

**Meeting:** International Public Sector Accounting  
Standards Board

**Meeting Location:** Toronto, Canada

**Meeting Date:** December 5–8, 2023

## Agenda Item 3

For:

☐ Approval














☒ Discussion


☐ Information

### NATURAL RESOURCES

<b>Project summary</b>	The objective of the Natural Resources project is to research and address issues relating to the potential recognition and measurement of natural resources.	
<b>Project staff lead</b>	<ul style="list-style-type: none"> <li>Edwin Ng, Principal</li> </ul>	
<b>Task force members</b>	<ul style="list-style-type: none"> <li>Renée Pichard, IPSASB Member (Task Force Chair)</li> <li>Maik Esser-Müllenbach, IPSASB Member</li> <li>Hervé-Adrien Metzger, IPSASB Member</li> <li>Patricia Siqueira Varela, IPSASB Member</li> <li>Andrew van der Burgh, IPSASB Member</li> <li>Henning Diederichs, IPSASB Technical Advisor</li> </ul>	
<b>Meeting objectives</b>	<b>Topic</b>	<b>Agenda Item</b>
<b>Project management</b>	<a href="#">Exposure Draft Dashboard</a>	<a href="#">3.1.1</a>
	<a href="#">Decisions up to Previous Meeting</a>	<a href="#">3.1.2</a>
	<a href="#">Instructions up to Previous Meeting</a>	<a href="#">3.1.3</a>
	<a href="#">Natural Resources: Project Roadmap</a>	<a href="#">3.1.4</a>
<b>Decisions required at this meeting</b>	<a href="#">Natural Resources – Revised Recognition Criteria</a>	<a href="#">3.2.1</a>
	<a href="#">Natural Resources Held for Conservation</a>	<a href="#">3.2.2</a>
	<a href="#">Natural Resources – Revised Measurement Guidance</a>	<a href="#">3.2.3</a>
	<a href="#">Natural Resources – Location of Guidance</a>	<a href="#">3.2.4</a>
	<a href="#">Natural Resources – Display and Disclosure Proposals</a>	<a href="#">3.2.5</a>
	<a href="#">Natural Resources – Transitional Provisions</a>	<a href="#">3.2.6</a>
	<a href="#">Natural Resources – Amendments to Other IPSAS</a>	<a href="#">3.2.7</a>
	<a href="#">Proposed Topics for Implementation Guidance and Illustrative Examples</a>	<a href="#">3.2.8</a>
<b>Other supporting items</b>	<a href="#">[Draft] IPSAS [X] (ED XX), <i>Natural Resources</i></a>	<a href="#">3.3.1</a> (Posted Separately)

**NATURAL RESOURCES:  
EXPOSURE DRAFT DASHBOARD**

Topic	Past Meetings	December 2023	March 2023	June 2024
<b>Overall Project Management</b>				
Project Planning	✓			
Review and Approval of Natural Resources ED				
<b>Natural Resources – Authoritative Text</b>				
Objective & Scope	✓			
Definitions	✓			
Recognition				
Measurement				
Presentation & Disclosure				
Effective Date & Transition				
Application Guidance				
Amendments to Other IPSAS				
<b>Natural Resources – Non-Authoritative Text</b>				
Basis for Conclusions				
Implementation Guidance				
Illustrative Examples				

<b>Legend</b>	
✓	Task Completed
	Planned IPSASB Discussion
	Page-by-page Review

**DECISIONS UP TO PREVIOUS MEETING**

Meeting	Decision	BC Reference
September 2023	1. A natural resource should be defined as a naturally occurring item which embodies service potential or the capability to generate economic benefits.	1. See paragraphs BC5-BC11 in Agenda Item 3.3.1.
June 2023	1. The proposed revised project timeline was appropriate	1. Project management only. No BC required.
March 2023	1. The delineation between natural and other resources is necessary.	1. This decision has been superseded. See September 2023 above.
March 2023	2. An ED on the financial reporting of natural resources within the general purpose financial statements should be developed.	2. See paragraph BC3 in Agenda Item 3.3.1.
March 2023	3. A separate ED for the costs of exploration, evaluation, and extraction activities, aligned with IFRS 6, <i>Exploration for and Evaluation of Mineral Resources</i> , and IFRIC 20, <i>Stripping Costs in the Production Phase of a Surface Mine</i> , should be developed.	3. See Agenda Item 7.
March 2022	1. All decisions made up to March 2022 were reflected in the Consultation Paper, <i>Natural Resources</i> .	1. All decisions made up to March 2022 were reflected in the Consultation Paper, <i>Natural Resources</i> .

**INSTRUCTIONS UP TO PREVIOUS MEETING**

Meeting	Instruction	Actioned
September 2023	1. Streamline the Basis for Conclusions relating to the development of the definition of natural resource	1. See Agenda Item 3.3.1.
September 2023	2. Consider further, drawing on the argumentation and preliminary views in the Consultation Paper and responses from constituents, whether the proposed guidance on natural resources should be located in a separate, standalone standard or be incorporated into existing standards as amendments.	2. See Agenda Items 3.2.2 and 3.2.4.

**NATURAL RESOURCES:  
PROJECT ROADMAP**

<b>Meeting</b>	<b>Completed Actions or Discussions / Planned Actions or Discussions:</b>
March 2020	<ol style="list-style-type: none"> <li>1. Project Brief approval</li> <li>2. Commencement of Consultation Paper (CP) development</li> </ol>
March 2022	<ol style="list-style-type: none"> <li>1. Approval of CP (Published May 9, 2022)</li> </ol>
December 2022	<ol style="list-style-type: none"> <li>1. CP comment period (Ended October 17, 2022)</li> </ol>
March 2023	<ol style="list-style-type: none"> <li>1. Review of responses to the CP</li> </ol>
June 2023	<ol style="list-style-type: none"> <li>1. Development of Exposure Draft (ED) on the financial reporting of natural resources</li> </ol>
September 2023	<ol style="list-style-type: none"> <li>1. Discussion of issues</li> <li>2. Development of Exposure Draft (ED) on the financial reporting of natural resources</li> <li>3. Development of ED on alignment with IFRS 6 and IFRIC 20 (See Agenda Item 16)</li> </ol>
December 2023	<ol style="list-style-type: none"> <li>1. Discussion of issues</li> <li>2. Development of Exposure Draft (ED) on the financial reporting of natural resources</li> <li>3. Development and approval of ED on alignment with IFRS 6 and IFRIC 20 (See Agenda Item 7)</li> </ol>
March 2024	<ol style="list-style-type: none"> <li>1. Approval of ED on the financial reporting of natural resources</li> </ol>

## **Natural Resources – Revised Recognition Criteria**

### **Question**

1. Does the IPSASB agree with the proposed revised recognition criteria for natural resources?

### **Recommendation**

2. The Task Force recommends the following recognition criteria:  
“An entity shall recognize a natural resource asset if, and only if:  
(a) The entity controls the natural resource as a result of past events;  
(b) It is probable that future economic benefits or service potential associated with the natural resource will flow to the entity; and  
(c) The natural resource can be measured reliably.”

