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

**39th SESSION
1 – 3 November 2022**

Tuesday, 1 November 2022

**Agenda item 3. Good practices in and approaches to the
practical implementation of sustainability reporting
requirements**

Presented by

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African

Regional Partnership

for Sustainability and SDG Reporting

UNCTAD-ISAR 39th Session

Efforts in Advancing Sustainability Practice at National and Regional Level

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*A South African Focal Point to UNCTAD & The African Regional Partnership Perspective

Ministry of Finance of Cameroon as Chair of the Partnership, Department of Trade, Industry and Competition of South Africa, and the Institute of Chartered Accountants of Kenya as the two Vice-Chairs of the Partnership



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GOOD PRACTICES AND APPROACHES TO THE IMPLEMENTATION OF SUSTAINABILITY REPORTING @ NATIONAL LEVEL

- It is important to have government in the fore-front of implementing sustainability and SDGs reporting.
- Government is the brain-hub of laws and policies which govern industry players, in this regard, government would easily bring caution in the event of potential breach of laws in place or to help those reporting to avoid duplication.
- It is significant to encourage inter-sectoral government departments to coordinate, to make the process of implementation of activities flawless nationally.
- The government department that are nominated as a focal point in the project, must work collaboratively with UNCTAD and the companies towards achieving sustainability reporting.
- It is important to have a tool or method to be used to collect data. Such tool must be properly established for it to be a reliable use. Where there is no specific tool to extract information for reporting, we can make the mistake of gathering information from projects that may not be relevant towards the SDGs objectives.
- Capacity-building is key, to inform understanding on how target 12.6 is to be implemented. The latter may be done through deliberation meetings, webinars, training and other engagements, obviously, with comparative lessons to learn from other jurisdictions.



GOOD PRACTICES IN AND APPROACHES TO IMPLEMENTATION OF SUSTAINABILITY REPORTING @ REGIONAL LEVEL

- Furthermore, it is important to have government participate collaboratively with UNCTAD and other African countries at Regional level, for purposes of driving the sustainability reporting initiative.
- This encourages government to use its participation at regional level, to align with updated processes, systems and international good practice.
- There is efficiency in doing that. Also, helps states to see each other's efforts and relevance, and opens room for states to acquire knowledge and experience from other jurisdictions.
- A Regional collaboration also offers great opportunities for networking and forging new contacts.
- When a government participates at regional level, stakeholders of the national government that participate, will not only ***see, trust or respect the need to report towards the SDGs, but the SDGs will become more appealing as a living practice in their*** works and business.



WHAT IS THE BEST WAY TO SUPPORT NATIONAL EFFORTS TO ESTABLISH OR STRENGTHEN THE NATIONAL INFRASTRUCTURE FOR SUSTAINABILITY REPORTING IN DEVELOPING COUNTRIES?



- UNCTAD has the muscle to influence and encourage national governments to make reporting on sustainability a compliance requirement, and I propose that it take advantage of that.
 - Companies must report on their compliance with sustainability and SDGs reporting in their audited financial statements and annual reports.
 - Post approval of such annual report and financial statements, the reports may then be submitted to the relevant government department, eg. Department of Small Business Development or the Department of Trade, Industry and Competition, for compliance – We can also propose that -
 - A standard format of reporting be formally prescribed;
 - A sustainability and SDGs report, (comprising of financial and non-financial information) and a compliance matrix or sworn affidavit may be submitted to the relevant government department; lastly
 - Government may, upon verifying the information submitted issue a SDGs certificate.



WHAT CHARACTERISTICS SHOULD THE SUSTAINABILITY REPORTING INFRASTRUCTURE HAVE IN ORDER TO SUPPORT SMALL AND MEDIUM-SIZED ENTERPRISES?

- Tailor-made tools for small and medium companies to collect data.
- A pilot project may be explored and shared with small and medium companies to enhance and support their contribution towards SDGs reporting. Also assist them to align with developments that are taking place in the economic landscape, the same way big companies do.
- Given the diverse tools used by different companies in SDGs reporting, small and medium companies must be trained and guided on what is required in terms of content of a report towards the SDGs, for them to have understanding in order to produce quality reports.
- In other instances, we may consider training both small and large companies in the same venue, to deal with situations of economic dependence, where a small, medium or micro-enterprise might be dependent on the value chain of a large enterprise. This may be done to deal with abuse of dominance by dominant firms, if any.