

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Virtual Meeting

Meeting Date: October 30, 2025

Agenda Item 2

For:

☐ Approval

☒ Discussion

☐ Information



CLIMATE-RELATED DISCLOSURES


Project summary	The project objective is to support global action to combat climate change by providing principles for public sector climate-related disclosures that provide information for improved decision-making and accountability.	
Project staff leads	<ul style="list-style-type: none"> • Karen Leung, Manager • Alex Metcalfe, Principal Consultant 	
Drafting group members	<ul style="list-style-type: none"> • Ian Carruthers, IPSASB Chair • Scott Showalter, IPSASB Member • Renee Pichard, IPSASB Member • Karen Sanderson, IPSASB Member 	
Meeting objectives Project management	Topic	Agenda Item
	Final Pronouncement Dashboard	2.1.1
	Instructions up to Previous Meeting	2.1.2
	Decisions up to Previous Meeting	2.1.3
	Climate-related Disclosures: Project Roadmap	2.1.4
Decisions required at this meeting	Scope 3 GHG Emissions – Public Policy Programs	2.2.1
	Other Decisions and Instructions from September 2025	2.2.2
Other supporting items	[draft] IPSASB SRS X, Climate-related Disclosures – with Track Changes	2.3.1

Prepared by: Karen Leung and Alex Metcalfe (October 2025)

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**CLIMATE-RELATED DISCLOSURES:
FINAL PRONOUNCEMENT DASHBOARD**

Topic	April 2025	June 2025	July 2025	Sept 2025	Oct 2025	Dec 2025
Project Management	✓	✓				
Review of responses and identification of key themes and other issues	✓	✓	✓			
Discussion of issues		✓	✓			
Review the Final Pronouncement				✓		
Review and Approve the Final Pronouncement						
Climate-related Disclosures (Phase 1) – Key Issues Identified						
Single or Separate Standards		✓				
Alignment with GHG Protocol		✓				
Scope 3 GHG Emissions		✓				
Materiality		✓				
General Requirements		✓	✓			
Transition			✓			
Other Issues (SMC 10)			✓			
Structure of the Standard			✓			
IPSASB SRS ED 1 Feedback Statement						

Legend	
✓	Task Completed
	Planned IPSASB Discussion
	Page-by-page Review

INSTRUCTIONS UP TO PREVIOUS MEETING

Meeting	Instruction	Actioned
September 2024	1. All instructions provided up until September 2024 were reflected in IPSASB SRS ED 1, <i>Climate-related Disclosures</i>	1. All instructions provided up until September 2024 were reflected in IPSASB SRS ED 1, <i>Climate-related Disclosures</i>
March 2025	2. Address implementation-related issues through an ongoing phase of the project	2. See draft 2025 Work Program Consultation
April 2025	3. Ensure responses are sufficiently reflected for the following issues: (a) Alignment with IFRS S2; (b) Just transition and trade-off decisions; (c) Proportionality considerations; and (d) Potential implications of adopting IPSASB SRS independently of IPSAS	3. Agenda Item 5.2.2 , Agenda Item 5.2.3 ; To be further discussed during Phase 2 and implementation phase
	4. Consider further and analyze potential reasons for high rates of non-response to certain SMCs	4. In progress until Phase 2 of project
	5. Prepare a feedback statement for publication with the final pronouncement on how the IPSASB has addressed the feedback received	5. To be prepared with the publication of the final pronouncement
	6. Present a detailed project plan at the June 2025 meeting, including possible options for addressing the cross-cutting issue of developing a single standard or separate standards	6. Agenda Item 5.2.8
	7. Provide analysis on issues of principle related to Own Operations at the June 2025 meeting	7. Agenda Item 5.2.3 , Agenda Item 5.2.4 , Agenda Item 5.2.5
	8. Defer discussion on issues of principle related to Public Policy Programs to future meetings	8. Agenda Item 5.2.8