### **Background**

3. At the September 2023 IPSASB meeting, staff proposed recognition criteria for natural resources based largely on the criteria for recognizing intangible assets, as well as accounting for recognized natural resource assets using existing IPSAS based on their intended use. IPSASB members generally agreed that certain natural resources that meet the asset recognition threshold could fall within the scope of existing IPSAS.
4. However, some members questioned whether the recognition criteria should be based on those for intangible assets, especially if the proposed accounting is aligned with the accounting for tangible assets such as inventories, property, plant, and equipment (PP&E), investment property, biological assets, or agricultural produce. Other members questioned if the proposed recognition approach is consistent with the preliminary views in the Natural Resources Consultation Paper (CP) and constituent’s comments.
5. Staff worked with the Natural Resources Task Force (the Task Force) to reconsider the recognition proposals for the above issues. This paper summarizes the Task Force’s analysis and recommendation.

### **Analysis**

6. The Task Force noted that in the CP, the IPSASB included a preliminary view that the recognition of natural resources should be based on the recognition criteria in The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (the Conceptual Framework). Per paragraphs 6.2 and 6.3 of the Conceptual Framework, all items that satisfy the following recognition criteria are recognized in the general purpose financial statements (GPFS):  
(a) The item satisfies the definition of an element<sup>1</sup>; and  
(b) The item can be measured in a way that achieves the qualitative characteristics and takes account of constraints on information in the General Purpose Financial Reports (GPFs).

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<sup>1</sup> For natural resources, the relevant element is an asset. Paragraph 5.6 of the Conceptual Framework defines an asset as “a resource presently controlled by the entity as a result of past events.”

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7. 86% of respondents either agreed (70%) or partially agreed (16%) with the preliminary view that natural resources which meet the recognition criteria in the Conceptual Framework should be recognized in the GPFS. This level of support indicates that the asset recognition criteria from the Conceptual Framework should be carried forward to the Natural Resources Exposure Draft (ED).
8. To see how the recognition criteria from the Conceptual Framework was operationalized in the existing IPSAS for tangible assets, the Task Force looked to the recognition criteria in IPSAS 12, *Inventories*, IPSAS 45, *Property, Plant, and Equipment*, IPSAS 16, *Investment Property*, and IPSAS 27, *Agriculture*. An excerpt of these criteria is included in Appendix A of this paper.

### *Future Economic Benefits or Service Potential and Ability to be Reliably Measured*

9. The Task Force noted that other than editorial differences, IPSAS 45, IPSAS 16, and IPSAS 27 all share the following recognition criteria:
  - (a) It is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
  - (b) The asset can be reliably measured.
10. Criterion 9(a) partially reflects the definition of an asset while criterion 9(b) reflects the requirement for an item to be measurable in a way that achieves the qualitative characteristics and takes account of constraints on information in the GPFs. To incorporate the recognition criteria from the Conceptual Framework, the Task Force recommend including both criteria 9(a) and 9(b) into the Natural Resources ED.

### *Control as a Result of Past Events*

11. In addition to the recognition criteria noted in paragraph 9, for a biological asset or agricultural produce to be recognized as an asset, IPSAS 27 explicitly requires the item to be controlled by the entity as a result of past events. This requirement reflects the control aspect of the definition of an asset in the Conceptual Framework and is especially important for biological assets as their biological transformation can potentially result in changes to the asset or the creation of new assets that impact the assessment of control.
12. The Task Force noted that although control resulting from past events is not listed as an explicit requirement for recognition in IPSAS 45 and IPSAS 16, the core text and application guidance in both standards explain that an entity must control an item of PP&E or investment property in order for the item to be recognized as an asset. The IPSASB also included additional authoritative and non-authoritative guidance on the assessment of control when IPSAS 45 was developed.
13. The Task Force also noted that during the development of the CP, the IPSASB considered control as a result of past events to be a key issue impacting the recognition of natural resources as assets in the GPFS. Unlike PP&E, investment property, inventories, or intangible assets where the determination of control is relatively straight forward when an entity incurs cost to acquire, develop, or construct the asset, the IPSASB noted that the assessment of control for natural resources is more complex and will require the application of judgement to facts and circumstances specific to each resource. Many respondents agreed with this view and commented that it may be difficult for an entity to demonstrate that it truly controls a natural resource.
14. As a result, the Task Force recommends including the requirement for an entity to control a natural resource as a result of past events as an explicit recognition criterion in the ED.

*Consideration of IPSAS 12, Inventories*

15. The Task Force noted that IPSAS 12 does not have explicit recognition criteria, as the standard and its private sector counterpart, IAS 2, *Inventories*, are legacy standards that were issued prior to the development of the applicable conceptual frameworks. Both inventory standards focus on which incurred costs can be included in the cost of inventory and presume that if an entity has incurred costs to acquire or develop inventory, it will control the resulting item. Conceptually, the recognition of inventories in IPSAS 12 are driven by the same principles in IPSAS 45, IPSAS 16, and IPSAS 27, as these standards are all consistent with the asset recognition principles in the Conceptual Framework. Therefore, the three recommended recognition criteria could also be applied to inventory and result in the same accounting as IPSAS 12.

*Conclusion*

16. Based on the considerations in paragraph 9-15, the Task Force recommends recognition criteria in paragraph 2.

**Decision Required**

17. Does the IPSAS agree with the Task Force's [recommendation](#)?



**Appendix A: Excerpts of the Recognition Criteria for Tangible Assets within the Scope of IPSAS 12, IPSAS 45, IPSAS 16, and IPSAS 27**

**IPSAS 12, *Inventories***

18. The cost of inventories shall comprise of all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

**IPSAS 45, *Property, Plant, and Equipment***

6. An item of property, plant, and equipment shall be recognized if, and only if:
- (a) It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
  - (b) The item can be measured reliably.

