

IPSASB

International Public
Sector Accounting
Standards Board®

IPSASB SRS ED 1, *Climate-related Disclosures*

Consultation Summary (Phase 1)

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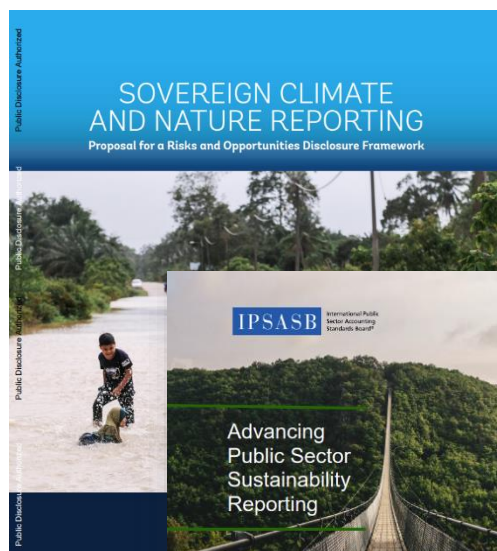
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IPSASB SRS ED 1, *Climate-related Disclosures*

Climate change and extreme weather events pose risks to governments. Public sector reporting must meet users' information needs, including investors in sovereign bonds, by providing climate disclosures that support informed decision-making and resilient public finances. In today's environment, this is about effective transparency and risk management. High-quality climate-related disclosures in general purpose financial reports (GPFRs) provides stakeholders with decision-useful information, helping ensure, effective climate risk management, efficient capital allocation and supporting long-term fiscal stability.

Consultation Paper, *Advancing Public Sector Sustainability Reporting*



In January 2022, the World Bank issued a report, "[Sovereign Climate and Nature Reporting: Proposal for a Risks and Opportunities Disclosure Framework](#)", which called on the International Public Sector Accounting Standards Board (IPSASB) to undertake a consultation on the need for global public sector-specific sustainability reporting standards.

In response, the IPSASB published the [Consultation Paper, Advancing Public Sector Sustainability Reporting](#) in May 2022, which proposed that the IPSASB should:

- Serve as the standard setter for global public sector-specific sustainability guidance, drawing upon its experience, processes and global relationships;
- Develop initial guidance focused on general disclosure requirements for sustainability-related information and climate-related disclosures; and
- Approach guidance development at an accelerated pace, with a potential for releasing initial guidance at the end of 2023.

The IPSASB received support from constituents on its proposals. Following a research and scoping phase in 2023, the IPSASB announced its decision to move forward with the development of a climate-related disclosures standard as its inaugural public sector sustainability reporting standard.

IPSASB Sustainability Support

In responding to feedback raised in response to the [Consultation Paper, Advancing Public Sector Sustainability Reporting](#), the IPSASB agreed to establish additional mechanisms to support its work in setting public sector sustainability reporting standards, drawing on diverse expertise from across sectors and jurisdictions. The following groups were formed to support the IPSASB's climate-related disclosures project ('project'):

Sustainability Reference Group (SRG)

