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

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
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Keynote message



“ISAR’s inclusive and constructive approach is key to unlocking the potential of accounting and reporting for the attainment of the Sustainable Development Goals”

**David Gichana, Chair of ISAR 34,
Deputy Auditor-General of Kenya**



Since November 2017 I have had the honour of chairing the Intergovernmental Working Group of Experts on Standards of Accounting and Reporting (ISAR), the leading intergovernmental body in the area of accounting and reporting in the United Nations. During the intersessional period succeeding the thirty-fourth session in 2017, ISAR, serviced by the United Nations Conference on Trade and Development, has continued to engage senior stakeholders, including policy-makers, standard-setters and accounting practitioners. Such an inclusive and constructive multi-stakeholder approach is key to unlocking the potential of accounting and reporting for sustainable development, and in particular for the attainment of the Sustainable Development Goals.

It is my pleasure to share this newsletter, which provides information on ISAR's activities and achievements so far in 2018, as well relevant news briefs from the accounting and reporting community. In order to continue this conversation, I invite the entire ISAR network to take part in the thirty-fifth session of ISAR, which will take place in Geneva, from 24 to 26 October 2018, in the context of the World Investment Forum.

Events

Save the date: Thirty-fifth session of ISAR to be held from 24-26 October 2018 in Geneva, preceded by a technical workshop to be held on 22 October 2018

Registration for both the session and the workshop are now open!

The thirty-fifth session of ISAR will take place from 24 to 26 October 2018 at the Palais des Nations, in Geneva. The two main agenda items discussed during the session will be:

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

The session will be preceded by a technical workshop on 22 October 2018, also at the Palais des Nations. The workshop will address issues in blockchain, digitalization and digital currencies, and their implications for reporting.

Further information about the session and the workshop, including a detailed programme and a list of speakers, will be shared with the ISAR network in the coming months. We encourage participants to register at their earliest convenience.

The ISAR session and workshop will take place in the context of the 2018 World Investment Forum, a multi-stakeholder platform for issues in investment and development, hosted by UNCTAD at the Palais des Nations from 22 to 26 October 2018. Registered ISAR and workshop participants will have access to other WIF activities. The programme is available [here](#).

The ISAR session will also feature the announcement of the selected national good practices on the SDG reporting by companies as part of UNCTAD's recently launched initiative "[ISAR Honours](#)" aimed at promoting companies reporting on their contribution to the SDG implementation.

Roundtable discussion on measuring the private sector's contribution to the attainment of the Sustainable Development Goals

The Roundtable discussion took place on 23 April 2018 at the United Nations Headquarters, in New York, United States of America. The meeting was organized by UNCTAD jointly with the International Integrated Reporting Council (IIRC), the

World Business Council for Sustainable Development (WBCSD) and the Royal Netherlands Professional Association of Accountants (NBA). The objective of the meeting was to raise awareness of good practices, important initiatives and challenges on company reporting on SDG-related issues. The event brought together about 60 participants, including United Nations permanent missions, representatives from capitals, United Nations agencies and other international agencies, prominent leaders from the private sector and civil society, professional accountants, and other stakeholders.

Participants 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 as sharing good practices on measuring the private sector contribution to SDG implementation in a consistent and comparable manner, including by using baseline SDG reporting indicators being developed by UNCTAD.

The event programme and additional information, including presentations, can be found [here](#).

Consultative Group on SDG reporting by companies

In accordance with the agreed conclusions reached by member States at the thirty-fourth session of the ISAR in 2017, UNCTAD reconvened a Consultative Group representing key stakeholders in the area of enterprise reporting, with a view to conduct consultations on the upcoming UNCTAD's Guidance on core SDG indicators for companies. The Consultative Group meeting took place on 17 and 18 May 2018 at the Palais des Nations in Geneva, Switzerland.

The experts discussed two documents:

- 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.

The Metadata Guidance provides information on how Member States can report on SDG indicator 12.6.1, including a definition of sustainability reporting, and issues in databases and disaggregation. It is being developed by UNCTAD jointly with UN Environment as co-custodians of this indicator. The Guidance on core indicators provides information on measurement and reporting on a limited number of core SDG indicators for companies, covering the economic, environmental, social and institutional areas.

The two documents are being revised by UNCTAD based on the consultations to be presented and further discussed at the ISAR 35 session.

ISAR elections results & next cycle

As an Intergovernmental Group of Experts established by the United Nations Economic and Social Council in 1982, ISAR has a formal membership of States interested in helping shape its agenda and activities.

A new regular cycle of ISAR elections took place on 16 April 2018. On this occasion, the Council elected Albania, Belarus, Botswana, Brazil, Cameroon, China, Colombia, Kazakhstan, Kenya, Kyrgyzstan, Nigeria, the Philippines, South Africa and the United Kingdom, for new vacancies starting in 2018 or 2019.

Member States from all regional groups are encouraged to apply for formal membership in ISAR. Please note that ISAR membership carries no financial obligation on the part of member countries or UNCTAD. Additional information about requirements and the application process can be found [here](#).

Publications

Reporting on the Sustainable Development Goals: A Survey of Reporting Indicators

We are pleased to announce the publication of research paper, [Reporting on the Sustainable Development Goals: A Survey of Reporting Indicators](#).

This research paper provides an original survey of indicators used by companies in the area of environmental, social and governance (ESG) reporting. The paper provides empirical inputs for the identification of a set of core indicators for companies, which could form a potential baseline for ESG reporting.



The research for this paper is based on the analysis of the global top 100 listed companies, ESG rating agencies and the Sustainable Development Goals, and was authored by Dr. Jane Thostrup Jagd.