**IPSAS 16, *Investment Property***

20. An owned investment property shall be recognized as an asset when, and only when:
- (a) It is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity; and
  - (b) The cost or fair value of the investment property can be measured reliably.

**IPSAS 27, *Agriculture***

13. An entity shall recognize a biological asset or agricultural produce when and only when:
- (a) The entity controls the asset as a result of past events;
  - (b) It is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
  - (c) The fair value or cost of the asset can be measured reliably.

## Natural Resources Held for Conservation<sup>2</sup>

### Question

1. Does the IPSASB agree with the proposed accounting for natural resources held for conservation?

### Recommendations

2. The Task Force recommends incorporating the following principles in [draft] IPSAS [X] (ED XX), *Natural Resources*:
  - (a) A natural resource held for conservation can be considered a resource as defined in the Conceptual Framework if its conservation contributes to achieving an entity's objectives. If such a natural resource is controlled by the entity as a result of past events and can be reliably measured, the natural resource meets the asset recognition criteria; and
  - (b) The recognition guidance proposed in [Agenda Item 3.2.1](#) can be applied to these resources.

### Background

3. At the September 2023 IPSASB meeting, staff proposed accounting for recognized natural resource assets using IPSAS 45, *Property, Plant, and Equipment*, IPSAS 12, *Inventories*, IPSAS 16, *Investment Property*, or IPSAS 27, *Agriculture*, based on their intended use. Staff also noted at the meeting that natural resource assets held for conservation could be considered property, plant, and equipment (PP&E).
4. In response, some IPSASB members questioned whether accounting for all recognized natural resources held for conservation as PP&E would be appropriate and whether these items could even meet the general asset recognition criteria from the Conceptual Framework as discussed in the Natural Resources Consultation Paper. Staff discussed this issue with the Natural Resources Task Force (the Task Force). This paper summarizes Task Force's analysis and recommendations.

### Analysis

#### *Can Natural Resources Held for Conservation be Recognized as Assets?*

5. The Task Force first considered if natural resources held for conservation could be recognized as assets in the general purpose financial statements—that is, whether such natural resources can meet the definition of an asset (a resource presently controlled by the entity as a result of past events) and

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<sup>2</sup> In September 2023, staff used the term "natural resources held for preservation". Since then, staff noted that "preservation" and "conservation" have distinct definitions. "Preservation" is defined as the act of keeping something as it is, especially in order to prevent it from decaying or to protect it from being damaged or destroyed. (<https://dictionary.cambridge.org/dictionary/english/preservation>) In contrast, "conservation" is defined as avoiding the unnecessary use of natural materials, such as wood, water, or fuel, or the protection of plants, animals, and natural areas, especially from the damaging effects of human activity. (<https://dictionary.cambridge.org/dictionary/english/conservation>). Staff noted that some public sector entities use "conservation" to refer to the protection of natural resources, while preservation is associated with the protection of buildings, objects, and landscapes. (<https://www.nps.gov/teachers/classrooms/conservation-preservation-and-the-national-park-service.htm#:~:text=Conservation%20is%20generally%20associated%20with,protection%20of%20nature%20from%20use>) To be consistent with these definitions, staff will use the term "conservation" going forward.

be measured reliably. If such items generally cannot be recognized as assets, there is no need to consider the recognition criteria and accounting for these items.

6. The key issue in this analysis is whether the conservation of natural resources generally could ever result in service potential or economic benefits—i.e., can a natural resource held for conservation be considered a resource as defined in the Conceptual Framework.
7. The Task Force noted that a natural resource held for conservation could be considered a resource as defined in the Conceptual Framework on the basis that the conservation of the item itself can lead to service potential which contributes to achieving the objectives of a public sector entity. For example, a public sector entity could have an objective to regulate the environment, and the conservation of a natural forest would generate service potential and help the entity achieve this objective. As another example, an entity could have the objective of providing experiential services for the benefit of visitors to a forest which acts as a national park, and the conservation of the forest would help achieve this objective.
8. The Task Force also agreed that this conclusion continues to hold true even if the entity has neither the ability nor intent to ever sell the natural resource, to exploit it to produce goods or supply services traditionally associated with other tangible asset (e.g., harvesting lumber to build and provide housing for its constituents), to rent the natural resource to others, or to use it for administrative purposes.
9. Based on paragraphs 6-8, the Task Force concluded that a natural resource held for conservation can be considered a resource as defined in the Conceptual Framework. The issues of whether a natural resource could be controlled as a result of past events or could be reliably measured are also relevant, but these assessments depend on facts and circumstances specific to each item. In situations where an entity controls such a natural resource as a result of past events and can reliably measure the resource, a natural resource held for conservation can meet the asset recognition criteria.

*Proposed Recognition Criteria for Natural Resources Held for Conservation*

10. As noted in [Agenda Item 3.2.1](#), the principles underlying the recognition of all tangible assets are generally consistent, and applying these criteria to natural resources held for conservation would result in recognition that is consistent with the principles in the Conceptual Framework. Therefore, the Task Force recommend that the recognition criteria proposed in [Agenda Item 3.2.1](#) should also be applicable for natural resources held for conservation.<sup>3</sup>

**Decision Required**

Does the IPSAS agree with the Task Force's [recommendations](#).

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<sup>3</sup> The ED also clarifies that if the primary intended use of a natural resource, or a component of a natural resource, held for conservation changes, the natural resource or the component will be reclassified based on its new intended use.

## **Natural Resources - Revised Measurement Guidance**

### **Question**

1. Does the IPSASB agree with the revised measurement proposals for natural resources?

### **Recommendations**

2. The Task Force recommends that:
  - (a) Recognized natural resources be initially measured at deemed cost (which is current value per IPSAS 46, *Measurement*) if control of the natural resource was obtained in a non-exchange transaction. If control of the natural resource was acquired in an exchange transaction, initial measurement should be based on the transaction price, which typically approximates current value. In situations where the current value of the natural resource cannot be reliably measured, it does not meet the asset recognition criteria; and
3. The majority of the Task Force recommends that subsequent to initial recognition and measurement:
  - (a) Natural resources which fall within the scope of IPSAS 12, *Inventories*, IPSAS 45, *Property, Plant, and Equipment*, IPSAS 16, *Investment Property*, and IPSAS 27, *Agriculture*, should be measured<sup>4</sup> in accordance with these standards;
  - (b) Natural resources held for conservation should be measured at current value, with both increases and decreases recorded directly to revaluation reserve; and
  - (c) Natural resources held for conservation should not be depreciated and should be reviewed annually for indications of impairment. Impairment losses are recorded in surplus or deficit as they occur.

