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Agenda paper 8

# IFRS Advisory Council

## 12 October 2022

# Capacity building in developing and emerging economies

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# Rationale

- Finance is the cornerstone for implementing climate actions and a catalyst for progress on all aspects of the global climate agenda - hence it has been at the heart of the UNFCCC process and the Paris Agreement negotiations
- COP 26 outcomes also reiterated the centrality of finance as a catalyst for progress on all aspects of the global climate agenda and many Parties demonstrated the political will to deliver on finance commitments
- ISSB aim is to introduce a truly global baseline of sustainability disclosures to meet the needs of capital markets, which will enhance transparency, accountability, efficiency and comparability across the market
- The ISSB recognizes that the early adoption of IFRS Sustainability Disclosure Standards by developing and emerging market economies and companies has the potential to attract more investment and to boost private sector development in such markets.

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# Approach

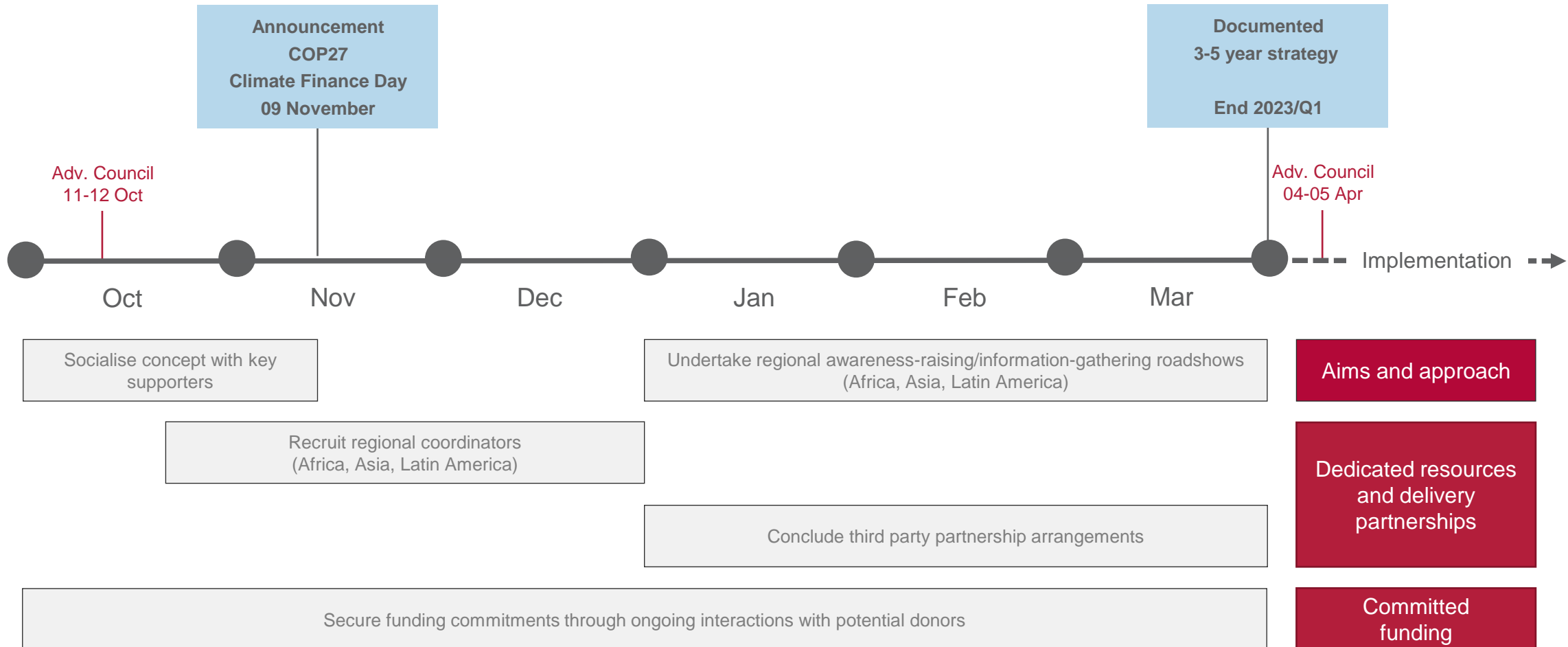
- The ISSB is committed to working closely with stakeholders (including governments, multi-laterals and civil society organisations) to provide strong advisory and capacity building support to accelerate inclusion in the standards development and implementation process
- Our aim is to achieve early adoption of the ISSB standards in developing and emerging economies via a 5-year action-focussed Partnership Framework to support adoption of a truly global sustainability baseline with a focus on the global south
- Co-creative approach that responds to requirements identified by markets themselves – ref. a possible 'menu of strategies' rather than 'one size fits all' response - focus on, e.g.:
  - Market practitioners (i.e., reporters/investors)
  - Policy makers/regulators/standard setters - institutional capacity to provide for efficient market operations

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## Key elements

1. **Core capacity building program** that applies to all, including learning and feedback sessions on the ISSB, standards overview, implementation support etc – aimed at providing a level playing field for market participants globally to use the ISSB standards, initially voluntarily
2. **Tailored jurisdictional engagement** in selected developing and emerging economies, considering market conditions and sophistication, infrastructure, regulatory and legal alignment, language etc
3. **Structured partnerships**, that leverage organisations with specialist expertise (thematic, industry, jurisdictional) to build local expertise for standards implementation and assurance
4. **Key initiatives and champions** across multi-stakeholder communities and jurisdictions that help translate the ISSB ambition into tangible plans
5. **Resources and partnerships, enabling ISSB to address capacity gaps in developing and emerging economies, achieve early adoption and high-quality implementation globally.**

# Timeline



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## Key core team members



**Jingdong Hua**  
ISSB Vice Chair



**Ndidi Nnoli-Edozien**  
ISSB member



**Mardi McBrien**  
Director of Strategic Affairs



**Mike Zimonyi**  
Director of Public Affairs

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## Questions for consideration

IFRS Advisory Council members invited to offer:

- Feedback and advice on approach, including insights on potential challenges
- Prioritisation of target jurisdictions
- Commitments of support/delivery partnerships in taking the initiative forward

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Thank you

