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EU Skills Week-VET and the Green Transition



What are the skills and education needed for finance professionals to play their part?

17 May 2022

3.00pm-4.30pm CET

EVENT REPORT

On 17 May 2022, global and EU experts discussed the skills and education need for finance professionals to play their part in contributing to the Green Transition at joint ACCA, IFAC and Green Finance Platform event during the [EU Skills Week 2022](#), attended by over 420 participants.

Managing the impact of people on the planet we call home has become the rallying call of our times. In too many organisations however, expertise in climate ESG-related impacts and risks still lacks, or resides in a small group of sustainability experts. Where it exists, it is often distanced from financial decision making – with teams often still viewing issues they are passionate about through a non-financial lens. This must change rapidly if organisations have any hope of tackling the existential threats that climate and environmental risks pose to their business.



After a welcome address by **Helen Brand**, OBE, Chief Executive of ACCA and a keynote speech by **Victor Negrescu, MEP**, the panel discussion moderated by Helen Partridge, Director of International Accountancy Education at IFAC welcomed **Julie Fionda**, Deputy Head of the Unit in charge of the Skills Agenda at the European Commission; **Jeremy**

McDaniels, Senior Advisor on Sustainable Finance at the Institute of International Finance (IIF); **Nancy Kamp - Roelands**, Professor of Non-financial information, integrated reporting and assurance at the University of Groningen; and **Thomas Verheye**, Principal Advisor Green Finance and Investment at the European Commission, currently seconded to the European Investment Fund (EIF). Concluding remarks were delivered by **Alan Johnson**, President of IFAC.

Discussions confirmed that it is imperative that everyone –not least accountants, plays a role towards the Green Transition and that cooperation and partnerships will be key. The accountancy profession is ready to take up the challenge of sustainability information, but it needs to acquire new knowledge, skills and experience, to broaden its perspective on enterprise value to a more holistic view. Sustainability information covers a wide range of topics and related indicators that are of increasing strategic importance. By bringing the professions together to accelerate the pace of knowledge acquisition and upskilling of both finance professionals and professional accountants, we will be able to drive or even lead sustainable decision making in our organizations.



Mail highlights

Helen Brand, OBE, Chief Executive, ACCA

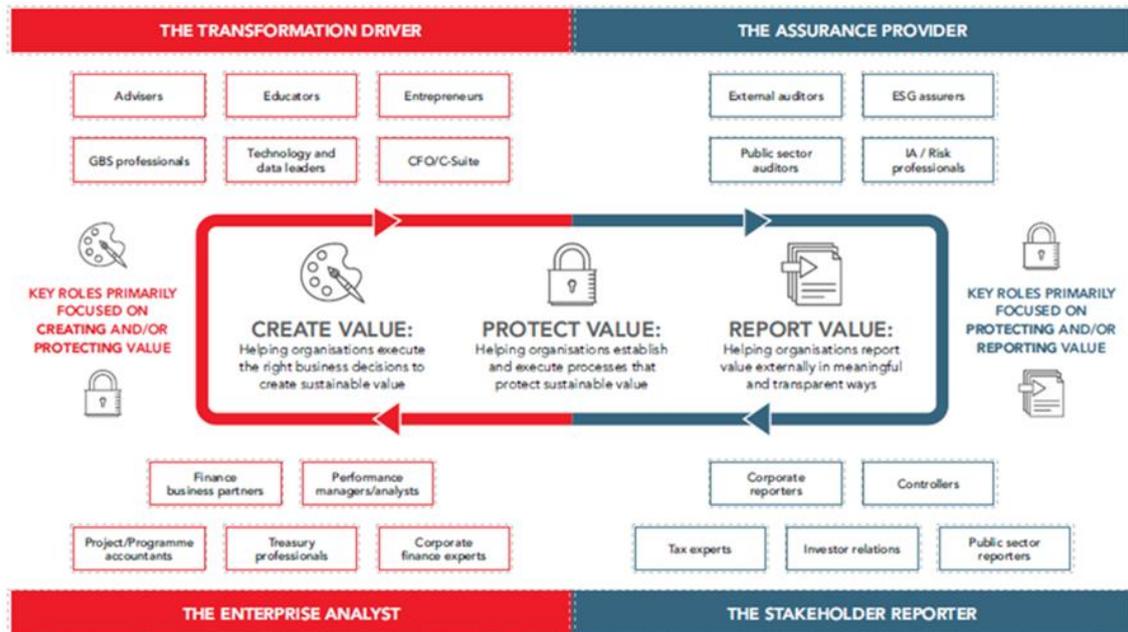


- Managing the impact of people on this planet we call home has become the rallying call of our times. As governments around the world are seeking to define a vision for decarbonising their economies and achieving net zero emissions, there is an urgent need for all stakeholders to grasp the scale of this challenge and to respond to it.