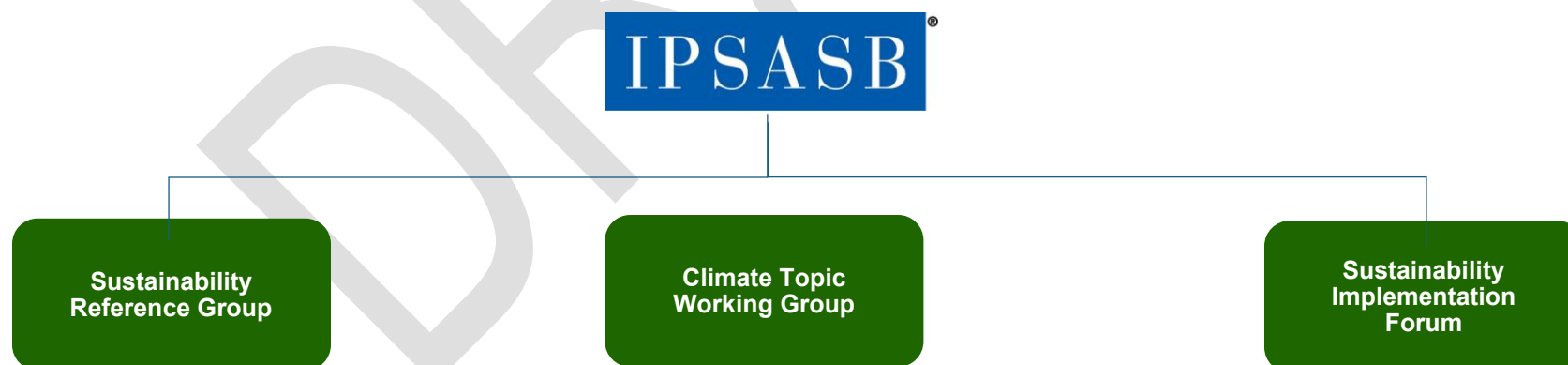
The SRG serves as an advisory group where members contribute their sustainability expertise by providing strategic input. SRG Members provide strategic advice on the IPSASB's overall sustainability strategy and work program, as well as offer input on key technical issues relating to individual projects.

Climate Topic Working Group (CTWG)

The CTWG is a technical working group composed of national and international standard setters, and provided technical advice to the IPSASB during the development of IPSASB SRS Exposure Draft (ED) 1, *Climate-related Disclosures*.

Sustainability Implementation Forum (SIF)

The SIF consists of preparers from across the public sector, and was officially launched in November 2024, following the publication of IPSASB SRS ED 1. SIF Implementation Leaders inform the development of the IPSASB SRS Standards through practical feedback, and serves as a community of practice that supports and empowers public sector entities to lead on implementation.



Development of the IPSASB SRS ED 1, *Climate-related Disclosures*

Between 2023 and 2024 the IPSASB developed an Exposure Draft, the IPSASB SRS ED 1, *Climate-related Disclosures*. In developing the IPSASB SRS ED 1, the IPSASB took advice from its sustainability standards development support mechanisms, including the Consultative Advisory Group (CAG), Sustainability Reference Group, and Climate Topic Working Group (CTWG), as well as educational sessions from practitioners and sustainability leaders.

In developing the IPSASB SRS ED 1, the IPSASB considered the multi-faceted nature of public sector entities and their interaction with climate-related issues. Following its deliberations, the IPSASB proposed two reporting perspectives within a single standard, reflecting the distinct roles that public sector entities play in relation to climate action:

- **Own Operations:** This reporting perspective is aligned with IFRS S2 *Climate-related Disclosures* (IFRS S2) with public sector-specific adaptations, and covers the activities in an entity's day-to-day operations.

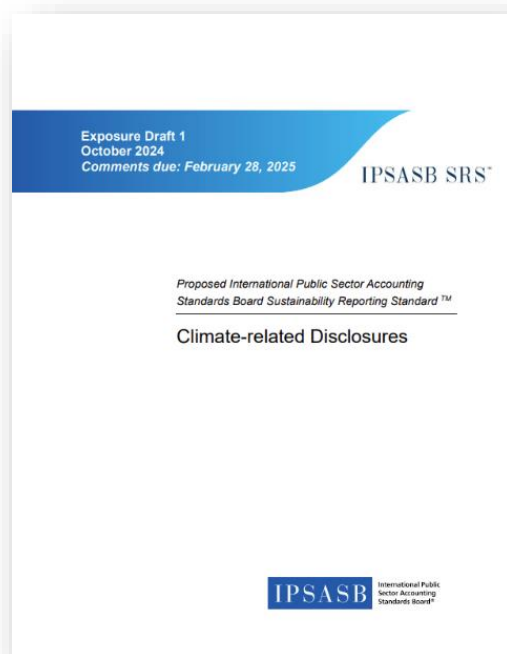
The IPSASB proposed that entities disclose material information about climate-related risks and opportunities that are reasonably expected to affect the long-term fiscal sustainability of the entity, consistent with IFRS S2 and drawing on public sector-specific concepts from IPSASB literature.