Capacity-building: New project on sustainability reporting and the SDGs

In 2018 UNCTAD initiated the implementation of a Development Account project entitled Enabling policy frameworks for enterprise sustainability and Sustainable Development Goal reporting in Africa and Latin America. The purpose of this project is to strengthen the capacity of Governments to measure and monitor the private sector contribution to the 2030 Agenda for Sustainable Development, in particular

on target 12.6. To this end, the project's goals are to develop and implement a mechanism to coordinate efforts among different national authorities in establishing a sustainability reporting framework; help companies prepare and publish useful sustainability reports within that framework; and support Governments in the collection of comparable and reliable information on companies' contribution towards the SDG implementation aligned with the global framework of SDG indicators.

In 2018 so far UNCTAD has focused its activities on Phase one, which consists of the development of the enterprise sustainability and Sustainable Development Goal reporting tool. The tool consists of a questionnaire on enterprise reporting matters, including sustainability information, and builds on UNCTAD's experience with the development of the Accounting Development Tool. The tool's questionnaire is in the process of being translated into the official languages of the United Nations, and of being updated onto the Accounting Development Tool's website, which will allow for more practical implementation at country level.

Further information on this project is available [here](#).

[Join the ISAR Network!](#)

UNCTAD is constantly reaching out to government officials, professional bodies, international organizations, private sector and other experts involved in the area of accounting and reporting. To this end, UNCTAD relies on you to keep us abreast of any updates to your contact information. If you are not already part of the ISAR network and would like to join for updates on ISAR's meetings, events and activities please complete this online [ISAR Network form](#).

[News Briefs](#)

TCFD and CDSB partner to launch online knowledge on climate-related disclosures

Furthering its efforts to gather support and endorsement for its recommendations report, the Task Force on Climate-related Financial Disclosures (TCFD) [launched](#) the TCFD Knowledge Hub in May 2018. Established in collaboration with the Climate Disclosure Standards Board (CDSB), the TCFD Knowledge Hub seeks to be a hub for online resources on how organizations can prepare and disclose information on their activities' impact on the climate. The database so far provides over 300 relevant tools and resources, including reference to existing legislation, frameworks, research papers, and webinars, which are related to the implementation of TCFD recommendations. The TCFD Knowledge Hub is accessible [here](#).

New landmark developments in sustainable finance within the European Union

2018 has seen two landmark new developments related to sustainable reporting and finance within the European Union. In January 2018, the High-Level Expert Group on Sustainable Finance issued its [final report](#), building on an industry-led consultation process. The Group called, among others, for establishing a European Union sustainability taxonomy, integrating environmental, social and governance factors into financial decision-making, and upgrading existing disclosure rules to better reflect sustainability risks. Based on these recommendations, the European Commission unveiled in March 2018 its [Action Plan on Sustainable Finance](#). This Plan encompasses a fitness check of the European Union Non-Financial Reporting Directive, with a view to alignment with the recommendations of the TCFD. Furthermore, a number of actions on strengthening sustainability disclosure and accounting rule-making are listed, including the revision of the Commission's guidelines on non-financial reporting.

IIRC: New network special interest group to drive integrated thinking

The International Integrated Reporting Council (IIRC) launched in June 2018 a new special interest group, [Integrated Thinking & Strategy](#), to “share thinking about developing strategy across multiple capitals, learn from world leaders and co-create a common world view of integrated thinking that is globally relevant to build resilient,

future-fit businesses”. The group’s partners are the Association of International Certified Professional Accountants, the Natural Capital Coalition, the Said Business School at University of Oxford, the Prince’s Accounting for Sustainability Project, and the World Bank.

WBA finalizes global stakeholder consultations process

The World Benchmarking Alliance (WBA), a new alliance of reporting stakeholders that seeks to identify and promote high-quality benchmarks for assessing the performance of companies on the SDGs, finalized its consultations process in June 2018. WBA is backed by Aviva Investors, the UN Foundation, Index Initiative, and the Business & Sustainable Development Commission. The consultation phase covered all continents, engaging stakeholders from both developed and developing countries, and summary documents for the WBA roundtables can be found [here](#).

IFRS Foundation – CFA Institute panel on the role of technology in financial reporting

The IFRS Foundation and the CFA Institute hosted a panel debate in June 2018 on the [potential of technology to transform the impact of financial information](#). The event considered both hopes and fears associated with the technological revolution: “The hope is that technology will help collect, sift and analyse the billions of bits of information that exist on companies and other assets, and on their customers, economic activity, trade flows, the weather—anything that influences stock, bond and derivative prices. The fear is simply that automation and machine learning, via artificial intelligence (AI), will replace [reporting practitioners].”

IFAC: continuing support for the development of professional accountancy organizations

The International Federation of Accounts (IFAC) launched in January 2018 a [self-assessment evaluation tool](#) for professional accountancy organizations (PAOs) to develop a strategy and practical approach to enhance the relevance of professional accountants in business. The tool covers topics in governance and strategy, capacity and people, knowledge and education, and member and stakeholder engagement. IFAC also issued in 2018 a new publication on [Principles for Effective](#)

[PAO Governance](#), which includes a self-assessment tool focusing on PAO's governance frameworks.

IOSCO Annual Conference: investment education to support resilience of capital markets

At its [Annual Conference](#) in May 2018, the International Organization of Securities Commissions (IOSCO) facilitated discussions on emerging developments and challenges for global capital markets. Among others, the Conference considered the role of investment protection and education in ensuring the resilience of capital markets amid technological change. As a result, IOSCO reviewed measures to prepare dedicated toolkits for both regulators and the investor community.



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