### **Background**

4. At the September 2023 IPSASB meeting, staff proposed that natural resources should be measured initially at cost if the resource was acquired in an exchange transaction. If the natural resource was acquired through a non-exchange transaction, the proposals required initial measurement at deemed cost, which would use a current value measurement basis. The proposals then required the resource to be subsequently measured using the requirements from IPSAS 12, *Inventories*, IPSAS 45, *Property, Plant, and Equipment*, IPSAS 16, *Investment Property*, and IPSAS 27, *Agriculture*, depending on their use.
5. Following the reconsideration of the proposed recognition criteria as discussed in [Agenda Item 3.2.1](#), as well as the consideration of the recognition of natural resource assets held for conservation, the Task Force considered if the measurement proposals in the Natural Resources Exposure Draft (ED) should also be revised to better reflect the preliminary views and constituent responses to the Natural Resources Consultation Paper (CP). This paper summarizes the Task Force's analysis.

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<sup>4</sup> The ED clarifies that subsequent to initial recognition and measurement, natural resources which fall within the scope of IPSAS 12, 16, 27, and 45 are accounted for (which includes subsequent measurement, derecognition, display, and disclosures) in accordance with these standards.

## **Analysis**

### *Initial Measurement*

6. In the CP, it was noted that if a public sector entity acquires control of a natural resource asset through an exchange transaction, the historical cost measure may adequately reflect the asset's operational or financial capacity. However, the CP also acknowledged that public sector entities often obtain control over natural resources through non-exchange transactions such as the exercise of sovereign powers, treaty, or inheritance. In these situations, a historical cost would not provide relevant information regarding the natural resource, and the CP noted that a deemed cost (current value) measurement basis may more appropriately reflect the resource's operational or financial capacity. The Task Force reaffirmed that obtaining control of natural resources through non-exchange transactions is expected to be the more prevalent fact pattern in the public sector.
7. Consistent with IPSAS 46, the Task Force agreed that for natural resources recognized as the result of a non-exchange transaction, an entity should use a current value measurement basis to determine the deemed cost of the asset. Because the asset is held for conservation and not for sale, using a current operational value would be more appropriate than a fair value measure.
8. If control of a natural resource was acquired in an exchange transaction, IPSAS 46 states that the transaction price, adjusted for transaction costs, reflects the initial value of the asset. The Task Force noted that such a transaction price from an orderly exchange transaction would typically not be materially different from current value, as both measures represent the financial or operational capacity of the acquired asset at the time of the transaction.
9. There may be situations where the current value of a natural resource cannot be reliably measured at initial recognition. The Task Force considered if a cost accumulation model, similar to an exception to measure biological assets at cost in IPSAS 27, can be used in these situations. However, it was noted that this limited exception is only made available because an entity is expected to incur costs to acquire and manage the biological asset, and such costs would likely not be available for a resource that is naturally occurring. As a result, the Task Force concluded that if the current value of a natural resource could not be reliably measured, the natural resource would not meet the asset recognition criteria.<sup>5</sup>
10. Based on the above, the Task Force recommends that recognized natural resource assets should be initially measured at current value (with an explanation that if control of the natural resource was acquired in an exchange transaction, the transaction price typically approximates current value). In cases where the current value cannot be reliably measured, the natural resource would not meet the asset recognition criteria.

### *Subsequent Measurement*

11. As noted in the CP, the objective of measurement is to select a measurement basis that most fairly reflects the costs of services, operational capacity, and financial capacity of the entity in a manner that is useful in holding the entity to account, and for decision-making purposes. In other words, the

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<sup>5</sup> It should be noted that this conclusion only relates to measurement of the underlying natural resources. The accounting for subsequent expenditures is based on the principles from IPSAS 45 and a separate issue.

measurement basis selected for a natural resource should reflect its intended use or the entity's reasons for holding the resource.

12. For natural resource assets which fall within the scope of IPSAS 45, IPSAS 12, IPSAS 16, or IPSAS 27, the Task Force noted that applying the accounting requirements, which includes subsequent measurement, from these standards continues to be appropriate. This is because if a natural resource asset is truly within the scope of these standards, its measurement should reflect the intended use of the asset and the resulting accounting should be consistent with other items of property, plant, and equipment, inventory, investment property, biological assets, or agricultural produce.
13. For a natural resource asset held for conservation, the Task Force agreed that measuring the asset at current value would be the most appropriate, as it reflects the current conditions of the natural resource resulting from the entity's conservation activities. The Task Force also noted that constituents are likely to be most interested in the asset's current value, as such information would allow them to assess the effectiveness of the conservation activities. Therefore, the Task Force recommend that subsequent to initial recognition, a natural resource asset held for conservation should be measured at current value.
14. As the objective of holding these assets is for their conservation rather than their use or sale, the majority of the Task Force recommended that any increase or decrease in value to be recorded directly in revaluation reserve due to the following reasons:
  - (a) Natural resources held for conservation are meant to be held for the long-term, so it is unlikely that any increases or decreases in value would be realized and have any direct impact on cash flows;
  - (b) Similarly, if these resources are conserved for the benefit of future generations, the recognition of changes in value in surplus or deficit in the current period is logically inconsistent with this objective;
  - (c) Other Task Force members noted that allowing the recognition of the change in value in surplus or deficit risks opening the statement of financial performance to potential manipulation; and
  - (d) Finally, it was also noted that recording changes in the value of natural resources in a revaluation reserve will increase transparency if such a reserve is displayed or disclosed separately. In contrast, if changes were recorded in surplus or deficit, the amounts will effectively be "buried" within accumulated surpluses or deficits over time.
15. As the asset is held for conservation rather than use or sale, the Task Force agreed that such an asset has an indefinite useful life—that is, the asset is not depreciated. The Task Force noted that there may be situations where these assets experience events which result in an other-than-temporary decline in value (e.g., a forest could be destroyed by fire). In these situations, the decline in value would be considered an impairment and the resulting loss should be recorded in surplus or deficit when they occur. To be consistent with the guidance in paragraph 56 of IPSAS 45, the Task Force also agreed that an entity is required to review natural resources held for conservation annually for indications of impairment.
16. At the Task Force meeting, an alternative view was proposed to require subsequent changes in current value to be recorded in surplus or deficit, as these changes result from activities which relate to achieving the stated objective of conserving the asset and were performed as part of the entity's

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core operations. Reflecting these movements in surplus or deficit communicates the effectiveness of an entity's conservation clear to users. Under this view, there would be no need to consider impairment separately, as all changes in value are already recognized in surplus or deficit. In addition, the accounting for conservation expenditures would be simplified as they would be incorporated into the changes in current value in each period. However, as noted in paragraph 14, the majority of the Task Force decided that recognizing changes in value in a revaluation reserve would be more appropriate for the reasons noted above.

