF GOING GREEN*

- TATA STEEL OF INDIA EARNS ANNUALLY US\$ 5+ MILLION BY SELLING WASTE IT EARLIER DISCARDED.
- THE FIGURE MADE A LOT OF 'GREEN SENSE' IN THE COMPANY

- EMS IS VERY LITTLE OR NIL IN CORPORATE BANGLADESH EXCEPT A VERY FEW INCLUDING MULTINATIONALS

WASTE MISMANAGEMENT PROFILE OF BANGLADESH:

- 277 TANNERIES IN AND AROUND DHAKA CITY GENERATE 98 TONS SOLID WASTES

- ABOUT 8.47 MILLION LITER WASTE GENERATED YEARLY .
- THE WASTE CONTAINS ABOUT 300 TYPES OF CHEMICALS

EMA/EMS PRACTICES IN BANGLADESH:

RESEARCH RESULTS

SECTION-1 MANAGEMENT SYSTEMS AND TOOLS IN THE FACILITIES:

- NONE RESPONDED YES HAVING AT LEAST ONE PERSON WITH EXPLICIT ENVIRONMENTAL RESPONSIBILITY, BUT FEW HAVING RESPONSIBILITY JOINTLY WITH OTHER RESPONSIBILITY
- 11% SAID RESPONSIBILITY LIES WITH PRODUCTION DEPARTMENT AND 3% SAID WITH HR

- IN PURCHASING AND MARKETING ENVIRONMENTAL MATTERS ARE CONSIDERED ONLY IN 5% FACILITIES
- ENVIRONMENTAL POLICY EXISTS IN 5% FACILITIES
- 60% FACILITIES CONSIDERING EMS
- 3% FACILITIES HAVING ISO-14001 CERTIFICATION
- 3% OBTAINED EXPECTED BENEFITS FROM ISO-14001 CERTIFICATION

- 100% FACILITIES DO NOT PRACTICE
EMA
- 18% FACILITIES HAVE ISO-9000
CERTIFICATION

SECTION -2 ENVIRONMENTAL MEASURES AND IMPORTANCE:

Summarized Question	Very Important	Important	Not aware
1. How important is –ve Environ. impact of Solid waste generation	60%	20%	20%
2. How important is –ve Environ. impact of wastewater effluent	60%	15%	25%

3. Importance of regularly monitoring solid waste generation	10%	90%		
4. Importance of regularly monitoring wastewater effluent	10%	90%		
5. Importance of undertaking concrete EMA system in the facility	3%	95%	2%	
6. Importance of technical measures to reduce environmental impact	12%	88%		

SECTION-3 INFLUENCES OF STAKEHOLDERS AND MOTIVATIONS ON ENVIRONMENTAL PRACTICES:

Summarized Question	Not important	Very Important	Don't understand	
1. Influence of government on environmental practices	7%	91%	2%	

2. Influence of government on EMA practices	23%	65%	12%	
3. Important of motivation for environ. practices	5%	90%	5%	
4. Importance of EMA for Cost savings	17%	81%	2%	
5. Influence of Banks & Lenders on environmental practices	92%	3%	5%	

6. Influence of top management on environmental practices	9%	90%	1%	
7. Suppliers	93%	7%		
8. Trade bodies	9%	88%	3%	Some are not members of trade body
Labor Unions	88%	11%	1%	

SECTION- 4 PUBLIC ENVIRONMENTAL POLICY

Summarized Question	Not important	Very Important	Don't understand	
1. Regulations importance to encourage EMA and EMS	7%	91%	2%	

2. Expediting Environmental Permits	20%	80%		
3. Providing technical Assistance		100%		
4. Providing Financial Support		100%		
5. Waiving Environmental Regulations	62%	38%		

SECTION-5 FACILITY CHARACTERISTICS:

Summarized Question	Not important	Very Important	Don't understand
1. Assessment of ability to compete in product price	8%	92%	

2. Ability to compete in product quality	2%	98%		
3. Ability to compete in goodwill		100%		
4. Relation with buyers	2%	98%		
5. Expenditure on Research & development	96%	4%		
6. Any budget for EMS development	68%	30%	2%	

SECTION-6 FIRM CHARACTERISTICS:

Summarized Question	Not important	Very Important	Don't understand
1. Importance to have firm listed in the stock Exchange	48%	32%	20%

2. Importance to have EMA/EMS in the firm	4%	90 %	6 %
3. importance of faster growth of business	2%	98%	

RECOMMENDATIONS

- PEOPLES' PARTICIPATION THROUGH ENVIRONMENTAL EDUCATION
- ADOPTION OF 4R PRINCIPLES (REDUCE, REUSE, REPAIR AND RECYCLE)
- ENVIRONMENTAL EDUCATION PROGRAM AT ALL LEVELS
- STRICT ENFORCEMENT OF LAW
- INTRODUCTION OF ENVIRONMENTAL MANAGEMENT ACCOUNTING SYSTEM

- INTRODUCTION OF ENVIRONMENTAL AUDITING SYSTEM
- ORGANIC WASTE RECYCLING
- CLINICAL AND HOSPITAL WASTE DISPOSAL SYSTEM LAW
- INTENSIFYING ACTIVITIES OF CIVIL SOCIETY AND ENVIRONMENTAL AWARENESS GROUP
- DEVELOPMENT OF MICRO-ENTERPRISE IN WASTE RECOVERY AND RECYCLING
- EFFECTIVE MEDIA ROLE.

CONCLUSION

INDUSTRIES, WHETHER LARGE OR SMALL, LOW-TECH OR HI-TECH, MANUFACTURING OR AGRICULTURAL, ALL INEVITABLY PRODUCE DISCHARGES AND WASTESE THAT ARE CAPABLE OF POLLUTING.

THANK YOU ALL FOR PATIENCE LISTENING



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