

## **18.19 Modifications to Private and Public Accounting Procedures**

CONSIDERING that despite the general acceptance of Gross National Product (GNP) *per capita* as a good indicator of a country's level of development, and growth in GNP as an indicator of success, this approach is in many respects not comprehensive;

NOTING ESPECIALLY the paradox that repairing damage caused by pollution is counted as a positive contribution to GNP, implying that pollution itself benefits development;

CONCERNED ALSO that open-access resources such as high seas fisheries, and environmental assets such as biodiversity, are not correctly evaluated in current national accounting procedures;

RECOGNIZING that such assets as productive soils and ecosystems, clean air and pure water are valuable environmental assets for humanity, but are also neglected in national balance sheets and that the depreciation of this natural capital is not only unaccounted as a national loss but may actually be shown as a positive addition to GNP, while environmental rehabilitation costs and public health impacts are ignored as national liabilities;

CONCERNED that these deficiencies in accounting procedures make the planning of sustainable socio-economic development and wise use of the natural resources of the biosphere more difficult

NOTING that many national accountants and environmental economists believe that it is premature to alter radically the UN System of National Accounts (SNA) to take account of environmental effects, and that an alternative set of "parallel" accounts should be developed as soon as practicable in the light of the extremely difficult conceptual and practical problems involved;

The General Assembly of IUCN—The World Conservation Union, at its 18th Session in Perth, Australia, 28 November-5 December 1990:

1. URGES governments and inter-governmental organizations to cooperate urgently in the redefinition of the UN System of National Accounts (SNA) and incorporation of:
  - a. evaluation of natural resource assets and liabilities;
  - b. environmental costs and benefits;
2. PROPOSES that the sale price of natural resources should reflect the cost of environmental damage and rehabilitation;
3. REQUESTS the Director General and the relevant IUCN Commissions to cooperate as far as practicable with governments and inter-governmental organizations (notably the UN and OECD) in the development of accounting systems which deal more accurately with environmental parameters.