UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Review of developments in the harmonization of sustainability reporting requirements and their practical implementation

ISAR SDG Reporting

UN trade & development UNCTAD

Overview

- Introduction
- Key recent developments
- Practical implementation and jurisdictional examples
- Challenges faced by countries
- UNCTAD tools and Regional Partnerships
- Conclusion and way forward

Introduction

- In 2021, ISSB is created
- In June 2023, ISSB issued IFRS S1 and S2
- In July 2023 IOSCO endorsed ISSB standards
- In 2024, standards on ethics, assurance, education and a regional voluntary standard for SMEs were issued
- In June 2025, 36 jurisdictions had adopted or adapted ISSB standards
- Upcoming standard for public sector entities
- Countries need a robust reporting ecosystem to adopt or adapt requirements

Recent global developments in sustainability reporting standards

- The global sustainability standards ecosystem has kept up a fast pace, and a series of new standards and complementary standards have recently been issued.
- There are ongoing efforts to facilitate implementation of IFRS S1 and S2

ISSB

- By June 2025, **36 jurisdictions** had adopted, adapted, or were consulting on IFRS S1 and S2.
- IFRS Foundation **released 17 jurisdictional profiles** and 16 snapshots on implementation progress.
- Supports implementation through **educational materials, guidance,** and **tools;** including the **roadmap development tool.**

IPSASB International Public Sector Accounting Standards Board®

- Issued an **exposure draft** of the sustainability reporting standard on **climate-related disclosures** for **public-sector entities.**
- After reviewing feedback, the project was split into two phases:
  - Phase 1: Own operations standard to be finalized in December 2025.
  - Phase 2: Public policy programmers standard expected by end-2026.

IAASB International Auditing and Assurance Standards Board AN IFAC BOARD

- Issued **ISSA 5000** to ensure the reliability of sustainability reports.
- It is **framework neutral** and **profession-agnostic**.
- Effective as of 15 December 2026.

Recent global and regional developments in sustainability reporting standards

IESBA
International Ethics Standards Board for Accountants
AN IFEA BOARD

- Issued international **ethics standards for sustainability assurance**, revisions to the code of ethics and a new standard **on using the work of an external expert**.
- Effective as of **15 December 2026**, early adoption encouraged.
- The standards are **framework-neutral** and **profession agnostic**.

IFAC International Federation of Accountants

- Revised **IES 2 Technical competence,** revised **IES 3 Professional skills,** and revised **IES 4 Professional values, ethics and attitudes**.
- Main changes: an integrated sustainability approach, new assurance competence, enabling behavioral competencies and expanded explanatory material.
- Revised **IES 6 Formal assessment of professional competence**.
- Main changes: integrity and authenticity as new principles, update to principle of equity, improved guidance on hybrid and remote assessments.

Practical implementation

- The ISSB standards became effective in 2024 and the first companies subject to the European Union corporate sustainability reporting directive applied the new standards as of 2024.
- There has been a steady increase in the establishment of national sustainability reporting requirements.
- Countries deploy various measures to facilitate the implementation:

Roadmap	**Building blocks approach**	**Phased-in approaches**	**Additional reliefs according to national needs**	**Assurance required in stages**

Jurisdictional examples

Our review of **26 jurisdictions** shows different approaches:

- 12 countries have **adopted** ISSB standards;
- 10 have issued or are in the process of issuing national sustainability reporting standards **in alignment with ISSB**;
- 7 countries have issued a **roadmap**;
- 9 countries follow a **phased-in approach**;
- 3 countries moved from initially requiring **limited assurance towards** requiring **reasonable assurance**;
- 4 countries allow **additional transitional reliefs**;
- 3 countries issued requirements for **SMEs**;
- One country and one region use a **double materiality approach**.

Key challenges in the implementation of sustainability reporting standards


Move from voluntary to mandatory and depth of the changes brought by IFRS S1 and S2.


Emergence of various national sustainability reporting regulations;


Discrepancies and changes in key standards that affect the interoperability and comparability of reports;


Recent geopolitical events;


Lack of human capacity;


Absence of comparable, reliable, and publicly accessible sustainability data for producing information;

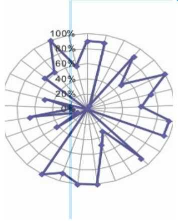

Lack of digital systems, tools, and automation capabilities.


Indirect effects impacting SMEs.

Strengthened UNCTAD-ISAR mandate

- ✓ The Sevilla Commitment gives ISAR a Financing for Development reinforced mandate to provide **capacity-building** to support developing countries in the adoption of sustainability disclosure standards.
- ✓ The Geneva Consensus, reaffirms the role of UNCTAD-ISAR in **supporting countries** through harmonization of sustainability standards.

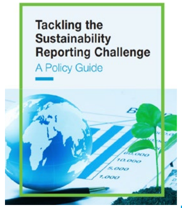
UNCTAD tools



Accounting Development Tool (ADT).

Guidance on core indicators for sustainability and SDG impact reporting (GCI).

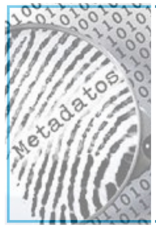
Core indicators for sustainability and SDG impact reporting – Training Manual



Tackling the sustainability reporting challenge- A Policy Guide.

GCI case studies

GCI e-learnings



Metadata for indicator 12.6.1

https://unctad.org/isar/publications

Regional Partnerships for the promotion of sustainability and SDG reporting

African Regional Partnership for Sustainability and SDG Reporting

EURASIAN REGIONAL PARTNERSHIP For Sustainability and SDG Reporting

ALIANZA REGIONAL LATINOAMERICANA ARL Impulsando el Reporte de Sostenibilidad

Africa	Asia	Eurasian region	Latin America	Gulf States
• 65 members • 31 countries	• 16 members • 6 countries	• 12 members • 6 countries	• 35 members • 15 countries	• 11members • 5 countries

Conclusion and way forward

- ✓ The international sustainability reporting landscape will remain marked by **dynamism and consolidation**.
- ✓ Many countries have started their **sustainability reporting journey**.
- ✓ The majority seeks **alignment** with **international requirements**.
- ✓ There are different approaches to **facilitate implementation**: roadmaps, phased-in implementation, additional reliefs and/or introducing assurance in stages.
- ✓ Countries need to build a **quickly adaptable sustainability reporting ecosystem**.
- ✓ This implies they must **reinforce institutions** and **human capacity**.
- ✓ Countries can **support SMEs** by building capacity, providing guidance and promoting sustainability reporting.
- ✓ There is a need to **promote interoperability** among international, regional and national standards.