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**Intergovernmental Working Group of Experts on International  
Standards of Accounting and Reporting  
(ISAR)**

**40<sup>th</sup> SESSION  
17 – 19 October 2023**

Tuesday, 17 October 2023

**Agenda item 3. Review of practical implementation and  
recent developments in sustainability reporting requirements**

Presented by

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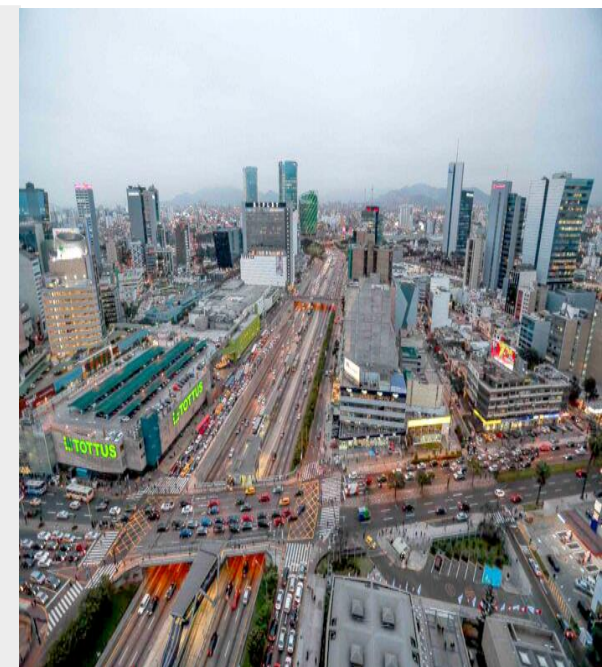
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# Sustainable public policies: Regional experiences of Latin America

Oscar Nuñez del Arco Mendoza  
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October 2023







**1. What is FOCAL?**

**2. Regional Study on Sustainability related to financial information in the Public Sector - FOCAL**

**3. Challenges and recommendations**



# 1. What is FOCAL?

- The Forum of Government Accounting of Latin America - FOCAL was created in 2014 in Santiago, Chile.
- Its key objective is "To be a place for analysis, study, reflection and exchange of experiences, knowledge and good practices, for the development of accounting models of a professional and technical nature."
- For the period Oct. 2022 – Oct. 2023, Peru was the Chair; and for the period Oct. 2023 – Oct. 2024 is El Salvador.
- In total there are 18 member countries.
- It has the ongoing support of the IDB as an sponsor, and also of the WB, IMF, IPSASB and other donors.
- The IX FOCAL conference took place in Lima City, from October 10 to 12, 2023.

<https://www.focal.red/>

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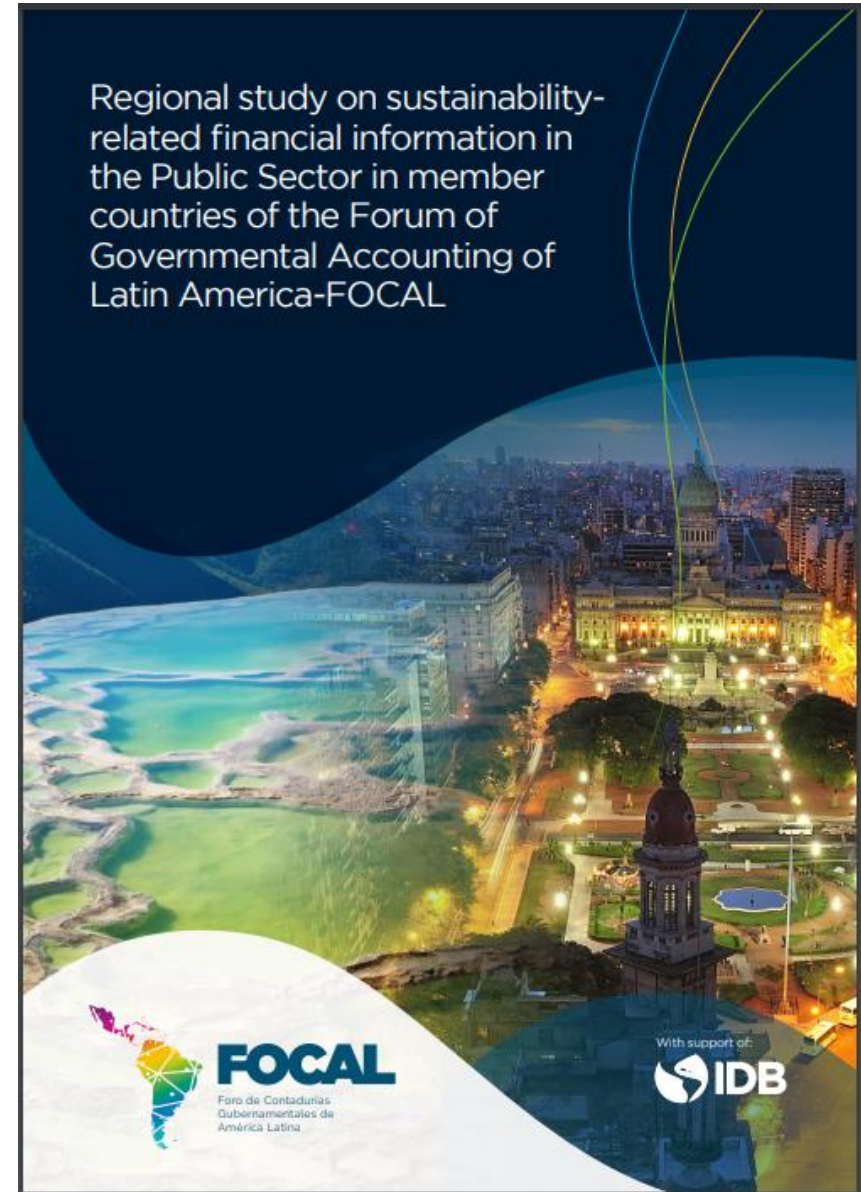
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Mi biblioteca