- In too many organisations however, expertise in climate risk and environment, social

and governance – or ESG - still lacks or resides in a small group of sustainability experts. Where it exists, it is distanced from financial decision making – with teams often still viewing issues they are passionate about through a non-financial lens.

- This must change rapidly if organisations have any hope of tackling the existential threats that climate and environmental risks pose to their business.
- As climate and environmental risks and related action becomes a core component of mainstream business, everyone within the organisation needs to understand how their own work can contribute and will be affected. This will be particularly important for accounting and finance professionals, who have a critical role to play in putting sustainability at the heart of decision-making, both to lead on enhanced risk management and long-term value creation, and to champion responsible practices.
- And to make sure they have the right tools to do so, they must be equipped with the right education and skills, to in turn, instil this sustainability culture in the companies they work for or advise.
- Finance and accountancy professionals should take a leadership role not just in strategy but also in informing the rest of the organisation about climate and nature-related risks and opportunities. As the EU co-legislators are debating the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence initiative, there is no doubt that finance professionals will also need to continue their own sustainable business education as policies and regulation change, while best practice evolves at a rapid pace.
- As highlighted in ACCA report [Accountants, purpose and sustainable organisations](#), the purpose of the professional accountant in their various roles are to create, protect and report value.
- First of all, we need to understand the various roles that professional accountants perform and how ACCA recommends articulating them with sustainability. The [ACCA's Career Navigator](#) outlines the various roles that professional accountants can play. These have been categorised into 4 career zones: the transformation driver; the assurance provider, the enterprise analyst and the stakeholder reporter. Each of these roles should already - and if that is not the case yet - will soon have to embed and integrate sustainability in its activities. It is therefore vital that they are adequately educated and trained.



Professional accountants at the heart of sustainable organisations | ACCA Global



- The [ACCA Career Navigator](#) explains the seven core capabilities required by professional accountants. We call them Expertise, Ethics, Insight, Sustainability, Collaboration, Digital and Drive and each of them is mapped to our qualification and continual professional development or CPD that help learners develop these capabilities.
- Sustainability is defined as applying integrated thinking and action to create, protect and communicate long term value for the organisation, environment and society. Sustainability for accountants therefore means expecting accountants to integrate the environment, social and governance matters, or intangibles (such as corporate culture, know-how, innovation etc) with financial matters. This is achieved by using a combination of the capabilities.



- For instance, a professional accountant will use drive (ie lifelong learning/determination) and collaboration (ie engagement, stakeholder focus, communication, inclusion) to develop new and updated knowledge, such as for example working with environmental specialists to understand climate risk impacts on business operations, or business operation impacts on the environment.
- A professional accountant will also combine sustainability knowledge with relevant expertise. Key competencies identified - these are the traditional domains for which the profession is most known to apply environmental, social and intangible learning in the context of the accountant's role. There are several ways in which ACCA helps the profession develop the required skills: in being a role model; In developing future members through the qualification; in maintaining and enhancing the capabilities of members through CPD; but also in publishing research and insights and providing policy and technical support
- With regard to being a role model, ACCA has long been a passionate advocate of green and sustainability accounting and reporting. This has included pioneering sustainability reporting awards and being the first international professional accountancy body to publish an integrated report on our own performance. In 2020, we also announced our concrete commitments to UN's Sustainable Development Goals (SDGs). We are integrating the relevant ones to our business model and strategy, and we are tracking and reporting our progress through our annual integrated report.

