

USE OF THE GCI FOR HARMONIZATION AND COMPARABILITY

PREPARATION OF THE CASE STUDY IN UKRAINE

CHALLENGES, FINDINGS AND LESSONS LEARNED

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INSTITUTIONAL FRAMEWORK FOR CONSISTENCY AND COMPARABILITY OF DATA RELATED TO SDG

**The baseline and benchmarks for country's SDG attainment –
The Sustainable Development Goals: Ukraine. 2017 National baseline report***



National SDG priorities: poverty reduction, quality education, decent work and economic growth, industry, infrastructure, sustainable urban and community development, peace, justice and strong institutions



Indicators for monitoring the implementation of SDG: Ecology (goals 6, 7, **13**, 14, 15); Social welfare (goals 1,2,3,4,5,**10**); Economic growth (goals **8**, 11, 12); Industry development (goal 9); Peace, Justice and strong institutions (goal **16**); Partnership (goal **17**)



Information support - non-financial reporting of entities



Public sector



Corporate sector

Requires institutional prerequisites of the implementation, namely:



- Amendments to the budget legislation of Ukraine
- Updating the list of effective indicators of budget programs
- Designing the non-financial reporting standards for budgetary institutions

Introduced:

- Implemented the EU legislative requirements to the national legislation of Ukraine
- Developed methodological support for the preparation of non-financial reporting, including Sustainability Reporting
- Fulfillment of obligations regarding the agreement on the implementation of the action plan to combat the blurring of the tax base and withdrawal of profits from taxation (BEPS, Base Erosion and Profit Shifting)

IMPLEMENTATION OF THE INTERNATIONAL RECOMMENDATIONS FOR ENTITY SUSTAINABILITY REPORTING IN UKRAINE

SDG	GCI (section III)*	Methodological recommendations for preparing a management report (Section III) **	Draft Practical commentary on preparing management report *** (disclosure area)
SDG 4 Quality education	C. Social area indicators	Social aspects and personnel policy	Social aspects and personnel policy
SDG 8 Decent work and economic growth	A. Economic area indicators	p. 2 Organizational structure and description of the enterprise performance p. 3 Liquidity and liabilities p. 7 Research and innovation p. 8 Financial investments p. 9 Development prospects	Performance outcomes
	C. Social area indicators	p. 5 Social aspects and personnel policy	Social aspects and personnel policy
SDG 10 Reduced inequalities	C. Social area indicators	p. 5 Social aspects and personnel policy	Social aspects and personnel policy
SDG 13 Climate action	B. Environmental area indicators	p. 4 Environmental aspects	Environmental aspects <i>includes rational use of national resources</i>
SDG 16 Peace, Justice and strong institutions	D. Institutional area indicators	Indicators to be defined that show the level of corruption: indicators in the field of the shadow economy; compliance indicators (FATF, BEPS)	Corporate governance
SDG 17 Partnerships for the goals	A. Economic area indicators	Indicators to be defined that show the advancement of the concept of DRM (Domestic Resource Mobilization)	Performance outcomes

 Disclosed
 Need further discussions and elaboration

*UNCTAD ISAR (2018). Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals. URL: <https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2469>
 **On Approval of Methodological Recommendations for Preparing the Management Report: Order of the Minister of Finance of Ukraine dated December 7, 2018, No. 982. URL: <https://zakon.rada.gov.ua/rada/show/v0982201-18>
 ***joint work of experts of SESI "Academy of Financial Management" and the Ministry of Finance of Ukraine

STEP 1 FOR FURTHER IMPLEMENTATION OF INTERNATIONAL RECOMMENDATIONS IN THE AREA OF ENTITY SUSTAINABILITY REPORTING IN UKRAINE: CASE STUDY OF THE SELECTED COMPANY CONCERNING ITS CONTRIBUTION TO THE SDG AGENDA BASED ON THE GCI

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The purpose of the project

is to study the reporting of the selected company in Ukraine concerning its contribution (company) to the SDG agenda based on the GCI

Method of data collection

interviewing during the indirect questionnaire of the respondent (the selected company in Ukraine) through the recording of responses to formulated questions. The questionnaire uses the GCI indicators*