- **Public Policy Programs:** This reporting perspective reflects the unique policy and regulatory role of public sector entities as a result of their sovereign powers.

The IPSASB proposed that entities disclose the public policy programs for which they are responsible for, specifically those with a primary objective to achieve climate-related outcomes.

The IPSASB SRS ED 1 builds on the Task Force on Climate-related Financial Disclosures (TCFD) structure and drew from the IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and the IPSASB Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (Conceptual Framework) in its Appendices.

[IPSASB SRS ED 1, *Climate-related Disclosures*](#), was approved in September 2024 and published for public consultation in October 2024.



Consultation Process

IPSASB SRS ED 1 was exposed for public consultation for a comment period of 120 days¹. During this period, the IPSASB conducted its most comprehensive outreach to date.

Comment Letters

The IPSASB received 96 comment letters to the IPSASB SRS ED 1, which are available on the IPSASB website: <https://www.ipsasb.org/publications/ipsasb-srs-exposure-draft-1-climate-related-disclosures>.

Comment letters were received from a broad range of functions, regions and languages as shown in Figures 1, 2 and 3:

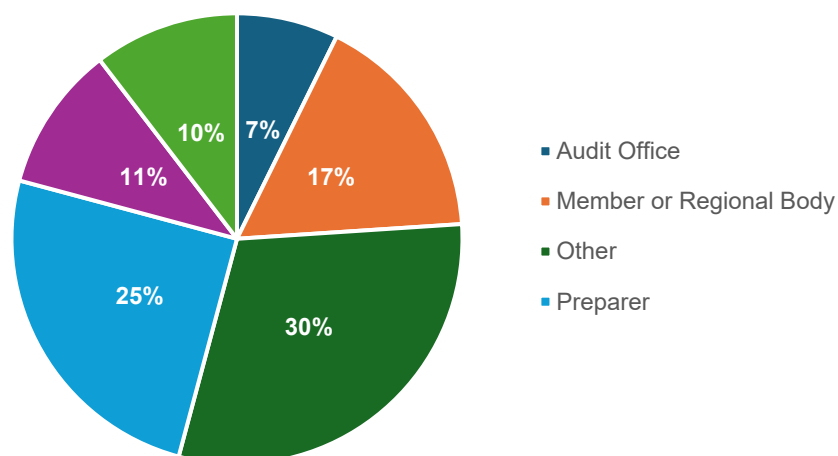


Figure 1. Comment Letters by Function

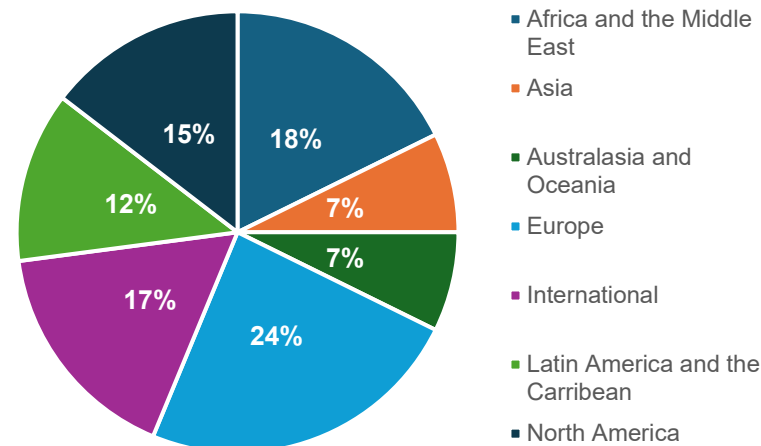


Figure 2. Comment Letters by Geography

¹ The IPSASB [Due Process and Working Procedures](#) requires approved draft international standards to be exposed for public comment for a minimum period of 120 days.