UN SDG	Commitment	UN SDG	Commitment
4 QUALITY EDUCATION	We will offer access to a quality finance and accountancy education that is free from artificial barriers.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We will promote sustainable practices and reporting, working with our community and our employees to reduce the consumption of resources.
5 GENDER EQUALITY	We will promote gender equality across our global community and achieve gender equality across our employee population.	13 CLIMATE ACTION	We will embed green finance in our qualifications and learning products to improve capability across the profession for climate action. We will advise and support governments and regulators to develop and adopt the regulations and reporting practices needed to transition to a Net Zero carbon economy. At ACCA, we're committing to becoming Net Zero by 2030.
8 DECENT WORK AND ECONOMIC GROWTH	We will support our community to progress in their careers so they can actively contribute to sustainable economic growth.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	We will promote and adhere to the highest standards of professionalism, integrity and ethics.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	We will empower our community so they can support organisations to be ethical, sustainable, successful and able to participate in the global economy.	17 PARTNERSHIPS FOR THE GOALS	We will work in partnership to build an inclusive global profession that supports the development of ethical, sustainable and successful businesses and economies.
10 REDUCED INEQUALITIES	We will advocate for inclusion, diversity and social mobility within, and on behalf of, our community, and ensure ACCA is a fair and inclusive place to work.		

- In addition, ACCA is a signatory of the Green Finance Education Charter, which collectively commits signatories to integrate green finance and sustainability within their core curricula, new qualifications and the continued professional development of their members. ACCA has also created an online [Sustainability Hub](#), which provides finance professionals around the world with access to highly relevant resources and knowledge.
- And very recently, in April, ACCA has launched [our Accounting for a better world](#) initiative – an agenda for action which explores and promotes the pivotal role of the accountancy profession in driving positive action in a range of areas such as building resilient economies, inclusion and developing tomorrow's talent. And driving sustainable business features at the heart of this.

With regard to developing future members through the qualification, ACCA was the first professional body to introduce integrated reporting within the qualification in December 2014. Prior to that, even in the 1990s we were examining social and environmental reporting, also including GRI (global reporting initiative) content. ACCA qualification covers topics such as: Biodiversity impact; SDGs disclosure recommendations;



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- Stakeholder reporting, including integrated reporting and current changes in reporting; Strategic, business, legal and operational risk management; Environmental taxation; Financial reporting on carbon assets; New business models; Circular economies
- Several of ACCA exams also require demonstrating integrated sustainability expertise and insight capabilities, such as for example environmental management accounting. In addition, ACCA integrated case study exam regularly picks up social and environmental issues. ACCA exams also include the audit of environmental reports, and students have to appraise and integrate the impact of environmental, social, and ethical factors on performance measurement and reporting, and consider how integrated reporting for SMEs can help them create value.
 - In addition to the qualification ACCA provides, it's vital to maintain, update and enhance the capabilities of members through CPD. There is a variety of CPD to suit all needs, from events like this one, articles, training courses, to policy pieces and research. Specific sustainability related CPD courses include for example a [Certificate in Sustainable Finance](#) and a [Certificate in Integrated Reporting](#).
 - In addition, ACCA professional insights team reviews the current issues of relevance to business and the profession including across different sectors, including also public sector and SMEs. Examples of sustainability related research includes – just to name a few- ACCA [Integrated reporting series](#), and our [Natural capital series](#) including four practical guides to natural capital management for professional accountants. ACCA has also produced [Sustainability guidance for SMEs](#), and is working on a sustainability assurance piece.
 - Thanks to ACCA's Technical, Policy and Public Affairs work, ACCA contributes to the development of sustainability-related policy impacting business and the role of the profession internationally, regionally and locally, also providing its expertise and support to policy and decision-makers, working with specialist [global forums](#), and informed through the many roundtables we organise.
 - During these roundtables, one theme kept emerging – the need for better education about climate risk throughout the entire organisation. As one participant from Sri Lanka said: *'If accountancy and finance professionals can explain the financial importance of sustainability to organisations, [...] then sustainability will take root.'*

Victor Negrescu, MEP



- We can say that skills are at the core of our economies and also at the core of our own individual professional careers.
 - When talking about skills in today's world, we can really compare them to cryptocurrency: we know that skills can lead us in the right direction, but if we misuse them, we might lose the potential that those skills can offer us. Therefore, we need a new way forward when it comes to how we are dealing with skills.
- This new way forward can use already existing initiatives by European institutions, such as the Pact for Skills. However, we need to move forward and be more precise, more concrete and more practical in the way we are approaching the issue of skills at European level. This means understanding the diversity of aptitudes and competencies that we need to develop across Europe. We also need to engage with relevant stakeholders in this process.



