

## Terms of Reference: ISAR Honours

### Background

1. UNCTAD services the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). Over the past few years, UNCTAD and ISAR have been working in the area of enhancing the comparability of sustainability reporting, and in particular in the selection of a limited number of core indicators for enterprise reporting, aligned with the Sustainable Development Goals (SDGs). In its deliberations, ISAR requested that UNCTAD advance its work and compile a guiding document on core indicators for SDG reporting, which could be used by both by companies as part of their reporting cycle, and by Governments to collect data and assess the private sector contribution on the SDG implementation.
2. In preparation for the thirty-fifth session of ISAR, which will take place from 24 to 26 October 2018, UNCTAD welcomes the opportunity to engage global enterprise reporting stakeholders in order to help identify, recognize and disseminate good institutional and capacity building practices on sustainability and the SDG reporting.

### Rationale and objective

3. **ISAR Honours** aims to support efforts on enhancing the quality of companies' reporting on their contribution to the 2030 Agenda for Sustainable Development, and its usefulness for monitoring the implementation of the SDGs. ISAR Honours will be awarded to policy, institutional or capacity-building initiatives in member States that facilitate improvements in companies' reporting on sustainability issues, including by promoting the integration of sustainability information such as environmental, social and governance (ESG) issues into companies' reporting cycle, as well as good practices on publishing and collecting data on companies' contribution to the attainment of the SDG. ISAR Honours will help to raise awareness of achievements as well as challenges in this important area

### Content

4. The ISAR Honours winner will be identified based on the following considerations:
  - i. *It will be a policy, institutional or capacity building initiative* at the national level, aimed:
    - to encourage or assist enterprises to publish data on their contribution to the implementation of 2030 Agenda for Sustainable Development;
    - and/or to assist Governments in assessing the private sector contribution to the implementation of the SDGs.
  - ii. Examples include a regulation or guidance on sustainability reporting and the SDGs; a depository or database initiative to compile reports that comply with the metadata requirements; etc.

iii. Detailed selection criteria are available in Annex I.

5. Any organization in the public and the private sector engaged in the agenda on enterprise reporting can submit its nomination. Organizations could include, among others, Government agencies (e.g. regulatory entities for financial and/or non-financial reporting), Professional Accountancy Organizations, academic institutions, enterprises, investors, etc.
6. The ISAR Honours will be announced publicly at the thirty-fifth session of ISAR, which will take place in Geneva from 24 to 26 October 2018. The winners will have the opportunity to share their experience as part of a dedicated panel during the session. The ISAR Honours will not endorse any specific initiative or organization.

### **The process**

7. The UNCTAD secretariat will prepare a dedicated website with information on the ISAR Honours initiative. The information will include a version of the Honours Terms of Reference, the Nomination Form, as well as additional information on the selection process, including time-frame and the Honours ceremony.
8. The call for nominations will be issued in March 2018 through the ISAR network and other means of outreach to the potential candidates. Nominations will be accepted until 31 May 2018.
9. The UNCTAD secretariat will conduct an initial screening of the nominations to ensure that the nominations are presented by eligible candidates, that templates are properly filled, and that supporting evidence is provided.
10. The UNCTAD secretariat will establish a Review Committee consisting of several distinguished international experts in the area of sustainability reporting and SDGs. The objective of the Committee will be to advise UNCTAD on the selection of national best practices as the ISAR Honours candidates, based on the received nominations. The Review Committee acts on an *ad honorem* basis.
11. Committee members will be expected to rate the nominations according to the set of selection criteria outlined in Annex I, and to identify one or more winners out of up to ten top nominations, on a consensus basis. The work will be done remotely and will not involve any travel commitments. The final decision may require a conference call arrangement. The selection and the Honours nomination will be conducted during the period of 1 July to 30 September 2018, in coordination with Review Committee members' agendas. The UNCTAD secretariat will support Committee members in the process, in the interest of rationalizing the time investment.
12. The Honours will be delivered at an official ceremony at the thirty-fifth session of ISAR, in Geneva.

## **Expected impact**

13. It is expected that the ISAR Honours will contribute to collecting and raising awareness of good practices on sustainability and SDG reporting and facilitating their dissemination. It will help assist in developing national case studies and enhancing stakeholder dialogue. It will also facilitate reporting by countries on the SDG 12.6. and 12.6.1.

## **Timeline**

14. The tentative timeline is as follows:

- March: announcement of the ISAR Honours initiative
- March – 23 June: submissions of the nominations
- 24 June – 1 July: pre-screening by UNCTAD
- 1 July – 30 September: Selection by the Review Committee
- 25 October: Announcement of the winner(s) and the ISAR Honours ceremony

## Annex I

<b>Selection criteria for ISAR Honours</b>
1. Does the initiative contribute to the harmonization of enterprise sustainability/SDG reported data and the improvement of their quality?
2. Does the initiative contribute to better consistency of financial and non-financial information?
3. Does the initiative facilitate integration of sustainability information into companies' reporting cycle?
4. Does the initiative contribute to consensus-building among the main reporting stakeholders at the national level?
5. Does the initiative help the country collect useful and reliable data to report on the private sector contribution towards the implementation of the SDGs?
6. Does the initiative contribute towards measurement of SDG indicator 12.6.1 <i>Number of companies publishing sustainability reports</i> ?
7. Does the initiative address issues of practical implementation?
8. Does the initiative specify a scope, time-frame and resources?
9. Does the initiative contain an impact assessment mechanism and methodology?
10. Is the initiative applicable to other countries?