Regional Roundtables

The IPSASB SRS ED 1 publication was supported by an in-person [launch event](#) in London in November 2024, followed by a global virtual event. The IPSASB SRS ED 1 was translated into [French](#) by the Chartered Professional Accountants of Canada (CPA Canada), and is complemented by an '[At-a-Glance](#)' document and a [webcast](#) to communicate to stakeholders on the key concepts in the IPSASB SRS ED 1, along with a summary brochure that was made available in [English](#), [Arabic](#), [Spanish](#), and [French](#).

The IPSASB held six in-person regional roundtables to engage with constituents and receive direct feedback on the IPSASB SRS ED 1 proposals, which are shown in Table 1. The roundtables were organized with regional partners to maximize engagement with constituents across the region. Where English was not the primary language of the region, an IPSASB member or staff member able to present in the local language supported the event to ensure strong engagement and communication. In addition, a number of virtual outreach events were organized to ensure the IPSASB could engage a broader range of stakeholders and gather feedback from those unable to attend in-person roundtables, as shown in Table 2.

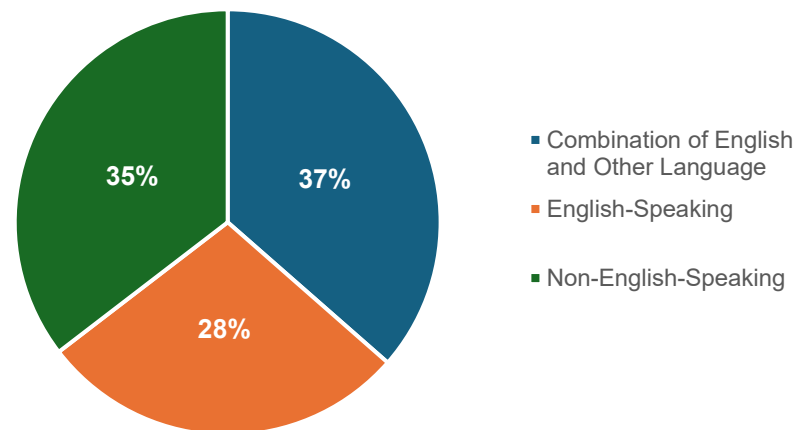


Figure 3. Comment Letters by Language

Table 1. In-person roundtables on the IPSASB SRS ED 1

Date	Location	Number of participants	Event partners
September 24-26, 2024	San Salvador, El Salvador (Latin America)	32 participants Representing 15 countries across 19 organizations	Event co-hosted by the Governmental Accounting Forum of Latin America (FOCAL).

October 2-3, 2024	Manila, Philippines (Asia)	33 participants Representing 18 countries across 29 organizations	Event co-hosted by Asian Development Bank (ADB).
October 22-24, 2024	Dubai, UAE (Middle East and North Africa)	99 participants Representing 17 countries across 50 organizations	Event co-hosted by Emirates Association of Accountants and Auditors (EAAA).
November 8, 2024	Paris, France (Western Europe)	20 participants Representing 19 transnational organizations	Event co-hosted by the Forum of Firms, an independent association of international networks of firms that perform transnational audits.
February 20, 2025	Kampala, Uganda (Africa)	55 participants Representing 23 countries across 42 organizations	Event co-hosted by the Pan African Federation of Accountants (PAFA), African Union (AU) and Institute of Certified Public Accountants of Uganda (ICPAU).
April 24, 2025	New York City, USA (North America)	17 participants Indigenous Leaders Representing 5 socio- cultural regions	Event co-hosted by the World Bank ² .

² This event took place after the formal comment period closed due to scheduling constraints, but feedback was considered in the development of the IPSASB SRS 1.