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- We cannot simply plan programs of skilling and upskilling at European level from an office somewhere in Brussels. We need to get on the ground and for that we need to create concrete partnerships with relevant stakeholders.
- Today's skilling and upskilling can happen everywhere. Schools and universities do play a crucial role, but we cannot forget informal ways of training people. Professional organizations, companies and trade unions play an important role here.
- In order to reach important targets that we have fixed for ourselves for 2030, we have to be coherent and make sure that we are not increasing the inequalities and gaps. If one region is moving ahead, this is really good, but if one region stays behind, we'll have difficulties in dealing with those challenges in the future - the lack of skills generates a vicious circle that affects everyone.
- We need to consider entrepreneurial, green and digital skills. Physical skills are also becoming more and more important; as well as civic education, education about European Union, global citizenship, sustainable development.
- New skills and competences are needed not only for young people but also for people who have moved ahead in their professional career. We need to find ways to organize all of that.
- We have to make skills accessible in a very open and transparent way. We also need to make sure that skills will bring an outcome and generate something afterwards. For an individual, this may mean feeling fulfilled. This should be correlated with demands of the industry and employers that are searching for specific skills.
- The EP would like the European Social Fund to be implemented across Europe. There are unfortunately important delays for 2021-2027 Financial Framework. Just today, transfers were made from the EU Social Fund to other needs because we didn't spend the money that was allocated and was supposed to be used this year. This is not normal – we need to put the money to our priorities, but also make sure that we are doing better in terms of delivering the targets.

Helen Partridge, Director of International Accountancy Education at IFAC



- The call to the finance and accounting profession is clear. If we don't act, we will lose opportunities, one, to remain relevant to the world around us, two, to attract individuals to the profession who have a desire to have an impact on the world and the way organizations are operating with respect to ESG elements. And three, to meet our mandate of acting in the public interest and the reliant information produced and published by organizations.
- We must acknowledge the need and the opportunities of putting to use our existing skills and competencies, as well as the integrity the professions are known for. There is still a need to acquire knowledge, but this continuous learning mindset is not new to us.



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Julie Fionda, Deputy Head of Unit, Skills Agenda, European Commission



- When discussing the role of finance professionals in creating a sustainability culture in the companies that they work for or advise, environmental and social sustainability is a core business driver. It supports long term resilience and performance, but it's also an attractiveness factor in an increasingly tight labour market.

- At the European Commission, when we talk about green skills or skills for the green

transition more broadly, we talk about technical skills. Those are often occupation or sector specific skills, like the ability to perform a feasibility study on solar heating; transversal skills which are cross sectoral, like systems thinking or problem solving; and citizenship skills more broadly, such as environmental awareness.

- Accounting for green skills should be about more than green ink, it has to be about shaping the conditions that enable the organization to act with the long term goal of attaining a more sustainable world and help us collectively to get to net zero; nurturing a sustainability mindset within the organization. But how to do that concretely?
- The European Commission has set out its approach to skills for the green transition in the European Skills Agenda of 2020. The EC will support Member States by developing tools to identify the skills needed, specifically and by encouraging green investments.
- In order to understand which skills will be the most needed in the greener labour market, the EC published an [ESCO taxonomy](#) of skills for green transition. It identifies 381 skills, 185 knowledge concepts, and five transversal skills; and this can be an important reference point when it comes to designing and planning programmes that help to skill people for the transition.
- But also as regards monitoring and reporting, the taxonomy regulation and the work on implementing the corporate Sustainability Reporting Directive have fed into how the EC has defined these ESCO skills and knowledge concepts related to green bonds and sustainable reporting.
- Secondly, to help those designing education and training programmes and to help people in identifying their strengths and weaknesses, the EC developed something called GreenComp. And while ESCO focusses essentially on the skills needed for the labour market, GreenComp goes wider on the skills that all citizens need to live in a greener and more sustainable society. And the two are linked.
- Thirdly, the Commission proposal for a Council recommendation on learning for environmental sustainability – which was published at the beginning of this year, and is expect to be adopted next month – aims to get a shared vision of the changes needed in education and training systems for the green transition.
- And lastly, one example on funding: in the recovery and resilience plans that Member States have submitted, there are reforms that are related to green skills and green jobs amounting to 1.5 billion Euros. These cover investments contributing to reskilling and upskilling, as well as reforms on developing and implementing active employment policy measures for the needs of the transition, including education and training programs.
- It's not just at the European level that we will make this a reality. It's in the classrooms and it's in the boardrooms across Europe. It's a cultural shift just as much or even more than a regulatory shift.
- On whether there is a a role for the European Commission or other global standard setters in developing or supporting the creation of an education charter, the EC should have a



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role in supporting Member States and organizations. It's not appropriate that the EU tries to regulate in every dimension. The EU can set the frame, provide a guidance, it can support organizations and countries EU to learn from each other's experience and it can provide a little bit of money to make that work.