FOCAL  
Foro de Contadurías Gubernamentales de América Latina

## 2. Regional Study on sustainability related financial information in the Public Sector - FOCAL

- The Study aims to provide an overview of the initiatives being carried out by the public sector to report in terms of the Sustainable Development Goals (SDG), climate change and fiscal sustainability in fourteen (14) FOCAL member countries.
- The methodology included a questionnaire of thirty-three (33) closed questions structured in four (04) areas:
  - (i) Sustainability reports,
  - (ii) Disclosures about sustainability,
  - (iii) Disclosures about the climate,
  - (iv) use of recommended guides
- Additionally, individual interviews were conducted with three (03) countries and directors of the International Public Sector Accounting Standards Board (IPSASB).
- The Study was published in March 2023 and was presented in regional webinar on April 2023.



# Most important Study results (1/3)

## I) Sustainability reports

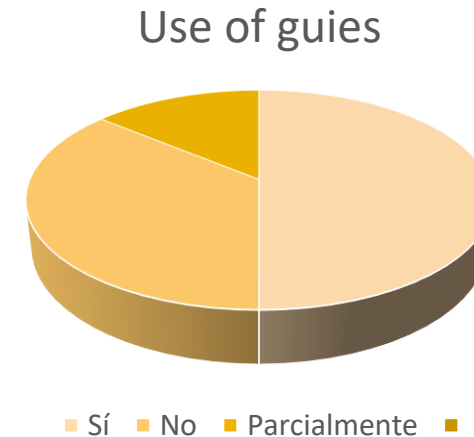
Existence of national sustainable development plans, the legal framework, responsible entities, reporting, and plans for new sustainability reports



- **86%** adopted national plans for sustainability and climate action, and have designed an entity responsible for the implementation and monitoring.
- **93%** reports its SDG achievements.

## II) Sustainability Financial Information Disclosures

Management of risks and opportunities related to sustainability, measurement, monitoring and management of progress. (Ref. IFRS S1)



- **50%** have guidelines and goals that facilitate the measure and monitoring the progress related with sustainability.

# Most important Study results (2/3)

## III) Disclosures related to the climate

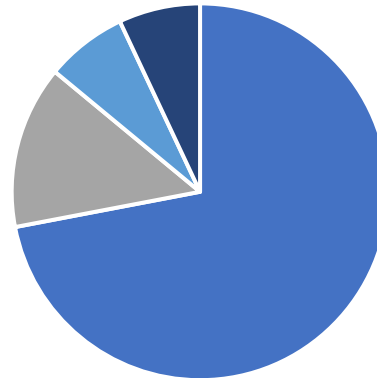
Identify the risks



■ Sí ■ No ■ Parcialmente ■

- **50%** identify the future and actual effects, about the risks and opportunities related to the climate.

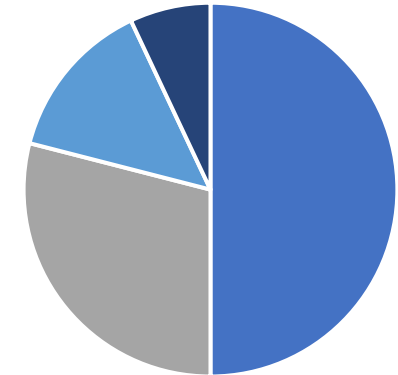
Plans to low-carbon economy



■ Sí ■ No aplica ■ Parcialmente ■ No

- **72%** have transition plans towards a low-carbon economy.

Disclosures



■ No ■ Parcialmente ■ Sí ■ No aplica

- **50%** not disclosure the effects of risks and opportunities related to the climate.





# Most important Study results (3/3)

## IV) Use of guies recomended by IPSASB (GPR)

Questions inspired on IPSASB GPR that comprise topics related to the disclousures about fiscal debt, the service performance and the prepare of the discussion and analysis into the financial staments.

- **None** country apply totally the GPR IPSASB. Some countries do partially.
- **36%** have available information about fiscal sustainability, but only for médium term.
- **43%** not have with the capacity of evaluate the dimensions of income and fiscal long-term debt could get in SDG.





# 3. Challenges and recommendations

## Challenges:

- Paralel accounting reforms
- Coordinating with different public entities involves
- International comparison
- Positioning of accountants in the field of Sustainability
- Avoid the overload of information
- Change the approach

## Recommendations:

- Identify clearly:
  - (i) Stakeholders and information necessary
  - (ii) Levels of disclosures (tipe of entity/aggregate)
  - (iii) Restriccions (materiality/cost-benefit)
  - (iv) Metodological approach
  - (v) Purposes, scope, specific objectives
  - (vi) Definition of key indicators for international comparison
- Identify strategic sectors and pilot entities (ie: Health, Education, Security, etc.)
- Stablish work team ad-hoc in each entity with experience in topics related to sustainability, accounting and statistical.



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