



ISAR Update – July 2024¹

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¹ This publication has not been formally edited.

The forty-first session of ISAR to be held in Geneva in November 2024

The forty-first session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting ([ISAR](#)) will take place at the Palais des Nations in Geneva, Switzerland from 6 to 8 November 2024. The session will deal with two main agenda items:

- Review of progress in harmonization and practical implementation of sustainability reporting, assurance and ethical considerations; and
- Integrating reporting on the financial and sustainability performance of entities: Leveraging digitalization

The forty-first session of ISAR will feature keynote addresses and panel presentations by high-level representatives of organizations that are playing leading roles in the area of sustainability reporting and related topics such as assurance, ethics and digital reporting. Discussions will be informed by background documents prepared by the Secretariat. These will be uploaded in due course on the UNCTAD-ISAR web site in all United Nations official languages. The session will also review the progress on implementing technical cooperation projects that support member States in meeting sustainability reporting requirements.

The forty-first session of ISAR is expected to: (i) adopt agreed conclusions on the topics discussed, and (ii) propose a provisional agenda for its forty-second session.

Participants are required to register for the session. Further information and updates on the forty-first annual session of ISAR, as well as a link to the registration platform can be accessed by clicking [here](#).

Consultative meeting on capacity-building needs for effective implementation of sustainability reporting requirements

UNCTAD is organizing a consultative meeting on capacity-building needs for effective implementation of sustainability reporting requirements on the 5 November 2024. The event will take place at the Palais des Nations in Geneva, Switzerland.

The objective of the meeting is to assess recent developments and identify key emerging issues and best practices for strengthening the regulatory, institutional, and human capacity required for high-quality sustainability reporting by listed and non-listed companies, including SMEs and institutional investors, and public sector entities. The outcome of the consultations will form the basis for updating the Accounting Development Tool (ADT) developed by ISAR.

Participants are required to register for the meeting. Further information and updates on this event, as well as a link to the registration platform can be accessed by clicking [here](#).

ISAR Honours 2024

The objective of the “ISAR Honours” is to raise awareness and disseminate best practices in sustainability and SDG reporting as an integral part of annual reporting by companies. The initiative aims to enhance the quality and comparability of companies' reports on their contributions to the 2030 Agenda for Sustainable Development and the SDGs. The ISAR Honours recognize initiatives that encourage enterprises to publish data on their sustainable development contributions and improve reporting on sustainability issues, including the integration of environmental, social, and governance (ESG) information into their reporting cycles.

UNCTAD has received 50 applications for the ISAR Honors 2024, representing national and international initiatives in sustainability and ESG reporting from across the world, including Africa, Asia, Europe, Eurasia, the Gulf Region and Latin America. The results will be announced during a ceremony that will be held within the framework of the forty-first session of ISAR. For more details, please visit: <https://unctad.org/isar/isar-honours-2024>

Progress on the implementation of technical cooperation projects

Since September 2023, UNCTAD, in partnership with the Federal Ministry for Economic Affairs and Climate Action of Germany (BMWK), has been implementing a pilot project to support Cameroon and Mexico to implement sustainability reporting standards, focusing on climate-change disclosure. The project also features a regional component providing benefits to countries in Africa and Latin America.

Cameroon completes assessment of financial and sustainability reporting infrastructure

In December 2023, UNCTAD launched a national assessment of the reporting infrastructure in Cameroon, based on the UNCTAD Accounting Development Tool (ADT). The aim was to monitor progress made since the ADT implementation. A brief overview was prepared in 2021-2022. Since then, the stakeholder base expanded to nearly 50 local and regional institutions, including, Organization for the Harmonization of Business Law in Africa (OHADA), Commission De Surveillance Du Marche Financier de l'Afrique (COSUMAF), the Bank of Central African States (BEAC), and Chartered Institute of Management Accountants (CIMA), enhancing the response rate and feedback quality for a more comprehensive analysis. The overall results were presented at a workshop organized by UNCTAD on 16 May 2024 in Yaoundé, Cameroon. During this workshop, a multistakeholder group, led by the Ministry of Finance of Cameroon and including local and regional institutions, discussed the strengths, gaps, and recommendations that emerged from the ADT assessment and proposed an action plan for further developments. The project contributed to strengthening the national infrastructure and advancing practices in ESG reporting, resulting in numerous applications from Cameroon to this year's UNCTAD ISAR Honors programme, highlighting the country's progress in SDG and sustainability reporting.

