

ACCA

Think Ahead

THE POWER OF THREE: DRIVING GREEN, DIGITAL AND TALENT TRANSITION ACROSS THE EU

RECOMMENDATIONS FOR THE EU **2024-2029**



Our priorities for a sustainable and competitive EU 2024-2029

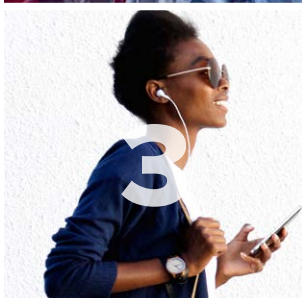
ACCA has identified three all-inclusive priorities, which we believe – if managed correctly – will support a sustainable future for all and enhance Europe’s global competitiveness.



1. Sustainability: An equitable transition towards a better world for business and society



2. AI: Promote the use of AI in an ethical, responsible manner within a safe and transparent environment



3. Talent: Support the development of the profession for the future



The role of the accountancy profession

Accountants and auditors play an increasingly decisive role in society – ensuring sound financial management, pioneering the highest ethical standards, and providing advisory services to a broad range of clients, including SMEs. They advise on matters from regulatory and tax compliance to financial and business strategy.

The accountancy profession supports public and private organisations of all sizes and across every sector – creating a global sphere of influence that’s a considerable force for positive change.

As we approach our 120th anniversary, we’re focused on driving green, digital and talent transitions, as follows:

- Supporting the adoption and implementation of key EU legislation – eg the Corporate Sustainable Reporting Directive (CSRD) and related ‘green deal’ measures.
- Promoting the ethical use of technology and Artificial Intelligence (AI).
- Ensuring that our members and students have the appropriate skills and talent to support a sustainable and competitive environment for all of Europe.

1. Sustainability: An equitable transition towards a better world for business and society

Accountancy and finance professionals play an essential role in ensuring businesses become sustainable – reporting on their ESG considerations and assuring those in their sustainability reports. They help businesses from small practices to large organisations understand and comply with new legislation.

The European Green Deal and related policies have developed comprehensive new legislation (including the CSRD and AI Act) – creating significant compliance and cost burden issues, particularly for small businesses. Together with continuing geopolitical tensions and rising inflation, there are unprecedented challenges for SMEs to survive – much less compete.

For green and digital transitions to be delivered successfully to SMEs, EU regulation needs to be proportionate – and focused on what is necessary. This includes the future EU voluntary reporting standard for non-listed SMEs (VSME).

There needs to be greater coordination between EU member states on the implementation and enforcement of EU regulations, including CSRD. This will reduce fragmentation and the costs of operating in the single market.

Aligning CSRD sustainability standards with those of the International Sustainability Standards Board (ISSB) is crucial. Interoperability of EU regulations with relevant global standards is key to driving a successful green transition.

The accountancy profession needs greater financial support to upskill and expand. The growing shortage of qualified professionals will be compounded by the increasing demand to meet CSRD regulatory requirements. Talent development for both finance professionals and SMEs requires dedicated EU funding – as well as overcoming governance and risk culture challenges to shift business mindsets.



ACCA calls for action:

- Reduce the regulatory burden on SMEs by limiting any new legislation to what is necessary, proportional, and fit for purpose.
- Ensure member state implementation of EU regulations is consistent, including CSRD and alignment between EU and global standards.
- Create a dedicated funding pool to support SMEs and finance professionals in acquiring the necessary skills and knowledge to meet CSRD regulatory requirements.



2. AI: Promote the use of AI in an ethical, responsible manner within a safe and transparent environment

ACCA welcomes the opportunities afforded by innovation and technological advances. Equipped with the relevant skills and understanding, AI can improve the productiveness of accountancy professionals – both in practice and in business.

By providing insights, gathering and reporting data more efficiently, and automating routine tasks – finance professionals have more time for higher value activities. This includes acting as strategic advisors to their clients and stakeholders – including SMEs that would greatly benefit from this support.

AI and other technological advances also carry significant risks – particularly to issues related to the accountancy profession such as privacy and confidentiality. Consequently, ACCA welcomes the human-centred focus of the [EU AI Act](#) and Europe setting the standard with their ‘putting people first’ approach to digital transition.

The accountancy profession is founded on trust and ethics – which can be leveraged to assure AI systems adhere to formal standards.

