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Trade and Development Board
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International Standards of Accounting and Reporting
Twenty-seventh session
Geneva, 13–15 October 2010

Agreed conclusions

A. Capacity-building framework for high-quality corporate reporting

(Agenda item 3)

1. The twenty-seventh session of UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) highlighted the critical importance of the private sector in enabling member States to realize their economic and social development goals, including the Millennium Development Goals. The Group of Experts further underscored the need for high-quality corporate reports to facilitate the mobilization of domestic and international financial resources and to foster investors' confidence. The Group of Experts noted the implementation challenges posed by the increasing pace of promulgation of international corporate reporting standards and codes, and emphasized the need for a coherent approach towards capacity-building in this area.

2. During their deliberations on this agenda item, delegates considered the key elements of a capacity-building framework for high-quality corporate financial and non-financial reporting, including the legal and regulatory framework, the institutional framework, human capacity, and the capacity-building process, as well as possible approaches to assessing and measuring corporate reporting capacity at the country level. Delegates expressed appreciation for the work of the consultative group dealing with the capacity-building framework, and to the UNCTAD secretariat for the comprehensiveness and commendable quality of the panel discussions and of the documentation that was prepared for consideration by the session.

3. In concluding their deliberations on this agenda item, the Group of Experts agreed that the document on developing a capacity-building framework for high-quality reporting provided useful guidance regarding the main elements of capacity in this area. It requested the UNCTAD secretariat to finalize the document based on the discussions of the twenty-seventh ISAR session, and to present it to the twenty-eighth ISAR session for its consideration. The Group of Experts also discussed the usefulness of developing tools to assess progress in capacity-building, as well as priorities for the capacity-building process. It requested the UNCTAD secretariat to further develop the measurement

methodology, by means of continued consultations with the consultative group. It also agreed that case studies developed on a country basis, especially in developing countries, and the organization of roundtable discussions in different regions of the world, could be useful ways of raising awareness of the major challenges in building and assessing capacity and of how those challenges could be addressed. In this regard, ISAR requested the UNCTAD secretariat to start creating a database of good practices on capacity-building in the area of accounting and reporting.

B. Climate change–related corporate reporting

(Agenda item 4(a))

4. In accordance with the agreed conclusions of its twenty-sixth session and with paragraph 156 of the Accra Accord, the Group of Experts engaged in focused deliberations on the opportunities and challenges in developing a globally harmonized approach to climate change–related disclosure. The Group of Experts recognized that a harmonized approach to greenhouse gas (GHG) emissions disclosure is necessary to improve high-quality corporate reporting to policymakers, investors and other stakeholders and as such also to facilitate low-carbon policies such as, inter alia, “cap-and-trade” systems and carbon taxes. Delegates commended the panellists involved for highlighting the key dimensions of the issue and for outlining practical options for further work in this area.

5. Recalling its own pioneering work in the area of environmental reporting – which had started as early as the end of the 1980s – the Group of Experts requested UNCTAD, as a unique neutral intergovernmental platform, to continue its contribution to the field of environmental reporting frameworks, particularly those related to climate-change issues, with a view to promoting a harmonized approach among member States. The Group of Experts agreed that UNCTAD should continue to coordinate this work with other international initiatives active in the area of climate change–related reporting and with private- and public-sector stakeholders, and should report back to the twenty-eighth session on progress in this area.

C. Corporate governance disclosure

(Agenda item 4(b))

6. The Group of Experts reiterated the importance of corporate governance disclosure for attracting investment and promoting sustainable and stable economic growth. ISAR recognized that high-quality disclosure in this area adds value for policymakers, shareholders and other stakeholders.

7. In accordance with the agreed conclusions of its twenty-sixth session, ISAR, at its twenty-seventh session, considered the results of the annual review of corporate governance disclosure. ISAR commended this ongoing research for its quality and noted that it helped to build on ISAR’s earlier work in this area, by providing important data and analysis to allow for international benchmarking and the sharing of country experiences. The Group of Experts requested UNCTAD to continue to focus on providing relevant information to policymakers, investors and other stakeholders, and to continue to conduct country case studies in partnership with local institutions, wherever possible.