Jeremy McDaniels, Senior Advisor, Sustainable Finance, IIF



- The IIF is seeing a number of key drivers that are shaping the green transition and reflects where the the market is evolving in terms of demand for sustainable finance products.
- The IPCC's sixth assessment reports have made it clear that this window of opportunity to make sweeping changes is now nearly shut. Some climate impacts are now unavoidable, and many are manifesting earlier than previously thought. And even under very carefully managed decarbonization pathways, some level of disruption is probably inevitable. That affects the entire economy and the role of the financial sector in helping to address and facilitate that progress is critical.
- A major factor that is relevant in shaping the new set of skills and capacities stems from policy. Clearly, the policy framework in in the EU is well advanced, but we're not necessarily at that level across all jurisdictions. According to Green Finance Platform data, there are around 700 different policy and regulatory measures in place around the world and evolving array of international standards in areas such as disclosure and data, classification frameworks like taxonomies, risk assessment and management tools, including scenario analysis. These policy guardrails or supporting measures are having a direct influence on market practice through supervisory expectations, regulatory requirements in certain jurisdictions; disclosure is a good example of that.
- There's a huge upswing in consumer demand and also stakeholder expectations regarding the role of the financial sector in supporting the net zero transition. It's definitely emerged as a new yardstick for private sector climate ambition. It's also worth noting there are 25 different net zero coalitions covering other sectors outside of the financial sector - this is an economy wide shift.
- One area where there is a bit of room to grow is contending with the array of frameworks that would be relevant for financial institution practices, such as the area of disclosure. Here we're seeing a degree of consolidation, one main framework being developed under the International Sustainability Standards Board. This will thankfully provide a global common baseline that then would enable different jurisdictional bodies to integrate this framework as a basis for education and training.
- At the same time, the disclosure landscape is evolving very rapidly in areas such as biodiversity, but also more technical questions such as frameworks for transition planning in terms of net zero alignment. There are many existing training materials that are being made available by entities that have been active in this in this space. There are also many institutions that run targeted training programs to familiarize financial professionals with these evolving frameworks as they're taking shape.



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Nancy Kamp - Roelands, Professor Non-financial information, integrated reporting and assurance at the University of Groningen



- It is very important that accountants, controllers, internal auditors become more involved. People in operational functions collecting the data on sustainability often have very good intentions but don't have an accounting mindset. There are also minimum investments made in companies' reporting processes because it is insufficiently connected to key management information and key management decisions.
- In those situations where it was embedded in line functions with someone from the finance department in charge of the process, preferably the CFO, together with the strategic mindset of the CEO, the process becomes so more sophisticated and financial and non-financial information becomes more connected. That's the direction we need to go to.
- The accountancy profession not only needs to prepare for this, but also should see this as an opportunity to demonstrate how the accountancy profession fulfils its societal role.
- It will also make the accountancy profession much more exciting again for the younger generations. Young people are lining up for the sustainability departments of the accountancy firms, while the financial teams are having difficulty in finding new people.
- It's not just the accountancy profession; internal auditors, controllers, CFO's, audit committees – they need to become stewards of sustainability information and connect the financial and non-financial information that supports the decision making.
- Additional skills are needed: there needs to be an ability to connect long term societal challenges to business operations and identify information that is needed for decision making internally and for accountability externally.
- Different perception on value is needed. Professionals need to have the ability to look at the data and see it in the broader context of strategy actions in the short, medium long term; they need to be able to measure, monitor and report on a variety of indicators.
- Professionals also need to have the ability to look beyond their organization and its boundaries and acknowledge that key impacts may be caused by the organization, find their root cause in the value chain. A flexible mindset is required in order to do so.
- It's also not just about quantitative data, it's also monitoring progress on implementing programmes. One needs to be able to form professional judgment in a continuous changing environment with continuous changing criteria and be able to document the professional judgment.
- One also needs to have the ability to work in multidisciplinary teams because the concept of sustainability is very complex, and it requires multiple disciplines.
- It is a huge challenge for universities because they need to change the full education of accounting and accountancy students from the bachelor to continuous professional education. The University of Groningen includes sustainability already in the Bachelor economic education and then it moves also into the Master of Accounting and controlling.
- The accountancy profession is ready to take up the challenge of sustainability information; they need to have a broader perspective on enterprise value because this information is much more strategic and covers a wide right range of topics and indicators. It is very challenging, but at the same time very satisfactory process in professionals' careers.



