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

**30<sup>th</sup> SESSION**  
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Room XVIII, Palais des Nations, Geneva

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Morning Session

***Opening Remarks***

Presented by

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Secretary-General  
UNCTAD

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**30th session of UNCTAD's Intergovernmental Working Group of  
Experts on International Standards of Accounting and Reporting (ISAR)**  
Geneva, 6 – 8 November 2013

**Opening remarks by the Secretary-General of UNCTAD**

*AS PREPARED FOR DELIVERY*

Excellencies,  
Distinguished Delegates,  
Ladies and Gentlemen,

It is a great pleasure for me to welcome all of you to this 30<sup>th</sup> session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting. Today we are marking the 30<sup>th</sup> anniversary of this body, and I am delighted that we are able to do so in the presence of around 400 experts from more than 90 countries, including several Chairpersons of previous ISAR sessions. I would like to thank all of you for coming and for your contributions to the success of ISAR.

As many of you know, the beginnings of ISAR date back to the early 1970's, when the United Nations Economic and Social Council (ECOSOC) adopted a resolution requesting the appointment of a Group of Eminent Persons of 20 leading experts to study the impact of transnational corporations (TNCs) on development and to make recommendations for appropriate international action. The Group's report led to the creation of the UN Commission on Transnational Corporations in 1974. A few years later, in 1982, ECOSOC established the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, as a subsidiary body of this Commission. Since then, ISAR has been holding annual sessions - first in New York and then, after 1993, in Geneva under the aegis of UNCTAD.

While the often technical nature of its work sometimes prevents ISAR from getting the recognition and attention it deserves, ISAR's work makes a key contribution to the broader development agenda of the United Nations. Specifically, by strengthening corporate accounting and reporting standards across the globe, the work of ISAR helps to enhance financial stability and to facilitate investment to developing countries and economies in transition. Moreover, systems of accounting and reporting allow us to understand the impact of corporate activities on society, to define priorities for further action, and ensure accountability in the use of scarce financial and natural resources.

During three decades ISAR has been contributing to these objectives. It has provided a platform for deliberations on challenging – and at times controversial – aspects of the internationalization of accounting and reporting standards. It has been an important forum for creating consensus among countries, key standard setting bodies and other international organizations working in this area.

Over the years it has also developed a number of practical guides and toolkits on key corporate reporting topics. By promoting international best practices, improving the comparability and quality of reporting, and identifying emerging challenges, these guides and toolkits have helped member States in building their regulatory, institutional and human resource capacities for corporate reporting.

Allow me to mention only a few of the Group's specific achievements in this area:

- Back in 1999 and 2000, ISAR produced two papers that were arguably ahead of their time in putting the topic of corporate environmental disclosure and reporting on the global agenda. The

papers on *"Accounting and financial reporting for environmental costs and liabilities"* and *"Integrating Environmental and Financial Performance at the enterprise level"* drew the attention of the global community to the importance of environmental and sustainability reporting. This work influenced policymaking in the European Union, where the European Commission issued recommendations in this area that were inspired by ISAR's work. Similarly, in the United States, the Governmental Accounting Standards Board considered ISAR's research and guidance in this area in formulating its own standard - *Accounting and Financial Reporting for Pollution Remediation Obligations*. ISAR's work in this area has also contributed to the establishment of other institutions, such as the Global Reporting Initiative (GRI) which has become an important partner of UNCTAD in the area of accounting and reporting.

- ISAR also supported the development of skilled human resources in the accountancy field, particularly in developing countries, by producing *"Guidelines on National Requirements for the Qualification of Professional Accountants"*. Its revised *"Global Model Accounting Curriculum for the Education of Professional accountants"* of 2003 is now used by close to 30 countries, including Brazil and the Russian Federation. The World Bank has also been encouraging several countries, including Costa Rica, El Salvador, Guatemala, Honduras and Panama, to use this ISAR product to upgrade their university curricula. I am pleased that this important topic of human resources development in the accountancy field will also be discussed at this year's meeting.