### Decision Required

17. Does the IPSAS agree with the Task Force's [recommendations](#)?

## **Natural Resources – Location of Guidance**

### **Question**

1. Does the IPSASB agree that the guidance on the accounting for natural resources should be in a standalone IPSAS?

### **Recommendation**

2. The Natural Resources Task Force (Task Force) recommends locating the proposed guidance for natural resources in a standalone IPSAS.

### **Background**

3. At the September 2023 IPSASB meeting, staff proposed that recognized natural resources should be accounted for based on their use, and that all recognized natural resources were within the scope of existing IPSAS, such as IPSAS 45, *Property, Plant, and Equipment*, IPSAS 12, *Inventories*, IPSAS 16, *Investment Property*, or IPSAS 27, *Agriculture*. Staff also noted at the meeting that natural resource assets held for conservation could be considered property, plant, and equipment (PP&E), as the definition of PP&E could be interpreted broadly to include the service of conservation.<sup>6</sup>
4. In response, some IPSASB members noted that because the accounting is expected to be within the scope of existing IPSAS, the guidance on natural resources should be incorporated into the IPSAS suite of standards as amendments to existing IPSAS rather than a new standalone standard.
5. Other members acknowledged that some, but not all, recognized natural resources would fall within the scope of existing IPSAS. These members specifically noted that natural resources held for conservation would not fall within the scope of any existing IPSAS, thereby necessitating a new standalone IPSAS.
6. Staff discussed the location of guidance with the Task Force. This paper summarizes the staff and Task Force's analysis and recommendation.

### **Analysis**

7. The Task Force unanimously agreed that the guidance on natural resources should be located in a separate, standalone IPSAS. Staff summarized the discussions which led to this consensus below.

### *Technical Considerations*

8. The Task Force noted that conceptually, IPSAS in general are created based on different groups of items, transactions, or topics. The decision to develop a separate IPSAS should be driven by the underlying nature of the subject matter (in this case, natural resources) and the economics of the potential transactions that involve these items. If the underlying nature of the subject matter or the potential transactions are not the same as those in existing IPSAS, a new IPSAS should be developed. The fact that the guidance in such a new standard or the resulting accounting could be similar to existing IPSAS is not relevant to the location of guidance.

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<sup>6</sup> IPSAS 45 defines PP&E as "tangible assets that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period."



9. The Task Force noted that the underlying nature of some natural resources, specifically natural resources held for conservation, is fundamentally different from the nature of PP&E, inventories, investment properties, or biological assets. This is because conservation, by definition, involves *avoiding the use* of an item, while the nature of the other tangible assets in existing IPSAS is driven by their use to generate economic benefits or service potential.
10. Some Task Force members interpreted the phrase “use... in the supply of... services” in the definition of PP&E to mean that the asset in question is an input into a process that consumes the asset. These members noted that in contrast to resources which are “used” in the traditional sense, some natural resources held for conservation are capable of proliferating on their own, and the only conservation activity necessary is to prohibit or prevent human interaction with these resources. This example further highlights that there could be situations where the nature of natural resources is significantly different from that of PP&E.

*Public Interest Considerations*

11. The Task Force also discussed the following public interest considerations which support the development of a standalone IPSAS:
  - (a) In light of the importance and current focus on sustainable development initiatives and concerns regarding the overexploitation of the natural environment, the sustainable use of natural resources has become a top priority for many individuals and public sector entities. Many constituents have provided feedback to both the 2018 IPSASB Strategy Consultation and the Natural Resources Consultation Paper (CP), stating that guidance on the financial reporting of natural resources is important, as it is expected to result in useful information that will have a direct impact on the use of these resources. Some Task Force members noted that the perceived importance placed on the financial reporting of natural resources is sufficient to warrant the placement of guidance in a standalone IPSAS;
  - (b) In the natural resources project brief that was issued by the IPSASB in 2020 and the CP, it was also noted that the financial reporting of natural resources is an important issue due to their potential monetary significance in many jurisdictions. This observation is consistent with the feedback provided to the IPSASB from the 2018 IPSASB Strategy Consultation, as well as feedback received from constituents in a number of outreach events. Task Force members noted that this potential financial significance of natural resources is another consideration which supports the development of a standalone standard; and
  - (c) Based on constituent feedback on past exposure drafts and IPSAS, a standalone standard will be easier to understand and apply in practice, as constituents would not risk being confused by the various pieces of guidance located in separate standards. This is especially true given that based on the Task Force’s recommendations in [Agenda Items 3.2.1-3.2.3](#) and depending on the IPSASB’s decisions, there could be distinct recognition and measurement guidance for natural resources held for conservation.
12. Other Task Force members also raised the fact that if natural resources were of the same nature as PP&E, inventories, investment properties, or biological assets, constituents would have already developed their own accounting policies using paragraph 14 of IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors*, and applied the principles from IPSAS 45, IPSAS 12, IPSAS 16, or IPSAS 27. The fact that this approach is not widely adopted, coupled with the continued

request to develop guidance on natural resources, is a strong indicator that constituents expect separate guidance on natural resources.

**Decision Required**

13. Does the IPSAS agree with the Task Force's [recommendation](#)?

## **Natural Resources – Display and Disclosure Proposals**

### **Question**

1. Does the IPSASB agree with the proposed requirements for display (presentation) and disclosure in [draft] IPSAS [X] (ED XX), *Natural Resources*?