Table 2. Virtual outreach events on the IPSASB SRS ED 1

Date	Location	Number of participants	Event partners
November 27, 2024	Toronto, Canada (North America, Virtual)	23 participants Representing 16 organizations	Canadian roundtable co-hosted by CPA Canada
December 2, 2024	Toronto, Canada (North America, Virtual)	28 participants Representing 16 organizations	Canadian roundtable co-hosted by CPA Canada
December 2, 2024	Toronto, Canada (North America, Virtual)	8 participants Representing 5 organizations	Outreach with the CPA Canada's Indigenous Advisory Group, co-hosted by CPA Canada
January 22, 2025	Singapore, Singapore (Asia, Virtual)	133 participants Representing 32 organizations	Event hosted by the Confederation of Asian and Pacific Accountants (CAPA).
February 4, 2025	Global (Virtual)	55 participants Representing 24 organizations	Virtual roundtable with investor community to understand user needs of unique set of users.
February 6, 2025	Global (Virtual)	461 participants across 104 countries	Event hosted virtually by the IPSASB and reposted on YouTube following the live event.

IPSASB Decisions on Key Issues Identified

Between April and September 2025, the IPSASB identified and deliberated on key issues raised in responses to the IPSASB SRS ED 1, *Climate-related Disclosures*. The IPSASB's discussions were informed by advice from the CAG, SRG, and the SIF.

The table below sets out the key issues identified by the IPSASB in reviewing responses from constituents. These key issues are presented in terms of the proposed disclosure requirements in the IPSASB SRS ED 1, the feedback received on those proposals, and the IPSASB's subsequent discussions and decisions.

Table 3. Overview of IPSASB SRS ED 1 proposals, stakeholder feedback, and IPSASB decisions

IPSASB SRS ED 1 Proposals	Feedback	IPSASB Discussions and Decisions
<p>1 – Dual Reporting Perspective</p> <p>The IPSASB SRS ED 1 proposed that public sector entities disclose climate-related information from two reporting perspectives:</p> <p>(a) Their own operations; and</p> <p>(b) Their climate-related public policy programs.</p> <p>This dual reporting perspective acknowledges the public sector's unique role in climate action.</p>	<p>Respondents generally agreed with the importance of reflecting the dual role of the public sector in its climate-related disclosures.</p> <p>While a few respondents noted the importance of connectivity with both reporting perspectives in a single Standard, many raised concerns about these two distinct reporting perspectives being combined into one Standard – noting that separate standards would enhance clarity of the distinct nature of each reporting perspective.</p>	<p>The IPSASB decided to split the two reporting perspectives into two separate standards, in view of respondent feedback for targeted disclosure requirements for each reporting perspective:</p> <ul style="list-style-type: none"> Phase 1, Own Operations, focusing on climate-related risks and opportunities to an entity's own operations; and Phase 2, Public Policy Programs, which will develop a separate standard for those specific public sector entities responsible for delivering climate-related public policy programs and their outcomes.
<p>2 – Alignment with IFRS S2</p> <p>The IPSASB SRS ED 1 proposed that the Own Operations reporting perspective be aligned with IFRS S2, with public sector-specific</p>	<p>Respondents generally supported the IPSASB's proposal to align Own Operations disclosures with IFRS S2, noting benefits such as improved completeness of climate-related information, greater consistency and comparability across sectors, and enhanced credibility through use of</p>	<p>The IPSASB confirmed IFRS S2 as a suitable and credible foundation for developing climate-related disclosure requirements for the public sector. The IPSASB considered that this approach would enable the IPSASB to address constituent needs, focus on targeted public sector adaptations,</p>