- UNCTAD/ISAR further was a pioneer in responding to the needs of developing countries in the area of accounting for SMEs. In 2004, it developed its two guiding documents for SMEs, which significantly influenced international agenda setting and the work of the International Accounting Standards Board (IASB) - the international standard setter for the corporate sector. As a result, the IASB developed a special International Financial Reporting Standard (IFRS) for SMEs in which it used many of the approaches taken by the ISAR guidance.
- In the area of corporate governance, our 2006 publication on "*Guidance on good practices in corporate governance disclosure*" was developed to facilitate improved disclosure based on best practices in this area. It has been used by a number of agencies in member States as a benchmark (examples include Russia, China, Egypt, Pakistan), as well as by our partner agencies, such as the World Bank. Based on this guidance, UNCTAD has been conducting annual surveys of corporate governance disclosure practice, which have, to date, provided information on disclosure practices in more than 40 developing countries.
- In the area of corporate social responsibility (CSR), UNCTAD/ISAR developed guidance in this area in 2008 to facilitate disclosure on CSR activities in a comparable and concise manner. International initiatives, such as the International Integrated Reporting Initiative and the ISO 26000 standard on Social Responsibility, have recognized the UNCTAD guidance on CSR.
- ISAR was also acutely aware of the challenges faced by many developing countries in the implementation of changing

international standards for corporate reporting. Its analytical work on the *"Practical Implementation of International Financial Reporting Standards: lessons learned"* led to a recognition of the need for a comprehensive and strategic approach towards building institutional and human capacity to enable countries to meet international requirements on corporate reporting.

- As a result, the Group developed a new product: the "Accounting Development Tool" which helps member states to identify priority areas for building a sound accounting and reporting infrastructure for high-quality reporting in line with the expectations of international investors and other providers of capital. It outlines key international benchmarks in this area and stresses the critical importance of implementation, oversight and enforcement of related activities. This tool is currently being used by many countries, and is available on-line in English, Russian, Spanish and French.

Ladies and gentlemen,

This Group of experts can be proud of a long list of achievements during the past three decades. But ISAR's work has been underpinned by the people sitting before me who have – at one time or another – contributed to ISAR's research through consultative groups. ISAR's formal name is a "working group of experts", and I cannot think of a more accurate title. Many of you have contributed your valuable time and expertise to strengthen accountancy practices around the world. On this thirtieth anniversary of ISAR, I want to thank you for your dedication and applaud the work you've done.

Nevertheless, many challenges still lie ahead in the area of accounting and reporting. Building an efficient accounting and reporting system requires the development of appropriate policies and regulations, a strong institutional base and adequate resources.

One particular area of the accountancy infrastructure challenge you will address this week is building the necessary human resources for both financial and non-financial reporting. Many developing countries have acutely limited human resources in the accountancy profession. Even large emerging markets can face huge obstacles to meet their ongoing development needs and keep pace with the demands of a rapidly changing environment for international accounting and reporting. During the meeting this week a number of distinguished experts will share their views on this issue, and discuss the application of ISAR guidelines in these areas, such as the Model Accounting Curriculum for Professional Accountants and Guidance on corporate governance disclosure.

Ladies and Gentlemen,

For more than two decades, ISAR has shown that accounting and reporting also play a seminal role when addressing many corporate sustainability issues. For many years ISAR has been ahead of the curve on this subject – as illustrated by the achievements I listed earlier. Many of these issues are now gaining additional importance:

Last year at the United Nations “Rio plus 20” Earth summit, Member States reiterated “*the importance of corporate sustainability reporting*”, in the context of sustainable economic growth. Member States called on the UN to assist industry, interested governments and relevant stakeholders to develop models for best practice. I am proud to tell you that the United Nations Secretary-General appointed the

UNCTAD Secretariat, through ISAR, as an implementing agency for this call to action. In this ISAR session this week, we will hear about ISAR's first response to this call to action with new guidance on best practices in promoting sustainability reporting. We'll hear from leading stock exchanges and regulators, investors and standard setters, about opportunities to further share best practice experiences in this area.

Ladies and Gentlemen,

Currently, the United Nations is working towards the formulation of a set of Sustainable Development Goals as part of its post-2015 agenda, when the Millennium Development Goals will come to an end. The work that ISAR does plays an important role in providing the tools that will be needed to implement such goals in the future. I encourage all of you to continue to support this work, in line with the broader vision of member States working to promote sustainable development.

I want to commend you all again for your excellent contribution to one of the UN's longest standing group of experts. A thirtieth anniversary is a moment to reflect on past successes, and to look boldly forward to future challenges. I wish you all successful deliberations this week.

Thank you.

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