### **Recommendation**

2. The Natural Resources Task Force (Task Force) recommend including the following display and disclosure requirements in [draft] IPSAS [X] (ED XX), *Natural Resources*:
  - (a) Clarify in the exposure draft that only information regarding natural resources which meet the definition of an asset are disclosed in the general purpose financial statements (GPFS), while information regarding items which do not meet the definition of an asset but are important to an understanding of an entity's finances and ability to deliver services is more appropriately presented in the broader general purpose financial reports (GPFRs);
  - (b) For recognized natural resource assets which fall within the scope of existing IPSAS, signpost to the display and disclosure requirements in the following IPSAS:
    - (i) IPSAS 12, *Inventories*;
    - (ii) IPSAS 16, *Investment Properties*;
    - (iii) IPSAS 27, *Agriculture*; and
    - (iv) IPSAS 45, *Property, Plant, and Equipment*;
  - (c) For recognized natural resource assets held for conservation:
    - (i) Require the classification of these natural resources as a non-current asset displayed as a separate line item in the financial statements; and
    - (ii) Require the detailed disclosure proposals in paragraphs 12-13 of this paper; and
  - (d) Incorporate the following additional disclosure requirements proposed in the Consultation Paper, *Natural Resources* (CP):
    - (i) Disclosures for natural resources which meet the definition of an asset but are not recognized as they cannot be reliably measured; and
    - (ii) Custodial responsibilities over unrecognized natural resources.

### **Background**

3. When the IPSASB developed the CP, *Natural Resources*, the Board did not propose requirements for display in the GPFS, as such requirements would depend on the recognition and measurement of natural resources. However, a number of disclosure requirements were proposed based on the concepts on information disclosure in chapter 8 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (the Conceptual Framework).
4. Consistent with paragraph 8.24 of the Conceptual Framework, the proposed disclosures in the CP included requirements for items which do not meet the definition of an asset but are important to an understanding of the entity's finances and ability to deliver services.

5. In response to the proposals noted in paragraph 4, some respondents to the CP noted that it would be difficult for such information to be audited. Other constituents raised concerns over their ability to ensure completeness of the proposed disclosures, similar to the concerns over the completeness of potential natural resources.
6. In addition, at the June 2023 IPSASB meeting, the IPSASB agreed that certain natural resource assets fall within the scope of existing IPSAS, including IPSAS 12, IPSAS 16, IPSAS 27 and IPSAS 45. Staff noted that if these natural resources truly fall within the scope of these IPSAS, the display and disclosure of these specific assets should be consistent with the requirements of these standards.
7. In response to the above, staff worked with the Task Force to develop the proposed display and disclosure requirements in [draft] IPSAS [X] (ED XX), *Natural Resources*. This paper outlines the proposals.

### **Analysis**

#### *Proposal for Natural Resources which do not Meet the Definition of an Asset*

8. To address constituents' concerns on the completeness and auditability of disclosures relating to natural resources which do not meet the definition of an asset but are important to the understanding of an entity's finances and ability to deliver services, the Task Force propose to clarify in paragraph 29 of the ED that only information on natural resources or related expenditures that meet the definition of an asset are disclosed in the financial statements. The paragraph also clarifies that information regarding natural resources that do not meet the definition of an asset but are important should be considered for reporting in the broader GPFRs.

#### *Proposed Requirements for Recognized Natural Resource Assets Which Fall within the Scope of Existing IPSAS*

9. As noted in paragraph 6, the IPSASB had previously agreed that depending on their intended use, certain recognized natural resources fall within the scope of IPSAS 12, IPSAS 16, IPSAS 27, IPSAS 45. These standards each have their own display and disclosure requirements, and the Task Force agreed that recognized natural resources which fall within the scope of these standards should apply the display and disclosure requirements within these standards.
10. To implement the above conclusion, the Task Force recommends:
  - (a) Signposting to the display requirements from IPSAS 45, IPSAS 12, IPSAS 16, and IPSAS 27 in [draft] IPSAS [X] (ED XX). This is reflected in paragraph 26 of the ED—see [Agenda Item 3.3.1](#); and
  - (b) Signposting to the disclosure requirements from IPSAS 45, IPSAS 12, IPSAS 16, and IPSAS 27 in [draft] IPSAS [X] (ED XX). This is reflected in paragraph 30 of the ED.

#### *Proposed Requirements for Recognized Natural Resources Held for Conservation*

11. To develop the display requirements for recognized natural resources held for conservation, staff and the Task Force looked to the general display requirements in IPSAS 1, *Presentation of Financial Statements*, and noted that:
  - (a) Such natural resources would be considered non-current assets based on the criteria in paragraph 76 of IPSAS 1; and

- (b) As a consequence of the discussion in [Agenda Item 3.2.4](#) which concluded that natural resources held for conservation are not PP&E, inventory, biological assets, or investment properties, paragraph 88 of IPSAS 1 should be amended to require such natural resources to be displayed as a separate line item in the financial statements.
12. For disclosures regarding recognized natural resources held for conservation, staff looked to the requirements for tangible assets in existing IPSAS and worked with the Task Force to develop the following proposals for disclosure requirements:
- (a) Qualitative disclosures regarding the nature of the asset, including the reason(s) for conserving the asset, quality of the asset, details regarding conservation activities, and how these activities are impacting the asset;
  - (b) Accounting policy for recognition and measurement of the asset, including the disclosure of how the measurement basis was determined;
  - (c) Impairment (and reversal of impairments);
  - (d) A reconciliation between the opening and closing balances, and if applicable, the impact of the changes to the statement of financial performance;
  - (e) Restrictions on use; and
  - (f) Other related obligations (e.g., pledges, contractual commitments for acquisitions, or other custodial responsibilities, etc.).
13. In addition, to provide users of the financial statements with transparency on the expenditures incurred for conservation activities, the Task Force recommend requiring the disclosure of the accounting policy applied to account for conservation expenditures, the amount of conservation expenditures incurred, and whether these expenditures are capitalized or expensed.<sup>7</sup>

*Other Proposed Disclosures Carried Forward from the CP*

14. In addition, the Task Force proposed to include the following disclosures in the GPFS:
- (a) If a natural resource meets the definition of an asset but cannot be reliably measured, the Task Force proposes to require the disclosure of the difficulties in obtaining a reliable measurement and the significance of the unrecognized natural resource asset in relation to the delivery of the entity's objectives. This requirement is consistent with the proposals in the CP, which were based on paragraph 77 of IPSAS 45 for heritage property, plant, and equipment that could not be recognized as they could not be reliably measured. This proposed requirement is reflected in paragraph 33 of the ED; and
  - (b) Also consistent with the CP, the Task Force proposes to require the disclosure of custodial responsibilities over a natural resource, even it is not recognized. The Task Force noted that this proposal does not conflict with the clarification for the reporting in the GPFRs as noted in paragraph 8, because this proposed disclosure addresses the custodial responsibility, rather

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<sup>7</sup> The issue of whether conservation expenditures can be capitalized is addressed by the guidance on the accounting for subsequent expenditures, as discussed in September 2023.

than the resource itself, and is similar in nature to the disclosure of unrecognized contingent liabilities or pledges. This proposed requirement is reflected in paragraph 32 of the ED.

