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

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

Tuesday, 5 November 2024

**Human capacity-building requirements for achieving high-
quality sustainability reporting; considerations for entities
in the public sector and SMEs**

Presented by

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Consejo Mexicano de Normas de Información
Financiera y de Sostenibilidad



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Human capacity-building requirements for achieving high-quality sustainability reporting in Mexico; considerations for entities in the public sector and SMEs

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Geneva, November 5, 2024

Main subject areas that require human capacity building for effective implementation of sustainability reporting requirements

AREA	SUBJECT
■ Accounting and Finance	<ul style="list-style-type: none">■ Determination of sustainable performance metrics■ Establishment of ESG risk management scheme■ Analysis of financial materiality of ESG risks■ Application of IFRS S1 and IFRS S2 sustainability standards and local sustainability standards
■ Environmental engineering	<ul style="list-style-type: none">■ Determination of environmental performance metrics■ Identification and monitoring of environmental risks
■ Human capital	<ul style="list-style-type: none">■ Determination of social performance metrics■ Identification and monitoring of social risks
■ Corporate governance	<ul style="list-style-type: none">■ Determination of governance performance metrics■ Identification and monitoring of governance risks

Good practices for meeting the emerging needs for competencies on the subject matter



ORGANIZATION	GOOD PRACTICES
■ CINIF	<ul style="list-style-type: none">■ Is carrying out forums on sustainability issues for all its members: regulators, business associations, professional associations and university associations■ Is conducting training courses for trainers■ Is preparing support materials for implementing sustainability standards
■ Academic institutions	<ul style="list-style-type: none">■ Are modifying their study plans to implement them transversally in different careers: accounting and finance, engineering, law, etc.
■ Mexican Institute of Public Accountants	<ul style="list-style-type: none">■ Will require CPAs to include training on sustainability disclosure standards to obtain/renew their continuing professional development certification

Main considerations for meeting requirements on topics such as assurance and ethics

ORGANIZATION	GOOD PRACTICES
<ul style="list-style-type: none">■ Mexican Institute of Public Accountants	<ul style="list-style-type: none">■ Will adopt International Standard on Sustainability Assurance 5000 (ISSA 5000) of IAASB■ Will adopt new IESBA Code of Ethics

Innovative approaches to supporting SMEs with implementation of sustainability reporting requirements



ORGANIZATION	INNOVATIVE APPROACHES
<div><div>■ CINIF</div><div>Sustainability standards:</div></div>	<ul style="list-style-type: none">■ <i>A step-by-step strategy for Non-Public Interest Entities (SMEs are included) on sustainability reporting.</i>■ <i>The first sustainability standards to be implemented in 2025:</i><ul style="list-style-type: none">○ <i>Will require disclosure of 30 ESG metrics</i>○ <i>The metrics are based on “UNCTAD Guidance on Core Indicators” and aligned with IFRS, SASB, ESRS and GRI</i>
<div><div>■ CINIF</div><div>Supporting in the implementation of sustainability standards:</div></div>	<ul style="list-style-type: none">■ <i>Is developing:</i><ul style="list-style-type: none">○ <i>Support materials for implementing sustainability standards</i>○ <i>Calculator for greenhouse gases adapted to Mexico’s emission factors, “free use”</i>○ <i>Electronic platform to identify protected biodiversity zones and water-stressed areas, free use</i>

Challenges that entities in the public sector could encounter in implementing globally recognized sustainability reporting and assurance frameworks and standards - What can be done to address the challenges?



ORGANIZATION	CHALLENGES/ACTIONS
<ul style="list-style-type: none">Federal government challenges	<ul style="list-style-type: none">Understanding sustainability issuesThere are government companies that are not sustainable: i.e. PEMEX – state oil company and changing them requires significant investmentsThe process of adopting standards applicable to public entities is very long
<ul style="list-style-type: none">Federal government actions	<ul style="list-style-type: none">It created a national Sustainability Finance Committee (SFC) integrated by:<ul style="list-style-type: none">Ministry of Finance and Public CreditCentral BankSecurities, banking, insurance and pension funds regulatorsSFC is analyzing when and how to adopt sustainability standards for public sector entities



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THANK YOU!