

Green Accounting

By Muhammad Aqeel Zaffar (APFA - 8496)



A very pleasant and positive, awareness and behavior, towards the safety and sustainability of the world is reflects in the field of accounting also. Our planet is our home and we all need to do the efforts for its safeguarding and most important to inherit such world for our children which is safe and better than today.

Now a days Green accounting is well known term used as environmental accounting or sustainable accounting, Green accounting is now a specialized branch of accounting which focuses on all those measures used for environmental and social factors into financial at the time of economic decision-making processes. Green accounting purpose it to provide comprehensive and accurate image of economic activities, and these activities have considerable effect on environment and sustainability.

Green accounting promotes and encourage the financial and economic analysis that create response to environmental impact of financial and

economic activities. Green Accounting promote the more efforts and more consideration for the green environmental effect in projects evaluation.

Green Accounting involves the financial institutions to put more efforts and take serious steps toward the environmental safety and sustainability while making all kind of project feasibilities and budgeting's.

Green accounting encourages transparency, environmental and social information disclosure of all kinds. It enhances consistency and comparability plus green accounting adheres to international standards and guidelines. These International standards and guidelines are like the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

Now it is the time to engage all financial institutions, government and other bodies responsible for making all kind of human environmental and sustainable projects and policies, to define more accurately and more

precisely the guidelines and standards, which are effective and more persuasive for creating green accounting as the accounting which is important not only for our era but also for the next generations.

On the other hand, Green accounting has several disadvantage also like, the implementation of green accounting is a very complex process and also require the financial and human resources. Moreover, the procedure and rules are still not very clear to follow the green accounting concept. It is very difficult to follow for the poor countries because for them green accounting is luxury and they did not have the sufficient resources to afford this luxury.

While several rich countries of the world demand that the environmental problem is not belongs to them only, so they require the share of resources from the poor countries also, which becomes a dead lock for the creation of such policies and procedures to follow world widely.