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Thomas Verheye, Principal Advisor Green Finance and Investment at the European Commission and seconded to the European Investment Fund (EIF)



- The success of the green transition will hinge to a very large extent on accounting and accountants who can help overcome what is still seen as a prevailing silo-based approach; too often environmental topics are dealt with on a topic by topic or case by case basis whilst ignoring synergies and trade-offs.

- In developing corporate sustainability capabilities, it is very important to fully engage the accounting departments in addition to what

the sustainability departments are doing because they can provide actionable information useful for decision makers and put the company on a sustainable pathway.

- It's also increasingly about looking ahead and using sustainability information to assess what is useful for decision making, including in (forward) financial planning etc. Informing external stakeholders is important but we often forget about the role that accountants and controllers can play in strengthening internal corporate decision-making process.
- Accounting and accountants will determine the success of the green transition, its speed and its inclusiveness. We tend to focus on greening the green; we need to have decent tools to also green the grey which is still the 95% of the economy. We should not only think about a green investment strategy, but also a divestment strategy.
- There are many initiatives out there; we will see some form of consolidation and simplification over time. We will also see a rebalancing in reporting and accounting; and not all the accounting methods that we promote should be regulated; some of it should come from a sector-driven bottom-up approach. Accounting associations can play a huge role in this.
- Accounting is a language – it can help translate what people say in very different sectors across very different disciplines and bring it on a common denominator. There should be an insistence of monetization in sustainability accounting (not necessarily to value the environment, which is a daunting task and probably not even possible). It creates a common denominator to start putting things in a much more relevant context for decision makers and helps assess the relative importance of the respective components of the environment. That's another area that future sustainability accountants may need to master a bit more.
- On the importance of training and education programs for accountants, we need to think of ways of combining practical experience with overall training and education programmes. We need to build on existing building blocks.
- We must focus not only on reporting but also on the accounting side, we refer to that as natural capital accounting or environmental accounting.
- We need to look not only at impacts, but also at dependencies – to what extent is the business model dependent on the abundantly available natural resources.
- We need to cover all the environmental areas; we must think of air, water, land and biodiversity related impacts simultaneously and if need be, apply a simple first and the rest later approach, rather than a climate first and the rest later approach. This is to make sure that we're developing sound financial management principles and not coming up with something which may shift risks around instead of mitigating them.
- The international dimension is very important. Most of the businesses worked on the basis of international value chains. The underlying environmental accounting or sustainability accounting technique should be really applicable on an international basis because the challenges are very similar, if not the same across the world.



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- As a European finance institution focused on providing risk capital for small and medium sized companies in Europe we struggle to get relevant impact data. We know that most SME today are exempted from sustainability reporting requirements for good reasons, but there is a risk they will be excluded from sustainability programmes. We need to think about alternative impact accounting solutions to bring them on board of the green transition. It is very important to not overlook the needs and the interests of the SMEs.
- On developing a training and education charter on green accounting, the European Commission can and should play a role but we shouldn't necessarily look at the Commission all the time for regulatory purposes. There are certain areas where regulation makes sense and others where it's doesn't. The Commission could add to the game with its convening power. It is about bringing together the relevant partners to move the practice forward.
- We need to strengthen the internal management decision making. We will also have to accept that that sometimes companies will have internal information which has a strategic value and that information will not be made public because it has strategic and competitive relevance. There will be a balancing act to pursue.

Q&A session:

- *How can finance professionals help organisations focus on reaching meaningful, achievable actions to get to net zero?*

Jeremy McDaniels said:

The most fundamental step is translating data on risks and impacts into actionable insights on implications for business strategy. The key challenge is ensuring that commitments are backed up by well informed interventions that do lead to real economy decarbonization. The the next question is understanding how to deliver the types of targeted advisory and client solutions that will really enable the decarbonization of the grey.