<p>adaptations. In particular, the core set of disclosure requirements are structured around the four pillars in IFRS S2: <i>Governance, Strategy, Risk Management, and Metrics and Targets</i>, which reflects the four pillars in the TCFD Framework.</p>	<p>the global baseline for the private sector. Respondents also noted that aligning with IFRS S2 would likely result in more timely standard development by building on existing guidance.</p> <p>In contrast to this significant support, a few respondents suggested that a higher-level, public-sector-focused approach would be more appropriate than aligning with IFRS S2.</p>	<p>leverage existing knowledge from the private sector, while also enhancing interoperability with broader climate reporting initiatives.</p>
<p>3 – Structure of the Standard</p> <p>The IPSASB SRS ED 1 proposed a core set of disclosure requirements structured around the four pillars of the TCFD Framework, supported by application guidance tailored to the two reporting perspectives:</p> <ul style="list-style-type: none"> • Appendix A1 – Own Operations; and • Appendix A2 – Public Policy Programs. <p>In addition, Appendix B, Appendix B.AG, and Appendix C drew on IFRS S1 and the Conceptual Framework to support the core set of disclosure requirements.</p>	<p>Some respondents expressed concerns that the proposed structure, particularly the use of multiple appendices, was overly complex and could pose a barrier to adoption. They attributed this complexity to the length of the Application Guidance for both own operations and climate-related public policy programs in a single Standard, as well as combining elements from both IFRS S1 and IFRS S2.</p> <p>Despite general support for including General Requirements as an appendix, a minority of respondents recommended that the IPSASB consider separating the IFRS S1-aligned Appendix B into a standalone standard, establishing an overarching framework to guide emerging information needs across a range of sustainability-related topics.</p>	<p>The IPSASB decided that splitting the project into two separate standards would help improve the overall structure by removing the need for both Appendix A1 and Appendix A2 to provide application guidance for each reporting perspective.</p> <p>The IPSASB acknowledged the merits of separating the IFRS S1-aligned Appendix B into a standalone standard. Future decisions on the development of the IPSASB SRS Standards, including whether the IPSASB would initiate a potential project to develop a Standard that sets out General Requirements for Disclosure of Sustainability-related Financial Information, will be informed by feedback received through the 2025 Work Program Consultation.</p>
<p>4 – Materiality</p> <p>The IPSASB SRS ED 1 proposed that in the context of climate-related disclosures, material information is information that, if omitting,</p>	<p>Responses offered diverse interpretations of the proposed materiality definition. Some respondents interpreted the definition as reflecting a financial materiality approach. Others, referencing the disclosure requirements under Own Operations</p>	<p>The IPSASB confirmed the proposed materiality definition, in alignment with the Conceptual Framework. The IPSASB also concluded that the diversity of interpretations linked to materiality labels that exist outside IPSASB guidance highlight</p>

<p>misstating or obscuring it could reasonably be expected to influence the discharge of accountability by the entity, or the decisions that primary users make on the basis of the entity's GPFRs prepared for that reporting period.</p> <p>This definition is aligned with that in the Conceptual Framework.</p>	<p>and Public Policy Programs and noting the broader definition of primary users, concluded that IPSASB SRS ED 1 applied a double materiality approach.</p> <p>In addition, some respondents proposed alternative approaches to materiality, suggesting alignment either with regional requirements or with other international reporting standards.</p>	<p>a need for further guidance on the application of the materiality definition.</p> <p>Accordingly, the IPSASB confirmed the proposed materiality definition and decided to accelerate Phase 3 of the <i>Making Materiality Judgements</i> project, which would adapt the ISSB Educational Material on <i>Sustainability-related risks and opportunities and the disclosure of material information</i> for the public sector context.</p>
<p>5 – General Requirements</p> <p>In the IPSASB SRS ED 1, Appendix B: General Requirements aligns with relevant parts of IFRS S1, with public sector adaptations where applicable.</p> <p>As part of these General Requirements, the IPSASB SRS ED 1 proposed:</p> <ul style="list-style-type: none"> • Timing of reporting – Entities report climate-related disclosures at the same time as their GPFRs; and • Location of disclosures – Entities provide climate-related disclosures as part of its GPFRs. 	<p>Overall, respondents expressed broad support for basing the general requirements on IFRS S1, noting that this alignment promotes consistency and enhances comparability between the private and public sectors.</p> <p>A minority of respondents raised concerns about the proposed timing of reporting and location of disclosures. These respondents pointed to challenges such as the availability and timing of secondary data relative to the financial reporting cycle, resource constraints associated with collecting and compiling climate information on an annual basis, and potential assurance implications on whether the assurance requirements that apply to financial statements would also be expected to apply to climate-related information.</p>	<p>The IPSASB confirmed the alignment of the general requirements with relevant parts of IFRS S1, including the proposed requirements on timing of reporting and location of disclosures.</p> <p>For the first annual reporting period in which an entity applies the IPSASB SRS 1 requirements, the IPSASB provided a transition relief on timing of reporting. Specifically, an entity is permitted to report its climate-related disclosures after it publishes its related financial statements, within nine months of the end of the annual reporting period.</p>
<p>6 – Use of GHG Protocol</p> <p>The IPSASB SRS ED 1 proposed a rebuttable presumption that entities</p>	<p>Respondents generally supported the GHG Protocol as a principled and globally recognized</p>	<p>The IPSASB confirmed the proposed rebuttable presumption to use the GHG Protocol and decided that retaining a rebuttable presumption provides an</p>