**Decision Required**

15. Does the IPSASB agree with the Task Force's [recommendation](#)?

## **Natural Resources – Transitional Provisions**

### **Question**

1. Does the IPSASB agree with the proposed transitional provisions in [draft] IPSAS [X] (ED XX), *Natural Resources*?

### **Recommendations**

2. The Task Force recommend allowing prospective or retrospective application of [draft] IPSAS [X] (ED XX).

### **Background**

3. In addition to the proposed recognition, measurement, display, and disclosure guidance discussed in [Agenda Items 3.2.1-3.2.5](#), the Task Force discussed the transitional provisions to be included in the Natural Resources ED. This paper explains the proposed transitional provisions.

### **Analysis**

4. The Task Force noted that prospective application of [draft] IPSAS [X] (ED XX) is unlikely to result in a significant loss of material information for users of the financial statements because of the following reasons:
  - (a) As noted in responses to the CP, the expectation is that most natural resources would not be recognized as assets, as the resource cannot be reliably measured, or the entity will be unable to demonstrate control. For these resources, the requirement to apply the proposed guidance on a retrospective basis would not be meaningful, as there would be no numerical impact to the entity's financial statements. There may be an impact to disclosures for natural resources which meet the definition of an asset but cannot be reliably measured. However, such note disclosures are not expected to significantly change over the comparative period; and
  - (b) Based on the proposals in [Agenda Items 3.2.1-3.2.5](#), the natural resources which are likely to be recognized in the GPFS would not be used for the production of goods, supply of services, administrative purposes, or for sale. As a result, the changes to these assets from the opening balance to the reporting date sheet are unlikely to have a direct impact on the entity's operations and cash flows. Therefore, a requirement to measure these resources in the comparative period and opening balance will not provide significant useful information to users of the statements.
5. Based on the above reasons, the Task Force recommends that [draft] IPSAS [X] (ED XX) should allow prospective application—i.e., an entity may choose to recognize the natural resource and record the offset directly in equity at the *end* of the reporting period when the standard is applied.
6. However, the Task Force noted that if an entity is able to measure its recognizable natural resources at the opening balance sheet date and on the date of the comparative balance sheet and chooses to do so, retrospective application of the ED should be permitted. These proposed transitional provisions are reflected in paragraph 37 of [Agenda Item 3.3.1](#).
7. In addition, at the June 2023 meeting, the IPSASB agreed that both [draft] IPSAS [X] (ED XX) and [draft] IPSAS [X] (ED YY) would be published at the same time and released as a single package. However, as the two EDs are technically unrelated and can be applied independently, there is no

reason to apply the EDs at the same time. As a result, staff is *not* recommending the requirement to apply both [draft] Standards at the same time.

**Decision Required**

8. Does the IPSASB agree with the Staff [recommendations](#)?



## Natural Resources – Amendments to Other IPSAS

### Question

1. Does the IPSASB agree with the proposed transitional provisions and amendments to other IPSAS in [draft] IPSAS [X] (ED XX), *Natural Resources*?

### Recommendations

2. The Task Force recommend including the following amendments to other IPSAS in [draft] IPSAS [X] (ED XX):
  - (a) Addition of display requirements for recognized natural resources in IPSAS 1, *Presentation of Financial Statements*;
  - (b) Exclusion of recognition and initial measurement of natural resources which may subsequently be accounted for within the following standards based on the intended use of the assets:
    - (i) IPSAS 12, *Inventories*;
    - (ii) IPSAS 16, *Investment Property*;
    - (iii) IPSAS 27, *Agriculture*; and
    - (iv) IPSAS 45, *Property, Plant, and Equipment*;
  - (c) Amendment to revise the description of heritage assets in IPSAS 45; and
  - (d) Addition of a recognition and/or measurement exemption for natural resources during the transition period in IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)*.

### Background

3. Based on the proposals in [Agenda Items 3.2.1-3.2.5](#), the Task Force discussed Amendments to Other IPSAS that should be included in [draft] IPSAS [X] (ED XX). This paper summarizes the Task Force's proposals.

### Analysis

4. The Task Force considered potential amendments to other IPSAS which would be required upon the issuance of [draft] IPSAS [X] (ED XX) and noted the following:
  - (a) As noted in [Agenda Item 3.2.5](#), IPSAS 1 should be amended to require the display of natural resources which do not fall within the scope of IPSAS 45, IPSAS 12, IPSAS 27, and IPSAS 16 as a separate line item in the financial statements;
  - (b) There is currently no explicit guidance on, or mention of, natural resources in existing IPSAS, except for a brief discussion of mineral rights and mineral reserves in the scoping sections of IPSAS 16 and IPSAS 45. The current wording in these standards refer to the relevant international or national accounting standards addressing this topic. Based on the recommendations in [Agenda Items 3.2.1-3.2.3](#), the Task Force noted that the initial recognition and measurement of natural resources will be within the scope of [draft] IPSAS [X] (ED XX), but the subsequent measurement and accounting of certain natural resources may be within the scope of IPSAS 45, IPSAS 12, IPSAS 27, and IPSAS 16 depending on their intended use.

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As a result, the Task Force recommends amending these IPSAS to exclude the recognition and initial measurement of natural resources;

- (c) The Task Force noted that the description of heritage assets in paragraph AG2 of IPSAS 45 currently refers to assets with, among other things, 'environmental' or 'natural features' that are preserved for the benefit of present and future generations. While it is possible for certain items to be both heritage assets and natural resources, the Task Force agreed that it would be helpful to amend the description of heritage to no longer refer to environmental or natural features; and
- (d) Paragraph 36 of IPSAS 33 provides exemptions to the recognition and/or measurement of inventories, investment property, property, plant, and equipment, biological assets, and agricultural produce within three years following the date of adoption of IPSAS. To be consistent with this exemption, staff propose to include an exemption for the recognition and/or measurement of natural resources which meet the asset recognition criteria.

