

CONFERENCE DES NATIONS UNIES SUR  
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UNITED NATIONS CONFERENCE  
ON TRADE AND DEVELOPMENT

## Investment, Enterprise and Development Commission 10th session

ITEM 3 (b): REPORT OF IGE - ISAR

**Wednesday 5 December 2018, 15:00-18:00**  
**Palais des Nations, Geneva, Room XXVI**

**Report on the Thirty-fifth Session  
of the Intergovernmental Working  
Group of Experts on International  
Standards of Accounting and  
Reporting**

# **Report on the thirty-fifth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting**

Excellences,  
Distinguished delegates,  
Ladies and gentlemen,

## **I. Introduction**

Thank you, Chair for giving me the floor. It is my great pleasure and honour to present to this tenth session of the Investment, Enterprise and Development Commission a brief report on UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting.

In my report, I will highlight the main activities that ISAR carried out since the last session of this Commission. I will conclude my presentation by drawing the Commission's attention to matters that require this Commission's approval and support.

## **II. The thirty-fifth session of ISAR**

The thirty fifth session of ISAR took place here at the Palais des Nations in Geneva from 24 to 26 October 2018. More than 300 experts from about 80 countries registered for the session. In accordance with the agreement reached among member States at the thirty-fourth session, the thirty-fifth session of ISAR dealt with the following main agenda items:

- Enhancing comparability of sustainability reporting: Selection of core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals; and
- Issues of practical implementation of international standards of accounting and reporting in the public and private sectors

Two issues notes on the main agenda items prepared by the UNCTAD secretariat and a series of panel discussions, facilitated delegates' consideration of the key issues.

With respect to the first main agenda item, the Group of Experts requested the UNCTAD secretariat to finalize its work on the guidance on core Sustainable Development Goal indicators for enterprise reporting in alignment with the Sustainable Development Goal monitoring framework, and to conduct pilot-testing of the core indicators at the country level and by supporting member States through capacity-building initiatives in this area.

Furthermore, the session called on the UNCTAD secretariat to continue its work in developing metadata guidance for indicator 12.6.1 of the Sustainable Development Goals, “number of companies publishing sustainability reports”, in coordination with the United Nations Environment Programme, and to submit a proposal for indicator reclassification to the Inter-Agency and Expert Group on Sustainable Development Goal Indicators.

With respect to the second main agenda item, the Group of Experts requested the UNCTAD secretariat to continue facilitating sharing of good practices on the implementation of international standards of accounting and reporting in the public and private sectors, in particular with a view to assisting developing countries and countries with economies in transition in their capacity-building efforts towards high-quality and globally comparable enterprise reporting.

Under other business, the session received a progress report on the implementation of the UNCTAD-ISAR Accounting Development Tool in Belarus.

### **III. Other related activities**

I will now brief you on other related activities that the UNCTAD secretariat has been carrying-out to promote the work of ISAR.

On the occasion of the thirty-fifth session of ISAR, a new initiative called “ISAR Honors” was launched. The initiative aims to support efforts on enhancing the quality of companies' reporting on sustainability issues, and its usefulness for Member States for monitoring of the private sector's contribution towards the implementation of the SDGs. ISAR Honours were presented to policy, institutional or capacity-building initiatives that facilitate improvements in companies' reporting on sustainability issues. Initiatives were assessed by a Review Committee, established by UNCTAD secretariat, consisting of several distinguished international experts in the area of sustainability and SDG reporting. Selection was guided by specific criteria with regard to the contribution of the initiative to harmonization, quality, consensus and capacity building on sustainability and the SDG reporting.

In response to the growing requests from delegates for updates on technical accounting and reporting issues, the UNCTAD secretariat has been organizing workshops on timely topics. In this regard, on 22 October 2018 the UNCTAD secretariat organized a workshop on emerging issues in the area of blockchain technology, digitalization and cryptocurrencies. 206 participants from 60 countries registered for the Workshop. It featured representatives from accounting firms, the accountancy profession, standard setters, and the investors' community.

The workshop highlighted the existence of several regulatory, institutional and capacity building challenges related to the use and effect of blockchain technology, and also stressed new opportunities for those who can adapt and learn not only in a fast but on a continuous manner.

On the side of the thirty-fifth session of ISAR, the UNCTAD secretariat organized a briefing for beneficiary countries of the Development Account 11<sup>th</sup> Tranche Project entitled *Enabling Policy Frameworks for enterprise sustainability and SDG reporting in Africa and Latin America* on the scope and activities of the project. The main objective of this project is to strengthen the capacities of governments to measure and monitor the private sector contribution to the 2030 Agenda, in particular on indicator 12.6 *Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle*. ISAR will review progress on implementation of this project at its thirty-sixth session in 2019.

In May 2018, the UNCTAD secretariat organized a meeting of the Consultative Group on Enterprise Reporting and the Sustainable Development Goals. Close to 50 experts attended the meeting. Participants conducted further discussions on two topics: Metadata Guidance on SDG indicator 12.6.1 *Number of companies publishing sustainability reports*; and Guidance on core indicators for enterprise reporting on the SDGs. With respect to the Metadata Guidance the meeting addressed definition of sustainability reporting, data collection mechanisms, as well as disaggregation and reporting boundaries. The Consultative Group proposed further refinements on the draft core indicators on SDGs reporting pertaining to the economic, environmental, social, and institutional aspects of the performance of enterprises.

In April 2018, the UNCTAD secretariat organized a roundtable discussion *on measuring the private sector's contribution to the attainment of the Sustainable Development Goals* which took place at the United Nations Headquarters in New York, United States of America. The UNCTAD secretariat organized this event in cooperation with the International Integrated Reporting Council (IIRC), the World Business Council for Sustainable Development (WBCSD) and the Royal Netherlands Professional Association of Accountants (NBA).

Participants at the Roundtable agreed on the important role of enterprise reporting in the attainment of the SDGs, to be accomplished inter alia by promoting the integration of sustainability information into companies' reporting cycle, as well sharing good practices on measuring the private sector contribution to SDG implementation in a consistent and comparable manner. The event contributed to facilitating stakeholder dialogue and consensus building on the SDG reporting by companies by bringing a variety of perspectives from the public and private sectors. The UNCTAD secretariat incorporated input received at the roundtable into the draft guidance on core indicators on SDGs reporting.

#### **IV. Concluding remarks and decisions for the Commission**

Distinguished delegates:

I would like to conclude my report by underscoring the fundamental role that accounting and company reporting play in realizing the ambitions of the 2030 Agenda for Sustainable Development. In this regard, I would like

to recall that the Nairobi Maafikiano has called on UNCTAD to advance its work in the area of sustainability reporting.

I would now like to draw your attention to matters that require the Commission's approval and support.

At the conclusion of its thirty-fifth session, ISAR has proposed to address the following two main agenda items at its thirty-sixth session:

- Practical implementation, including measurement, of core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals: Review of case studies; and
- Review of current developments in international standards of accounting and reporting in the public and private sectors

I would like to conclude my report by requesting the Commission to take note of the report of the thirty-fifth session of ISAR, endorse the agreed conclusions contained therein, and to approve the provisional agenda that the Group of Experts has proposed for its thirty-sixth session.