<p>use the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol), unless another established method of measuring its greenhouse gas emissions is more appropriate or required by a jurisdictional authority.</p>	<p>methodology for measuring the greenhouse gas emissions of public sector entities.</p> <p>While respondents generally supported the use of a rebuttable presumption, there were a few contrary views. A few respondents suggested greater jurisdictional flexibility, while others expressed concern that a rebuttable presumption could undermine consistency and comparability.</p> <p>A few respondents also noted potential confusion arising from the term “own operations”, which was used in the Exposure Draft to refer to the IFRS S2-aligned disclosure requirements, but in the GHG Protocol the term is informally associated with Scope 1 and Scope 2 emissions.</p>	<p>appropriate balance between global alignment and local adaptability.</p> <p>The IPSASB decided to remove the term “own operations” from the Standard, in response to feedback indicating that the term may lead to misinterpretation. This change was facilitated by the decision to split the project into two separate standards.</p>
<p>7 – Scope 3 GHG Emissions</p> <p>The IPSASB SRS ED 1 proposed that public sector entities disclose its Scope 3 GHG emissions. While the Board acknowledged the complexities and challenges associated with Scope 3 GHG emissions, it viewed such disclosures as a critical area of focus, given their potential to provide insights into an entity’s management of emissions across its entire value chain.</p>	<p>Respondents expressed mixed views on the proposed Scope 3 GHG emissions disclosure requirements. Some respondents, in particular investors, emphasized its importance in providing a more complete picture of the value chain for improved decision-making.</p> <p>Other stakeholders raised concerns about the associated practical and cost-related challenges, suggesting that Scope 3 GHG emissions should be excluded from the disclosure requirements.</p> <p>Despite mixed views, there was broad agreement on the complexity of Scope 3 GHG emissions for public sector entities.</p>	<p>The IPSASB confirmed the proposed requirements on Scope 3 GHG emissions.</p> <p>The IPSASB also revised the proposed transition relief for disclosing Scope 3 GHG emissions to address the challenges raised by respondents. As a result, an entity is not required to disclose its Scope 3 GHG emissions in the first three annual reporting periods in which an entity applies the IPSASB SRS 1 requirements.</p>





<p>8 – Transition Reliefs</p> <p>The IPSASB SRS ED 1 proposed four transitional reliefs. For the first annual reporting period only, the IPSASB SRS ED 1 proposed that an entity is not required to:</p> <ul style="list-style-type: none"> (a) Disclose comparative information, as aligned with IFRS S2; (b) Publish its climate-related disclosures at the same time as its financial statements, as aligned with IFRS S2; (c) Disclose its Scope 3 GHG emissions, as aligned with IFRS S2; and (d) Disclose the change in GHG emissions from existing climate-related public policy programs, which will be addressed as part of Phase 2 of the project. 	<p>Overall, respondents were supportive of the proposed areas and length of transition relief.</p> <p>The main exception related to Scope 3 emissions, where most respondents considered the one-year transition period to be insufficient and recommended a two- to five-year period instead. Many emphasized that a one-year relief period would not allow adequate time to build the necessary processes and systems to capture Scope 3 emissions across complex public sector value chains, noting that public sector entities operate within interconnected networks of government bodies, service providers, and third-party contractors.</p> <p>A few respondents also suggested additional reliefs to support preparers, particularly for certain quantitative disclosures, such as anticipated financial effects and the more advanced quantitative information arising from climate-related scenario analysis.</p>	<p>The IPSASB confirmed the proposed areas for transition reliefs and a one-year transition timeline for entities on:</p> <ul style="list-style-type: none"> (a) Disclosing comparative information; and (b) Publishing climate-related disclosures at the same time as its financial statements. <p>On Scope 3 GHG emissions, the IPSASB extended the transition relief to a period of three years, considering the complexity of public sector value chains.</p> <p>On the additional reliefs suggested by respondents, the IPSASB did not identify a public sector-specific rationale to depart from the areas of transition relief provided in IFRS S2.</p>
<p>9 – Public Policy Programs</p> <p>IPSASB SRS ED 1 proposed public sector-specific disclosure requirements on climate-related public policy programs. The disclosure requirements are proposed across the four pillars of the TCFD Framework: Governance,</p>	<p>Respondents raised several concerns regarding the proposed disclosure requirements for public policy programs, including key issues identified in relation to the scope, definitions, and specific disclosure requirements. Some noted that the proposals focused only on public policy programs with a primary climate-related objective and did not</p>	<p>The IPSASB noted significant concerns raised by respondents on the proposed public policy program disclosures.</p> <p>The IPSASB agreed that these issues require further consideration, and will be discussed in Phase 2 of the project.</p>