Company-respondent

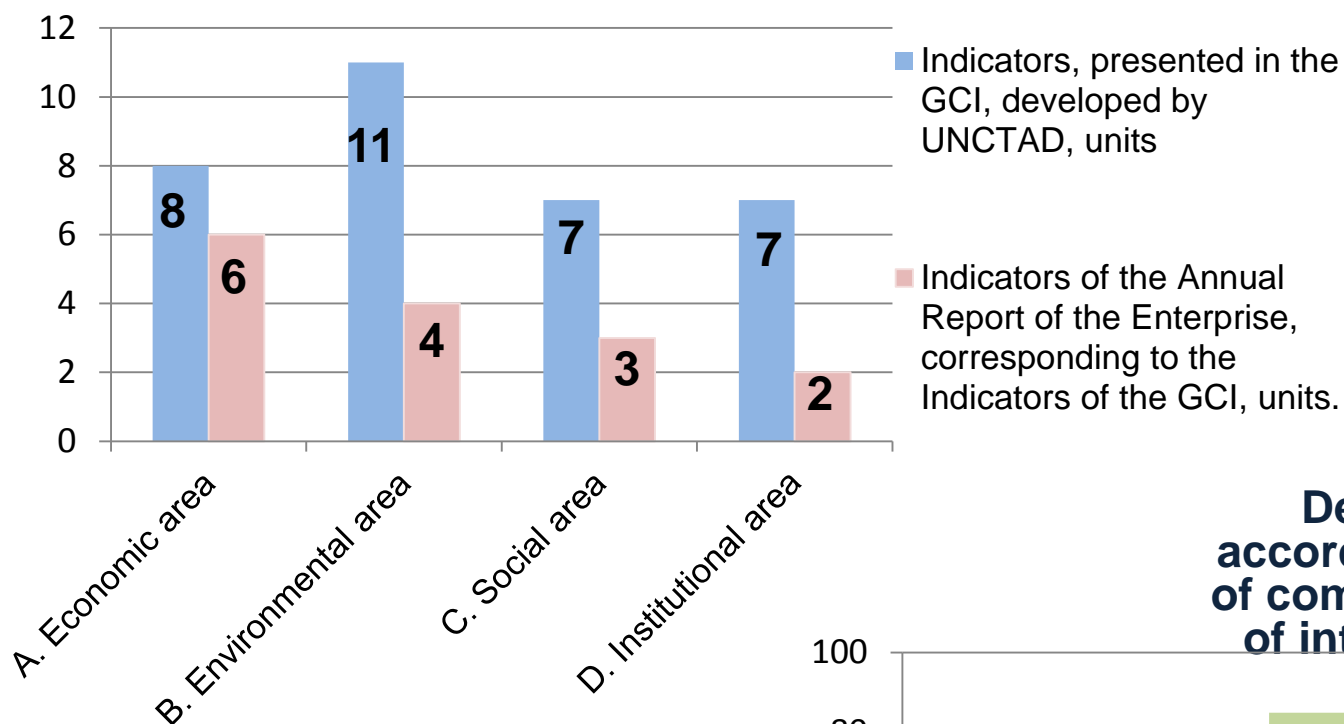
National Joint-Stock Company "Naftogaz of Ukraine" is a leading company of fuel and energy complex, one of the largest companies in Ukraine

Overall results

A high level of integral assessment of the availability of disclosure of core indicators presented in the GCI and in the Annual Report of Naftogaz of Ukraine NJSC, that makes it possible to argue that the regrouping, amendments and certain changes in the form of presentation of material information in the context of the requirements of the GCI will allow to eliminate the identified problematic aspects and create conditions for Ukraine as a UN member state to assess the companies which prepare sustainability reporting, that is one of the requirements for monitoring the attainment of SDGs.

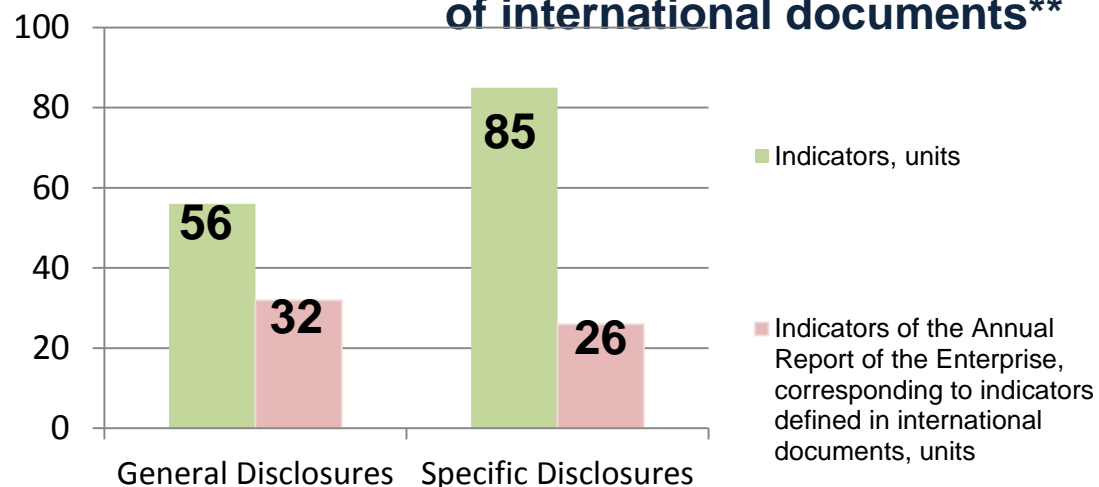
CASE STUDY OF THE SELECTED COMPANY IN UKRAINE REGARDING ITS CONTRIBUTION TO SDG AGENDA BASED ON THE GCI

Accordance of Annual report with the GCI, units*



* number of indicators in accordance with the GCI: 33
 number of indicators of the selected company, which correspond to the list of indicators of the GCI: 15

Defining material topics according to reporting practice of company based on provision of international documents**



**Consolidated set of GRI sustainability reporting standards (2018)
 Annual report for 2017.
 URL: http://www.naftogaz.com/files/Zvity/NAK_AnRep2017_EN.pdf

STEP 2 FOR FURTHER IMPLEMENTATION OF INTERNATIONAL RECOMMENDATIONS IN THE AREA OF ENTITY SUSTAINABILITY REPORTING IN UKRAINE: ISSUES IDENTIFIED BY THE RESULTS OF REPORTING OF THE SELECTED COMPANY FOR ITS CONTRIBUTION TO THE SDG AGENDA BASED ON THE GCI

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- **coordinating the indicators at the mega-, macro-, meso- and micro-levels** with respect to the attainment of SDGs
- **comparability, consistency and measurement of individual indicators** used in the companies' sustainability reporting, because of the difference in the methodology for their calculation, provided by both national and international legislations



THANK YOU FOR ATTENTION

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