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Indonesia launches cost accounting approach to stimulate resource efficient production

JAKARTA, 28 August 2015 – The Ministry of Manpower of Indonesia today launched a discussion on an international standard approach aimed at developing resource efficiency among the country’s businesses, governmental organizations and other stakeholders.

The ISO 14051 standard provides a general framework for material flow cost accounting (MFCA). The resulting information can act as a motivator for organizations and managers to seek opportunities to simultaneously generate financial benefits and reduce adverse environmental impacts.

Speaking at the opening of the event, René Van Berkel, Chief Technical Advisor of Resource Efficient and Cleaner Production (RECP) of the United Nations Industrial Development Organization (UNIDO), said: “MFCA links material and energy flows with financial accounting and as such provides an important tool to motivate enterprises to improve resource efficiency and reduce waste and pollution, therefore contributing to the country’s inclusive and sustainable industrial development.”

He applauded the leadership of the governments of Japan and Germany in establishing an international standard for MFCA which is codified by the International Organization Standardization (ISO).

UNIDO’ assistance with the application of the standard in Indonesia is part of the “National resource efficient and cleaner production” programme, implemented by UNIDO in partnership with the Ministry of Industry and the Ministry of Environment and Forestry of Indonesia, with funds from the Government of Switzerland.

At the end of the event, representatives from Bangladesh, Fiji, India, Iran, Malaysia, Pakistan, Philippines, Sri Lanka, Taiwan Province of China and Viet Nam agreed to continue similar discussions on the MFCA approach, with the support from the [Asian Productivity Organization](#) and the [Global Network for Resource Efficient and Cleaner Production](#).

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