



POLICY BRIEF

Navigating IFRS S1 and S2 Implementation Challenges in Ghana: Executive Experiences and Strategic Solutions

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EXECUTIVE SUMMARY

Policy Goal: Enable successful IFRS S1 and S2 implementation in Ghana through coordinated institutional support, capability development, and infrastructure investment, positioning Ghana as a regional leader in sustainability reporting by 2028.

The Challenge: Ghana exhibits high sustainability awareness (82%) yet critically low implementation readiness (46.6%)—a 35.4% gap driven by institutional voids creating fundamentally different barriers than developed markets.

Key Finding: An empirical study drawing on insights from 24 senior executives across multiple sectors highlights six interconnected barriers: regulatory fragmentation; critical climate-accounting expertise deficits; inadequate data infrastructure; substantial capital commitments with uncertain returns; systemic integration complexity; and limited assurance capacity without legal frameworks.

Strategic Recommendation:

- Unified regulatory framework coordinating Bank of Ghana, SEC, and Ghana Stock Exchange
- National capability building through ICAG creating hybrid expertise
- Shared sector-specific templates and implementation tools
- Assurance infrastructure with international standards adoption
- ICAG-led National Coordination Committee by Q2 2026

Navigating IFRS S1 and S2 Implementation Challenges in Ghana: Detailed Policy Framework

This section provides a comprehensive analysis of Ghana's current readiness for IFRS S1 and S2 sustainability reporting, drawing on empirical insights from senior executives across multiple sectors. It identifies systemic barriers in regulatory coordination, human capital, data infrastructure, capital investment, integration complexity, and assurance capacity, and proposes strategic, evidence-based solutions for overcoming these challenges. The framework is designed to guide ICAG, regulators, industry associations, and professional bodies in implementing a coordinated, phased, and sector-sensitive adoption strategy that builds national capability, strengthens institutional infrastructure, and positions Ghana as a regional leader in sustainability reporting by 2028.

Policy Goal

Enable successful implementation of IFRS S1 and S2 sustainability disclosure standards in Ghana through coordinated institutional support, capability development, and infrastructure investment, positioning Ghana as a regional leader in sustainability reporting by 2028.

The Challenge

While 15 jurisdictions representing nearly half of global emissions have adopted IFRS S1 and S2 standards, little is known about implementation experiences in developing economies. Ghana shows high sustainability awareness (82%) but low implementation readiness (46.6%), revealing a critical gap between knowledge and capability. Developing economies face institutional voids including regulatory fragmentation, absent professional infrastructure, inadequate data systems, and limited expertise that create fundamentally different implementation barriers than developed markets. Understanding how senior executives navigate these challenges is essential for supporting successful adoption in resource-constrained environments.

Research Evidence

This study engaged 24 senior executives (8 CEOs, 9 CFOs, 3 Chief Risk Officers, 4 Sustainability Directors) across Ghana's financial services, extractives, manufacturing, infrastructure, renewable energy, and professional services sectors. Semi-structured interviews lasting 60-90

minutes explored implementation challenges, organizational change needs, resource decisions, and stakeholder coordination.

Key Findings

Interviews with 24 senior executives across Ghana's diverse economic sectors reveal six interconnected barriers demonstrating that successful IFRS S1 and S2 adoption requires comprehensive institutional transformation, not incremental reporting adjustments. These barriers span four critical dimensions: regulatory architecture, human capital, technical systems, and professional infrastructure.

Regulatory fragmentation across supervisory authorities: Bank of Ghana, SEC, and Ghana Stock Exchange operate independent sustainability reporting frameworks without baseline harmonization, resulting in overlapping compliance requirements and implementation uncertainty for reporting entities navigating multiple regulatory pathways.

Critical expertise deficits in specialized skill combinations: Organizations require interdisciplinary competencies integrating climate science with accounting expertise. These capabilities are absent in Ghana's current professional labour market, while existing training infrastructure lacks the curriculum depth and technical rigour necessary for IFRS S1 and S2 compliance.

Fundamental data infrastructure inadequacies: Current information systems lack the architectural capacity to capture, measure, and report requisite sustainability metrics including Scope 3 greenhouse gas emissions. This necessitates comprehensive technology infrastructure transformation rather than incremental system enhancements.

Substantial capital commitments amid uncertain value realization: IFRS S1 and S2 implementation demands multi-million-dollar, multi-year investments that compete directly with operational priorities. Conventional cost-benefit analytical frameworks prove inadequate for evaluating mandatory compliance expenditures.

Systemic integration complexity beyond disclosure addition: Effective sustainability reporting integration requires simultaneous transformation of reporting processes, governance architectures, and board-level oversight capabilities. This represents comprehensive organizational change rather than supplementary disclosure requirements.

Limited assurance capacity: Organizations face credibility challenges as sustainability assurance expertise is concentrated among few international firms, limiting market capacity and accessibility, while legal liability frameworks governing reporting accuracy and completeness remain absent.

Policy Recommendations

- 1. Establish Unified Regulatory Framework** – Create coordinated governance structure integrating Bank of Ghana, SEC, and Ghana Stock Exchange requirements with harmonized timelines, clear enforcement mechanisms, and single implementation roadmap.
- 2. Develop National Capability Building Program** – Establish professional development programs through ICAG creating hybrid expertise combining climate science with financial reporting; develop certification pathways and national training curriculum.
- 3. Create Shared Sector Implementation Templates** – Develop standardized sustainability reporting templates, data collection frameworks, and sector-specific disclosure guides through ICAG addressing industry variations in materiality, metrics, and reporting requirements.
- 4. Create Assurance Framework and Provider Market** – Adopt and contextualize international sustainability assurance standards for Ghana; establish quality benchmarks for assurance providers; create regulatory oversight and legal frameworks for liability.
- 5. Implement Phased Sector-Specific Support** – Provide tailored assistance recognizing sectoral variations, with intensive support for lagging sectors and peer-learning platforms leveraging leading sectors.
- 6. Establish National Sustainability Reporting Implementation Committee** – Create multi-stakeholder technical working group including regulators, ICAG, industry associations, and academic institutions to oversee implementation, address emerging challenges, and facilitate knowledge sharing.

Critical Success Factors

- Regulatory Coordination – Multi-agency governance with clear mandates, coordinated timelines, and unified enforcement eliminating fragmentation.
- Simultaneous Capability Development – Concurrent investment in skills, infrastructure, and governance rather than sequential approaches.
- Professional Infrastructure Investment – Sustained commitment to hybrid expertise, assurance markets, and auditing standards through coordinated support.
- Stakeholder Engagement – Transparent communication of challenges, realistic timelines, and collaborative problem-solving across organizations and regulators.
- Resource Mobilization – Access to financing for sustainability infrastructure, shared platforms, and targeted SME assistance.

Call to Action

[1] ICAG need to leverage its position as the intermediary between international standard-setters and Ghanaian organizations, to harmonize requirements across regulatory bodies (Bank of Ghana, SEC, Ghana Stock Exchange, NIC) and ensure coherent implementation.

[2] ICAG need to develop Sustainability Reporting Capability Program to address expertise gaps through certification pathways and training curricula. Program must simultaneously develop technical skills, governance capabilities, and assurance competencies.



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