- *Where to start to pivot a career in sustainability from an accountant background?*

Jeremy McDaniels said:

The first step would be trying to identify where and how sustainability is meaningful for you, and then build up an area of expertise, recognizing that trying to become an expert in all of sustainable finance, considering how rapidly this sphere is changing, is likely going to be very challenging. In coming years there is going to be a significant increase in in demand for more specialized roles.

Thomas Verheye said:

No obvious entry level or pathway exists. If you know accounting, you have the language and you can acquire the basic sustainability knowledge from that point onwards. Professionals need to make themselves familiar with some of the main environmental issues. The environment community needs to provide that information in a digestible language. Professionals then need to learn how to measure and value environmental impacts. Once one can picture the environmental impact of the corporate model, it' is going be a matter of putting that in a broader context. People in sustainability departments, on the other hand, can take a different pathway; they can or should learn accounting to help them with the integration of sustainability information in the traditional (financial) management information systems supporting decision making. Doing so will increase their skill set and marketability



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tremendously. We could think about practice-oriented programmes that bring people up to speed.

Nancy Kamp said:

Understanding the business from a broader value perspective is key. It is about thinking not only about financial capital but also about the natural capital, innovations and relationships. This is the main issue we need provide education on and as early in education as possible. We should not just look at sustainability from a risk perspective; Professionals need to think long term and include stakeholder needs and look at this point from an opportunity perspective in the sense of new products and services. We can use the accounting language to transform that into particular indicators to monitor progress towards sustainability. It is a huge opportunity for the accountancy profession to contribute.

- *How do we raise awareness on ESCO and similar initiatives?*

Julie Fionda said:

The most important thing on ESCO is that the message gets out to those who are potentially going to use it in their systems. We should look at ESCO as the oil that makes the machinery work. In terms of the qualification frameworks aspect, there is a requirement now for all education and training providers to put the European Qualifications Framework level on the qualification itself. This can very much help the transparency, particularly when moving between countries and unfamiliar systems. These tools are about system reform that can make a concrete difference to make individual's life easier.

Closing remarks by Alan Johnson, President of IFAC



- The accountancy profession does remain relevant and does contribute to achieving a swift and transparent transition to an equitable and sustainable economy. The toolkit of today's accounting and finance professionals already includes many of the skills and the competencies required to effectively use sustainability standards and frameworks, and our background and experience with financial and non-financial reporting. This means that accountants know how to understand and report information that is transparent, relevant and meaningful to users, to determine and use appropriate measures of materiality, to evaluate trends and the development of strategies, to understand, develop and execute processes, to extract, to synthesize and interpret complete and accurate data, to develop, implement and execute it against or evaluate an internal control system necessary to prepare or assure an organization's information; and importantly, to collaborate across the whole organization in an increasingly multidisciplinary setting.
- Of course, there are sustainability related services that call for skills and competences beyond these. However, the knowledge gap is relatively narrow compared to other professions. Our broad skill set is an exceptionally strong starting point for attaining the new skills for the green transition. We will find a large and growing demand for more comprehensive additions to our skills and competencies, both internally as preparers and externally as assurers. We are finding the assurance of sustainability reports are quickly becoming an essential function of our profession.



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- But we should be confident that, as we already know how to handle all forms of information, we will be able to develop our current skill sets and competencies as part of our commitment to lifelong learning.
- As professional accountants, we need to put the spotlight on the effects an organization has on environment, on people and economies, and how these relate to enterprise value creation and financial reporting.
- But we must not believe the transition to equitable and sustainable economies is just about the reporting. It is about changing behaviors and developing and adopting strategies that will make real change.
- One thing will and must not change, and that is our profession's commitment to ethics. The International Code of Ethics for professional accountants underpins everything we do.
- Our profession must continue to work toward the global adoption and implementation of our ethical principles as set out by the International Ethics Standards Board for accountants. If we do not, we will simply lose the right to be heard and taken seriously.
- We must not forget the SME's. Our sustainable goals will be out of reach if SMEs are not part of our strategy. We can do a lot to help SMEs to become more sustainable and in fact our skills will be especially valuable to them.
- In our roles as professional accountants and as citizens, we must always act out of compassion because the public interest that we talk about so often is not an abstract word.