

**UNCTAD's Intergovernmental Working Group of Experts on
International Standards of Accounting and Reporting (ISAR)
27th session**

13-15 October 2010

Opening Remarks

**By
James Zhan
Director
Investment and Enterprise Division
UNCTAD**

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

Opening Remarks

UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) 27th session

**James Zhan
Director
Investment and Enterprise Division
UNCTAD**

Geneva, 13 October 2010

Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

On behalf of the Investment and Enterprise Division of UNCTAD, I welcome all of you to the 27th session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting - ISAR. This Group is the focal point on accounting and reporting issues within the entire UN system. The Investment and Enterprise Division is privileged to service such an important and long standing Intergovernmental Group of Experts.

Since 1983, high quality corporate reporting has been one of the main areas of attention of UN member states in the context of development. UNCTAD is the key UN agency for an integrated treatment of trade, investment and enterprise issues to facilitate development and economic growth of developing countries and economies in transition. In this context, ISAR discussions and deliberations significantly contribute to assisting countries in their efforts on harmonization of accounting and reporting based on international requirements and best practices in order to facilitate investment and to maximize development gains from this investment.

Improving accounting standards and disclosure requirements has become even more important in the post-crisis agenda. The issue consistently features as one of the core elements of G 20 efforts for strengthening financial stability. These days a growing number of countries is implementing or considering measures towards convergence of their national accounting systems with international standards. Gaps in institutional and technical capacity pose a significant challenge in achieving this objective for countries with a less developed financial infrastructure. Thus your work on a capacity building framework is highly timely.

Another major trend in corporate reporting is an increasing attention to non-financial reporting. Again, ISAR has contributed to capacity building in this field by publishing its guidance documents on "Good practices in corporate governance disclosure", and "Corporate responsibility indicators in annual reports". We are pleased to witness the recent creation of the International Integrated Reporting Committee initiated by the Prince of Wales and his Project on Accounting for Sustainability. This new committee builds on a number of initiatives including the work of ISAR, and UNCTAD is proud to be a part of this new development.

Also on the programme of this meeting are deliberations on climate change related corporate reporting. In the 2010 World Investment Report, which is a flagship product of our Division, UNCTAD proposed a new "global partnership" to galvanize low-carbon investment for sustainable growth and development. A key aspect of this proposed partnership is the need to harmonize corporate Green-House-Gas emissions disclosure, and we proposed ISAR as a vehicle through which UN member States can work towards this goal. I'm therefore pleased to see on the programme representatives of leading organizations working in the area of emissions disclosure, and I am confident that this forum can play a catalyst role in developing consensus on this issue.

The other flagship product of the Division is the World Investment Forum, held on a biennial basis. The 2010 WIF was held in Xiamen, China from 6 to 9 September. The event brought together more than 1,800 participants from 120 countries and 16 international organizations. Amongst the participants were 9 Heads of State, 4 Heads of International Organizations, 79 Ministerial-level Officials, 116 Senior Business Executives, and more than 250 other senior representatives from the public and private sector (including Heads of IPAs, academics and others). The event has contributed to a better understanding of the development challenges and opportunities that the post-crisis investment landscape entails. A feature of the WIF this year was a special meeting on Sustainable Stock Exchanges: a high-level dialogue building on the work of ISAR to promote improved disclosure on environmental, social and governance issues. It is a pleasure to see some of the participants in that meeting here with us today.

Ladies and Gentlemen,
Distinguished Experts,

Within the United Nations system, our Division is a global centre of excellence dealing with investment and enterprise development. Our other activities include our investment information system, investment trends and policy monitors, investment policy reviews, international investment agreements, the investment facilitation compact, and entrepreneurship. In addition to the annual session of ISAR, the Division also services the Investment, Enterprise and Development Commission - the parent body of ISAR. We also service several multi-year and ad hoc intergovernmental expert meetings. Technical cooperation projects that are aimed at building institutional and human capacity on investment and entrepreneurship are a core activity of UNCTAD and of the Division on Investment and Enterprise. For example, in 2009, the Division organized over 100 capacity building workshops from which 3,000 participants benefited.

At the twelfth quadrennial meeting of UNCTAD, which took place in Accra, Ghana, in April 2008, member States requested the organisation to assist developing countries and countries with economies in transition with implementing international accounting and reporting standards and codes. Your consideration of this issue at this time is very important in fulfilling this request from member States. The outcome of your deliberations on capacity-building will contribute positively to UNCTAD's efforts geared towards assisting member States in building institutional and human capacity to promote high-quality corporate reporting.

Ultimately, the benefits of high-quality corporate reporting will manifest themselves in better governed enterprises, a stronger financial infrastructure, more stable and sustainable economies and higher economic growth.

We count on you to help us address this pressing issue. I assure you the full support of the staff of my Division throughout the session.

I wish you a productive session and look forward to the outcome of your deliberations.

Thank you.

* * * * *