<p>Strategy, Risk Management, and Metrics and Targets.</p>	<p>capture programs that may have significant unintended or negative climate impacts.</p> <p>Some respondents also raised concerns on whether “responsibility” was the appropriate notion to determine the reporting entity, noting the complexity of shared mandates, overlapping jurisdictions, and multi-level governance structures.</p> <p>In addition, some respondents provided feedback on the specific disclosure requirements under each of the four pillars in the context of climate-related public policy programs.</p>	
<p>10 – Implementation Support</p>	<p>In addition to the concerns noted above, respondents emphasized the need for implementation guidance and support.</p> <p>Respondents highlighted several areas where assistance would be beneficial, including practical guidance and methodologies, capacity building and technical assistance, templates and tools, and ongoing support to enable continuous improvements in reporting.</p> <p>Particular areas where respondents noted the need for implementation support include Scope 3 emissions in a public sector context, application of the materiality definition, and metrics relevant to specific public sector functions.</p>	<p>In response to the need for implementation support across feedback received, the IPSASB confirmed an ongoing phase of the project dedicated to supporting implementation of the Standard.</p> <p>An overview of this ongoing phase is provided in the next section of this Consultation Summary.</p>

Supporting Adoption and Implementation

In line with the [IPSASB Strategy and Work Program 2024–2028](#), the IPSASB affirmed its commitment to promote adoption and implementation of the IPSASB SRS Standards. In March 2025, in response to constituents' calls for urgent progress and the need for implementation support, the IPSASB confirmed an ongoing phase of the project, which will focus on supporting implementation of the Standard.

Key activities in this phase include:

 Publication and Communication	 Outreach and Awareness	 Educational Material	 Implementation Support
<ul style="list-style-type: none"> Publish IPSASB SRS 1, <i>Climate-related Disclosures</i> in Q1 2026 	<ul style="list-style-type: none"> Host a launch event for IPSASB SRS 1, <i>Climate-related Disclosures</i> 	<ul style="list-style-type: none"> Publish educational material on materiality by adapting existing educational content for the public sector 	<ul style="list-style-type: none"> Encourage IPSASB SIF Implementation Leaders to implement IPSASB SRS 1, <i>Climate-related Disclosures</i>
<ul style="list-style-type: none"> Issue supporting communication materials, including the At-A-Glance, webcast, and IPSASB website 	<ul style="list-style-type: none"> Deliver regional roundtables and other outreach activities to encourage adoption and implementation 	<ul style="list-style-type: none"> Compile knowledge resources relevant to the IPSASB SRS 1, <i>Climate-related Disclosures</i> 	<ul style="list-style-type: none"> Engage with the preparer community to gather practical implementation insights

Through these elements, the IPSASB aims to empower public sector entities to deliver high-quality climate-related disclosures, supporting transparency, accountability, and informed decision-making across jurisdictions.