

**34th session of UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)
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Opening Statement by

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

Excellences,
Distinguished experts,
Ladies and gentlemen,

It is my great pleasure to welcome all of you, on behalf of UNCTAD Secretary-General, Dr. Mukhisa Kituyi, to the thirty-fourth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR).

As you would recall, two years ago, members States of the United Nations unanimously adopted a global development agenda articulated in the form of the Sustainable Development Goals (SDGs). The goals are time-bound and we need to achieve them by 2030.

In 2016 in Nairobi, UNCTAD conducted its fourteenth quadrennial ministerial conference. The outcome document Maafikiano defines a vision for UNCTAD to play a key role in the implementation and follow-up of the 2030 Agenda for Sustainable Development. It also calls on UNCTAD to address persistent and emerging development challenges in an integrated and holistic manner. The Maafikiano provides the inspiration and guidance for UNCTAD to enhance its ongoing work, including in the area of investment facilitation and enterprise development.

The advent of the 2030 Agenda with its 17 Sustainable Development Goals (SDGs), has revolutionized the way we allocate investment, sustain capital formation, and deliver on economic growth. This new era of sustainable development calls on countries, enterprises and other relevant stakeholders to build bridges between investment and sustainability. In this light, UNCTAD recently updated its Investment Policy Framework for Sustainable Development. The Investment Policy Framework underscores the sustainability through the entire investment chains, from mobilizing financial resources, to channelling the capital to the SDGs sectors, to investing in the bankable projects on the ground and ensuring sustainable development impact on the community.

Underpinning efficient and sustainable capital markets and investment chains is high-quality information on the sustainability performance of the private sector, which highlights a central role of corporate reporting as a key source of such information.

The SDG agenda requires further efforts towards improvement of quality and comparability of corporate reporting on sustainability issues to ensure that companies can provide useful and reliable data on their SDG related performance, and to enable countries to gather such information from companies in a consistent and cost-effective manner to assess the private sector contributions towards the SDG implementation.

Recent developments highlight the mainstreaming of sustainability and SDG reporting in the global agenda of accounting and reporting. Emblematic of this trend are the recently published recommendations by the G20 Task Force on Climate-related Financial Disclosures; as well the European Commission guidelines on non-financial reporting (2017/C215/01), which follow the European Union Directive on non-financial reporting issued in 2014 (2014/95/EU).

A recently published survey of corporate responsibility (CR) reporting 2017 by KPMG shows that the SDGs have resonated strongly with business worldwide in less than two years since their launch. The report states that around four in ten CR reports of the world's 250 largest companies by revenues based on the Fortune 500 make a connection between the business activities and the SDGs.

Your gathering here today is one of important activities UNCTAD is undertaking towards enhancing the role of reporting in the SDG agenda.

ISAR has been a focal point on corporate accounting and reporting issues in the United Nations system, since its establishment in 1983. It is uniquely positioned to contribute towards implementation of the 2030 Agenda for Sustainable Development. ISAR plays an important role in improving global financial architecture, transparency and good governance; facilitation of sustainable financial and investment flows; promotion of responsible business practices and financial inclusion- key aspects of the SDGs. This has been carried out through its inclusive intergovernmental discussions and policy recommendations on enhancing the usefulness and comparability of corporate reporting, and by its capacity building activities in this area based on the Accounting Development Tool.

ISAR's pioneering work since Rio Conference in 1992 in the area of environmental, social and governance reporting, as well as further projects on accounting for micro, small and medium enterprises is a clear testimony to the long standing commitment of the Group of Experts towards achieving economic growth in a sustainable and inclusive manner.

ISAR's key role in this area has been recently recognized in the context of development of the SDGs monitoring framework. UNCTAD-ISAR, along with United Nations Environment Program is a co-custodian of indicator 12.6.1 of the SDGs on "number of companies publishing sustainability reports". It is entrusted with task of developing meta-data guidance on this indicator.

Ladies and Gentlemen,

When considered together, the SDGs promote optimal allocation of investment and rational use of economic, financial, natural and human resources across enterprises around the world to achieve a sustainable way of life and ensure inter-generational equity. Sound decisions of this nature and effective risk mitigation strategies, including such critical area as climate change related risks, require more meaningful and consistent financial and non-financial reporting by enterprises around the world. Achieving global goals -such SDGs- logically requires globally comparable monitoring indicators.

Addressing this challenge during its quadrennial conference last year, UNCTAD launched its initiative towards developing a core set of common baseline indicators to assist enterprises in communicating their performance towards achievement of the SDGs to a wide range of stakeholders in a reliable and consistent manner. The initiative also intends to assist governments to gather data from enterprises in this area to identify good reporting practices and reflect on the private sector contribution toward the 2030 Agenda for Sustainable Development.

Since then, ISAR has been working towards this objective in partnership with sister organizations such as UN Environment Program and the UN Department of Economic and Social Affairs, as well as in cooperation with ILO and other key players such as the International Integrated Reporting Council, Global Reporting Initiative, the International Accounting Standards Board and International Federation of Accountants, among others.

Ladies and gentlemen,

The backdrop I have just outlined makes your current work more critical than any time before. In the globally agreed time frame for achievement of the SDGs, we are already at a point where countries are coming forward on a voluntary basis to gauge their progress, including with regard to the contribution of the private sector.

It is my hope that in the coming few years, we will also have a growing number of enterprises reporting on their inputs towards the attainment of the SDGs and your work on a common set of the SDG indicators would provide a useful tool to accelerate this process.

Looking ahead, allow me to take the opportunity to announce that the year 2018 marks the thirty-fifth anniversary of ISAR, and thus will present a special occasion to commemorate the Group of Experts' work over the past decades. In this regard we look forward to the ISAR 35th Jubilee session which will take place during UNCTAD's landmark World Investment Forum on 22-25 October 2018 in Geneva. The Forum is a high-level, biennial, multi-stakeholder congress that addresses key emerging investment-related challenges, including from the perspective of enterprise accounting and reporting. We look forward to seeing you next year at these milestone events.

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