Mexico issues sustainability information standards for non-public interest entities

On 13 May 2024, the Mexican Accounting and Sustainability Standards Board (CINIF) organized a major event to announce the promulgation of its first two Sustainability Information Standards (NIS by its acronym in Spanish), aimed primarily at non-public interest entities (non-PIE). This marks the completion of the first phase of CINIF's strategy for issuing regulations on sustainability information. This output is a key deliverable of the pilot-project that UNCTAD has been implementing in Mexico in partnership with the Federal Ministry for Economic Affairs and Climate Action of Germany (BMWK).

NIS A-1 *Conceptual Framework for Sustainability Reporting Standards* sets out the basis for developing NIS and their application in preparing and disclosing an entity's sustainability information. It also outlines the quality requirements that this information must meet.

NIS B-1 *Core Sustainability Indicators* requires determining and disclosing 30 Core Sustainability Indicators (IBSO by its acronym in Spanish) without conducting a materiality analysis. These indicators represent universally applicable metrics that allow an entity to understand its sustainability status more clearly. The IBSOs serve as a starting point for identifying sustainability risks and opportunities, implementing necessary infrastructure within the organization to manage them, and establishing best sustainability practices. This output is substantially based on the *Guidance on Core Indicators for Sustainability and Impact Reporting* published by ISAR.

In stage 2 of the strategy, assuming entities have made progress in their transition towards sustainability, CINIF will continue issuing thematic NIS. These standards will focus on disclosure requirements on sustainability-related risks and opportunities, risk management systems, and sustainability-focused strategy and governance.

It is important to highlight that, as with the International Financial Reporting Standards (IFRS) used for preparing financial statements and their notes, CINIF is fully committed to aligning with IFRS sustainability disclosure standards. However, due to the low-level awareness about the importance of sustainability-related issues by entities and society in general, CINIF has established a staged implementation strategy. This approach aims to promote sustainability actions and generate knowledge through the disclosure of IBSOs, thereby driving business change and eventually establishing more comprehensive reporting requirements.

Key activities of Regional Partnerships for the Promotion of Sustainability Reporting in Africa, Asia, Eurasia, the Gulf States and Latin America

Africa

The Partnership held a virtual meeting in February 2024 and prepared input to the International Ethics Standards Board for Accountants (IESBA) on the Exposure Drafts the IESBA published in January 2024.

UNCTAD and IFAC are collaborating to organize a workshop for the Regional Partnership for the Promotion of Sustainability Reporting in Africa, scheduled for 13 September 2024 in Yaoundé, Cameroon. The meeting will be held in collaboration with leading international standard-setters, including the International Sustainability Standards Board (ISSB), IAASB, IESBA, and the Pan African Federation of Accountants (PAFA). It will bring together a broad spectrum of participants, including regulators, ministerial representatives, stock exchanges, Professional Accountancy Organizations (PAOs), trade representatives, and the academic community, to discuss the latest developments and build technical knowledge in sustainability reporting, International Standards on Sustainability Assurance (ISSA 5000), and IESBA standards for ethics. It will also focus on capacity-building, aiming to advance sustainable practices in the African region.

The key objectives of the workshop include facilitating of adoption and implementation of the ISSB Standards; enhancing readiness for high-quality sustainability assurance, including ethics and independence; bridging the expectations gap in sustainability assurance as well as advancing professional education and capacity building, emphasizing the role of PAOs in sustainability reporting initiatives. The Partnership was launched in January 2022 and currently comprises 58 members representing 29 countries in the region, along with 5 international and regional observers. If you are interested in participating in the meeting or joining the Partnership, please contact elena.botvina@un.org. For more details, please visit: [The African Regional Partnership for Sustainability and SDG Reporting](#) .

Asia

The Regional Partnership for the Promotion of Sustainability Reporting in Asia held a virtual meeting on 31 July 2024. During the meeting, participants reviewed recent developments in sustainability reporting across their countries, discussed the workplan for the current year, and assessed the need for and feasibility of organizing training sessions for Partnership members. The leadership and members agreed to meet in person in Geneva in November 2024 to finalize the workplan and outreach strategy, with the aim of expanding the Partnership.