5. The above proposed amendments are reflected in Appendix B of [Agenda Item 3.3.1](#).

### Decision Required

6. Does the IPSASB agree with the Staff [recommendations](#)?

## **Proposed Topics for Implementation Guidance and Illustrative Examples**

### **Question**

1. Does the IPSASB agree with the proposed topics for Implementation Guidance and Illustrative Examples in [draft] IPSAS [X] (ED XX), *Natural Resources*?

### **Recommendation**

2. Staff recommend that the IPSASB add Implementation Guidance and Illustrative Examples to [draft] IPSAS [X], as presented in [Appendix 1](#).

### **Background**

3. The IPSASB instructed staff to develop an exposure draft on the proposed accounting for natural resources. Based on the proposed principles in [Agenda Items 3.2.1 to 3.2.7](#), staff began considering and proposing topics for which Implementation Guidance or Illustrative Examples would be useful. This paper walks through the staff's considerations.

### **Analysis**

4. Staff considered past projects, including IPSAS 47, *Revenue*, and IPSAS 48, *Transfer Expenses*, to determine what topics to include in the non-authoritative guidance on [draft] IPSAS [X] (ED XX), *Natural Resources*. Based on these past projects, the non-authoritative guidance addressed the following:
  - (a) Basis for Conclusions (BC) – Explained the IPSASB's decisions;<sup>8</sup>
  - (b) Implementation Guidance (IG) – Considers common implementation challenges that are widespread among public sector entities using a question-and-answer format; and
  - (c) Illustrative Examples (IE) – Illustrate principles with case facts developed from practical examples that are prevalent globally among public sector entities.
5. With the above distinction in mind, staff considered the proposed principles in the authoritative text of [draft] IPSAS [X] (ED XX) and identified topics which would benefit from IGs to support the proposed principles for one or more of the following reasons:
  - (a) The concept is complex and potentially difficult to apply in practice;
  - (b) It is an area of concern for constituents; or
  - (c) Staff and/or IPSASB members have noted in past discussions that additional non-authoritative guidance would be useful.
6. In addition, staff also identified topics where an IE would be useful. Based on past projects, the use of IEs is generally limited to an as-needed basis when:
  - (a) The principles are not considered sufficiently clear based on the authoritative guidance and IGs; and
  - (b) The illustrative fact pattern is prevalent globally amongst public sector entities.

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<sup>8</sup> Staff included proposed BC paragraphs in Agenda 3.3.1 to reflect the proposed principles in Agenda Items 3.2.1-3.2.7.

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7. Based on the factors noted in paragraphs 5-6, staff developed a listing of proposed topics to be addressed in IGs and IEs and included this list in [Appendix 1](#) of this Agenda Item.
8. Based on input from the IPSASB, staff will work with the Drafting Group to develop the agreed-upon IGs and IEs and presented the draft non-authoritative text at the March 2023 IPSASB meeting.

### **Decision Required**

9. Does the IPSASB agree with the Staff [recommendation](#)?

**Appendix 1 – Proposed Implementation Guidance and Illustrative Examples**

Topic / Core Principle	Application Guidance	Implementation Guidance		Illustrative Example
Objective	None	<ul style="list-style-type: none"> <li>None recommended. Authoritative text is sufficient, and this area typically does not require IGs or IEs.</li> </ul>		
Scope	None	<ul style="list-style-type: none"> <li>Not recommended, as scoping no longer critical due to the revised recognition proposals.</li> </ul>		
Definitions	AG2-AG5	<ul style="list-style-type: none"> <li>A.1 Identification of natural resources.</li> </ul>	<ul style="list-style-type: none"> <li>Not recommended</li> </ul>	
Recognition of Natural Resources	AG6-AG8	<ul style="list-style-type: none"> <li>B.1 Explanation of how unextracted subsoil resources generally cannot be recognized as an asset.</li> <li>B.2 Unit of account and reclassifications due to change in use.</li> </ul>	<ul style="list-style-type: none"> <li>Examples of scenarios involving the recognition of the following as assets: <ul style="list-style-type: none"> <li>Unextracted water;</li> <li>Uncultivated living resources; and</li> <li>Land.</li> </ul> </li> </ul>	
Recognition of Expenditures for Related Activities	None	<ul style="list-style-type: none"> <li>Not recommended, as the principles supporting recognition of subsequent expenditures as assets are drawn from IPSAS 45, <i>Property, Plant, and Equipment</i>.</li> </ul>	<ul style="list-style-type: none"> <li>Examples of the following subsequent expenditures that could be recognized as assets: <ul style="list-style-type: none"> <li>Conservation costs</li> <li>Construction costs to develop natural spaces that meet the capitalization criteria;</li> <li>Extraction costs as inventory;</li> <li>Land clearing costs as investment property or property, plant, and equipment, depending on use; and</li> <li>Animal feed and treatment costs as biological assets</li> </ul> </li> </ul>	

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Topic / Core Principle	Application Guidance	Implementation Guidance	Illustrative Example
Measurement	None	<ul style="list-style-type: none"> <li>Not recommended, as the authoritative text signposts to either IPSAS 46, <i>Measurement</i>, or the subsequent measurement requirements from existing IPSAS on tangible assets.</li> </ul>	
Display	None	<ul style="list-style-type: none"> <li>Not recommended, as this area is relatively straightforward and does not require IGs or IEs.</li> </ul>	
Disclosure	None	<ul style="list-style-type: none"> <li>Not recommended. Disclosures are specific to the relevant facts of each entity, so IGs and IEs may risk using generic or boilerplate language that will not be helpful.</li> </ul>	
Effective Date and Transition	None	<ul style="list-style-type: none"> <li>Not recommended. Authoritative text is sufficient, and this area typically does not require IGs or IEs.</li> </ul>	

**Supporting Document 1 – [Draft] IPSAS [X] (ED XX), *Natural Resources***

The exposure draft referenced in Agenda Item 3.1.1-3.2.7 is posted separately for easier readability.