AGENDA ITEM 13

CLIMATE-RELATED DISCLOSURES

IPSASB Meeting – September 2023
Celine Chan, Senior Manager
Zurich, Switzerland
AGENDA

1. Project Plan and Timeline
2. Key Sustainability Concepts and Terms
Timeline for ED development

Agenda Item 13.2.1

Q4 2023
- Objective and Scope
- Conceptual Foundations*

Q1 2024
- Governance
- Strategy
- Impact and Risk Management

Q2 2024
- Metrics and targets
- General Requirements*
- Effective date and Transition

Q3 2024
- IPSASB Approval of draft ED

*Staff will incorporate general sustainability-related foundational concepts in this project, until a general sustainability-related disclosure project commences. Conceptual Foundations include materiality, and General requirements includes sources of guidance, timing and location of reporting, judgments, measurement and errors.
Approach to sustainability standards development

**Agenda Item 13.2.1**

**Build off international guidance**
- Staff develop standard drawing from ISSB, GRI, and other international guidance

**Board Education Session**
- Subject matter expert provides education session on key issues in advance of Board review and approval

**TWG and SRG Meetings**
- Staff discuss key public sector issues and recommendations to the Board with TWG and SRG

**Board Review and Decisions**
- Board review focused on critical public sector issues supported by TWG/SRG recommendations and education sessions
Agenda Item 13.2.1

Approach to sustainability standards development

Build off international guidance

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Consultation Paper and Feedback

IPSASB Conceptual Framework

Global Reporting Initiative (GRI)

International Sustainability Standards Board (ISSB)
Approach to sustainability standards development

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Board Education Session

• Subject matter expert provides education session on key issues in advance of Board review and approval and other sustainability standard setters…
Approach to sustainability standards development

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Sustainability Reference Group

- High level strategic advice
- Members/observers include:

1. SRG Chair, Scott Showalter
2. Alessandra Alfieri, UNCEEA
3. Andrew Blazey, OECD
4. Anne-Claire Howard, UNOPS
5. Patrick Kabuya, World Bank
6. Maia Kutner, CDP
7. Emily McKenzie, TNFD
8. Marcos Neto, UNDP
10. Heather Taylor, A4S Circle of Practice
11. Karma Tenzin, INTOSAI Development Initiative
13. Forum of Firms
14. Paul Munter, SEC (observer)

- Meet quarterly; first meeting October 4th 7AM-9AM ET

TWG and SRG Meetings

- Staff discuss key public sector issues and recommendations to the Board with TWG and SRG
Climate Topic Working Group

- Project specific technical discussion and recommendations
- 2 meetings per quarter, first meeting October 18th
- Members/observers include:
  - TWG Chair, Ian Carruthers
  - IPSASB representative, Liang Yang
  - International sustainability standard setters and national standard setters in advanced stages of climate-related disclosures standard setting (discussion on individual representatives still in progress)

TWG and SRG Meetings

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Approach to sustainability standards development

Sustainability Implementation Forum

- A forum to engage:
  - preparers,
  - standard setters,
  - assurance providers and
  - other interested parties including indigenous peoples.

- Solicit feedback and discuss key implementation issues
- Engage strategically on an as needed basis
- First meeting/webinar expected in 2024
- Membership to develop over time

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• Reviewed IFRS S1 and S2 key initial sustainability reporting concepts

• Follow IPSASB Sustainability Scoping Framework and consider IPSASB’s “Process for Reviewing and Modifying IASB Documents”

• Public sector proposed modifications based on:
  – IPSASB Conceptual Framework
  – Other IPSASB Literature

• Note: This is not a comprehensive list. Proposals are for some initial key concepts and terms. Additional concepts and terms will be presented in future quarters.

Recommendation

• Revise private sector term for business model to operational model

• Align definitions with IPSASB Conceptual Framework for:
  • General Purpose Financial Reports
  • Primary users of GPFRs
  • Reporting entity
  • Value chain
## Agenda Item 13.2.2

**Public Sector Sustainability Reporting Concepts and Terms**

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<tr>
<th>Proposed Term</th>
<th>Rationale</th>
<th>Proposed Definition</th>
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<tr>
<td>Operational Model</td>
<td>Based on ‘operation’ as used in IPSAS 40, <em>Public Sector Combination</em></td>
<td>An entity’s system of transforming inputs through its activities into outputs and outcomes that aims to fulfill the entity’s objectives, by providing goods and/or services</td>
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<td>General purpose financial reports</td>
<td>Based on IPSASB Conceptual Framework Chapter 2: Objectives and Users of General Purpose Financial Reports</td>
<td>Reports that provide <em>financial and non-financial</em> information about a reporting entity that is useful to primary users in making decisions and to enable accountability. General purpose financial reports include—but are not restricted to—an entity’s general purpose financial statements and sustainability-related disclosures.</td>
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<tr>
<td>Primary users of GPFRs</td>
<td>Based on IPSASB Conceptual Framework Chapter 2: Objectives and Users of General Purpose Financial Reports</td>
<td>Existing and potential service recipients and their representatives and resource providers and their representatives.</td>
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<td>Reporting entity</td>
<td>Based on IPSASB Conceptual Framework Chapter 4: Reporting Entity</td>
<td>A government or other public sector organization, program or identifiable area of activity that prepares general purpose financial reports.</td>
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<td>Value chain</td>
<td>Reflects changes for:</td>
<td>The full range of interactions, resources and relationships related to a reporting entity’s operational model and the external environment in which it operates.</td>
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<td>- Change from business model to operational model</td>
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<td></td>
<td>- Public sector focus on service and/or product delivery versus sales in private sector</td>
<td>A value chain encompasses the interactions, resources and relationships an entity uses and depends on to create its products or services from conception to delivery, consumption and end-of-life, including interactions, resources and relationships in the entity’s operations, such as human resources; those along its supply, marketing and distribution channels, such as materials and service sourcing, and service and/or product delivery; and the financing, geographical, geopolitical and regulatory environments in which the entity operates.</td>
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