Eurasia

The first meeting of the recently established Regional Partnership for the Promotion of Sustainability Reporting in Eurasian will be held on 3 October 2024 in Bishkek, Kyrgyzstan. The meeting aims to lay the foundation for the Partnership by engaging new members, adopting foundational documents, and approving the work plan for the coming year. The focus will be on sustainability disclosure standards and guidelines, as well as the exchange of practices and tools that facilitate the promotion of sustainability reporting. Members, observers, and other relevant stakeholders from the region who are interested in joining the partnership are invited to attend. The event will be hosted by the Financial Market Regulation and Supervision Service of the Ministry of Economy and Trade of the Kyrgyz Republic, which is currently chairing the Partnership. Launched in March 2024, the Partnership has already grown to include 11 members from six

countries and one regional observer. If you wish to participate in the meeting or join the partnership, please contact elena.botvina@un.org.

Gulf States and neighbouring countries

On 9 May 2024, the Regional Partnership for the Promotion of Sustainability Reporting in Gulf States and neighbouring countries was formally launched at the National Exhibition Centre in Abu Dhabi, the United Arab Emirates, during a working lunch hosted by the Saudi Organization for Chartered and Professional Accountants (SOCPA). On the same day, Partnership members participated in training sessions organized with the support of the AIM Congress. The sessions dealt with the current state of sustainability reporting in the Gulf States and neighbouring countries, practical implementation of sustainability reporting and assurance standards from practitioners' perspectives, and training on standards issued by the ISSB, including IFRS S1 and IFRS S2. Representatives of the Big Four accounting firms—Deloitte, EY, KPMG and PwC— shared valuable insights on strategies for preparing sustainability reports and related assurance engagements. The Partnership's next meeting will be held virtually in the autumn.

Latin America

The first meeting of the year for the Regional Partnership for the Promotion of Sustainability Reporting in Latin America took place virtually during 3-4 April 2024.

The second meeting took place virtually from 10 to 12 July 2024. The President of the Partnership, representing the Brazilian Committee for Sustainability Pronouncements (CBPS), provided an update on key actions carried out by standard setters in the areas of sustainability disclosure (ISSB), assurance standards (IAASB), and ethical and independence standards (IESBA). The session featured a presentation by CINIF, on its experience in issuing sustainability reporting standards for non-public interest entities. On the second day, participants received an explanation on the new tax planning standard issued by the IESBA, and an update on the proposed revision of international education standards by IFAC.

The next meeting is scheduled to take place from 29-30 October 2024 and will be in a hybrid format. The in-person component will be hosted by Brazil as part of the XXI FACPCS International Seminar on International Accounting Standards and Sustainability. Representatives of the IFRS Foundation are expected to attend.

Update on ISAR membership

On 9 April and 24 July 2024, the UN Economic and Social Council held elections to the ISAR Group as one of its subsidiary and related bodies. Brazil, Burundi, Kenya, Mexico, Uganda and Zambia were elected for a three-year term of office beginning on 1 January 2025.

ISAR consists of 34 formal members to serve three-year terms. Further information on this news item can be accessed [here](#).

News briefs

IASB issues an Exposure Draft with illustrative examples on climate-related and other uncertainties in the financial statements

On 31 July 2024, IASB published an Exposure Draft featuring illustrative examples on climate-related and other uncertainties in financial statements. This was issued in response to stakeholders' concerns about inconsistencies and lack of sufficient disclosure provided by entities. For more information, please click [here](#).

IPSASB developing the first public sector sustainability reporting standard

On 11 June 2024, the IPSASB announced that it would begin developing a Climate-related Disclosures standard. This standard will be the IPSASB's inaugural Sustainability Reporting Standard (IPSASB SRS™). By increasing transparency, it will enable governments and other public sector entities to make more informed decisions about their contributions towards addressing the climate emergency, hold them accountable for their interventions, and foster trust in their efforts. For more information, please click [here](#).

EFRAG releases additional ESRS Q&A Explanations

On 26 July 2024, EFRAG announced, the addition of two new explanations to its Compilation of Technical Explanations, that are designed to assist stakeholders in the implementation of the ESRS via the EFRAG ESRS Q&A Platform. The compilation contains 93 explanations. For more information, please click [here](#).

IAASB highlights benefits of a new audit standard for Less Complex Entities

On 10 July, IAASB highlighted the main benefits of the International Standard on Auditing (ISA) for Less Complex Entities. These include reduced complexity and time required for audits, a more accessible and understandable audit process, and maintained quality assurance despite simplified requirements. For more information please click [here](#).