ACCA calls for action:

- Develop a proportionate approach to AI regulation that balances protection from societal harms with providing space for member states to innovate and remain globally competitive.
- Encourage the sharing of best practices and experiences related to AI adoption – including effective mitigation of ethical risks and unintended consequences.
- Promote the development of trusted approaches to third-party certification, and assurance of AI systems based on formal standards.

3. Talent: Support the development of the profession for the future

Much of the world is facing a talent and skills shortage. In Europe, a recent Eurobarometer [survey](#) identified skills shortages as the most serious issue facing SMEs. Furthermore, in our most recent Global Risks Survey (part of our quarterly *Global Economics Conditions Survey* (([GECS](#))) report, respondents from central and eastern Europe ranked 'talent scarcity, skills gaps and employee retention' as their highest risk priority – with those from western Europe placing it as their second. This challenge has consistently been ranked in the top three by respondents globally over the past year.

The development of a correct blend of talent and skills is crucial for an effective green and digital transition. A diverse and inclusive workforce is also a key part of this development.

Attraction and retention of talent is particularly important in the accountancy profession, which plays a pivotal role in helping businesses (including SMEs) prepare for ever-evolving EU rules – subsequently facilitating transparency and trust in capital markets.

The accountancy profession itself is struggling to upskill and recruit the talent needed to manage future reporting and compliance obligations. Ensuring EU member states impose minimum administrative burden on cross-border education and qualifications will reduce barriers to the profession.

Embedding financial literacy at both secondary and third level education would ensure that the profession and SMEs of the future are well-prepared for the transition. The EU should therefore continue to develop its work beyond the European Year of Skills and joint [EU/OECD-INFE financial competence framework](#) for children and youth.

ACCA calls for action:

- Support skills development for the green and digital transitions – and improve continuing professional development (CPD) for those already in the profession.
- Ensure minimum administrative burden is imposed by EU member states around cross-border recognition of education and professional qualifications.
- Improve financial literacy from an early stage in the education system.

THE DEVELOPMENT OF A CORRECT BLEND OF TALENT AND SKILLS IS CRUCIAL FOR AN EFFECTIVE GREEN AND DIGITAL TRANSITION. A DIVERSE AND INCLUSIVE WORKFORCE IS ALSO A KEY PART OF THIS DEVELOPMENT.



Concluding statement

by Helen Brand, Chief Executive, ACCA



Helen Brand OBE
Chief Executive, ACCA

I'm pleased to present this paper which sets out the ways in which ACCA seeks to collaborate with our EU colleagues in promoting the cause of sustainable business – and greater prosperity for all people across Europe.

As the world's leading professional accountancy body, our purpose is to be a force for public good and to create opportunity for all. This paper focuses on three areas where we aim to achieve that while working in collaboration with the EU:

- 1. Sustainability:** Promoting an equitable transition towards a better world for business and society.
- 2. AI:** Encouraging the ethical and responsible use of technology in a safe and transparent environment.
- 3. Talent:** Supporting the development of an ethically-motivated, expertly trained and educated accountancy profession that is ideally positioned to help businesses and organisations across the EU.

There is much we can accomplish together in an era when the European Green Deal is forever changing how businesses operate – how they judge success, and how they measure long-term value.

With our three-quarters of a million members and future members across the world, we look forward to working productively, harmoniously and successfully with the EU in the years to come.

About ACCA

ACCA (Association of Chartered Certified Accountants) is the world's most forward-thinking professional accountancy body. Our purpose is to advance standards in accountancy and finance across the world.

Through our internationally recognised qualification, thought leadership insights, and educational resources, we help support a diverse community of accountancy and finance professionals. We have **252,500** members and **526,000** students in **180** countries – including over **60,000** members and students in the European Union (EU).

Our members operate in a wide range of sectors and industries, including governments, regulatory bodies, and international development organisations. Many of them are part of small and medium sized practices (SMPs) – and, with our support, they play a crucial role in advising and advocating for SMEs.

We carry out research on a variety of topics that impact the profession and the society we serve – providing thought leadership to policy makers and business leaders. In addition to our professional qualifications and development opportunities, our research supports capacity building worldwide to ensure equitable and sustainable economies.

In 2024, ACCA is celebrating 120 years as a force for public good – leading the profession by endorsing the highest professional and ethical values.

For more information: www.accaglobal.com