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June 2025	9. Communicate the Board's decision to pursue separate standards, including a timeline for progressing Public Policy Programs, based on the proposed guidance in IPSASB SRS ED 1 and informed by consultation feedback	9. IPSASB News: IPSASB Decides Key Next Steps in Landmark Climate-related Disclosures Project ; Staff are developing a Feedback Statement to accompany the publication of the final pronouncement for Phase 1 of the project.
	10. Maintain communication with International Sustainability Standards Board (ISSB) and monitor updates to the ongoing amendments to IFRS S2	10. In progress; See Agenda Item 7.3.3
	11. Engage with the World Resources Institute (WRI) to promote consideration of public sector needs in the GHG Protocol update	11. In progress
	12. Explore options to highlight Appendix B: General Requirements more effectively within the core text for improved usability and clarity	12. Agenda Item 3.2.5
	13. Address the issues of principle raised in relation to Appendix B: General Requirements in the upcoming meetings	13. Agenda Item 3.2.2
	14. Leverage existing guidance from existing national and international standard setters to support understanding of the proposed materiality definition	14. Agenda Item 7.2.4
	15. Develop options to address the lack of clarity associated with the materiality definition	15. Agenda Item 7.2.4
July 2025	16. Add additional Illustrative Guidance to address the disclosure of climate financing mechanisms	16. Agenda Item 7.3.1 IG5
	17. Bring back a first draft of the final pronouncement of the [draft] IPSASB SRS X to the September 2025 meeting	17. Agenda Item 7.3.1
September 2025	18. Retain paragraphs clarifying that public policy programs are not considered part of Scope 3 greenhouse gas emissions	18. Agenda Item 2.2.1

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	19. Elevate the Basis for Conclusions paragraph discussing the IPSASB's development of the two reporting perspectives and its decision to split the project into two separate standards	19. Agenda Item 2.3.1 BC11
	20. Align the wording of the Objective with that of IFRS S2, while maintaining necessary public sector-specific adaptations	20. Agenda Item 2.3.1 Paragraphs 1-2
	21. Draft Application Guidance in relation to the “own operations” reporting perspective, drawing on the definition used in IPSASB SRS ED 1	21. Agenda Item 2.3.1 Paragraph AG3
	22. Draft Basis for Conclusions to explain the rationale for changes made to increase alignment with private sector guidance	22. Agenda Item 2.3.1 Paragraph BC21
	23. Provide further explanation in the Basis for Conclusions on the term “operational model”, including references to “outcomes”, “objectives”, and RPG 3, <i>Reporting Service Performance Information</i>	23. Agenda Item 2.3.1 Paragraph BC35
	24. Signpost Appendix B: General Requirements in the core text to support usability	24. Agenda Item 2.3.1 Paragraph 2
	25. Include an appendix listing terms used in IPSAS Standards that are applied with the same definition, in line with the approach used in RPG 1 and RPG 3	25. Agenda Item 2.3.1 Paragraph 6, Paragraph B1, Appendix D
	26. Clarify in Basis for Conclusions the IPSASB's discussions and intention in relation to the proportionality mechanisms provided	26. Agenda Item 2.3.1 Paragraph BC8

DECISIONS UP TO PREVIOUS MEETING

Meeting	Instruction	BC Reference
September 2024	1. All decisions have been reflected in IPSASB SRS ED 1, <i>Climate-related Disclosures</i>	1. N/A
March 2025	2. Maintain flexibility and transparency in undertaking the consultation analysis and in the categorization of key issues	2. N/A
June 2025	3. Based on constituent feedback and pragmatic considerations, the project should proceed with developing separate standards	3. Paragraphs BC11-BC28
	4. The two standards should be developed across two phases: (i) Phase 1: Own Operations; and (ii) Phase 2: Public Policy Programs	4. Paragraphs BC11-BC28
	5. The Own Operations principles should continue to align with IFRS S2, while retaining the public sector specific guidance proposed in the Exposure Draft	5. Paragraph BC26
	6. The rebuttable presumption that entities use the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless another methodology is more appropriate for its circumstances should be retained	6. Paragraph BC55
	7. The disclosure requirements on Scope 3 GHG emissions should be retained	7. Paragraphs BC61-BC62
	8. The proposed alignment of Appendix B: General Requirements with the relevant parts of IFRS S1 should be retained	8. Paragraph BC97
	9. The proposed materiality definition, should be retained	9. Paragraphs BC89-90
	10. Develop Scope 3 guidance on application in the public sector context during the subsequent implementation phase of the project	10. Paragraph BC90
	11. The proposed transition provisions relating to Own Operations are appropriate and should be retained	11. Paragraph BC76
	12. The transition timeline for reporting an entity's Scope 3 greenhouse gas (GHG) emissions should be extended from one year to three years	12. Paragraph BC77
July 2025	13. The proposals within General Requirements related to the Timing of Reporting and Location of Disclosures should be retained	13. Paragraph BC98

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	14. No changes are needed to address the issues identified under SMC 10 (Other Issues)	14. Paragraphs BC7, BC8, BC38, BC45, BC46, BC56, BC67, BC78, BC99, BC103
	15. It is appropriate to maintain the overall structure of the ED in developing the [draft] IPSASB SRS X, while removing the relevant Public Policy Program guidance	15. Paragraph BC27
September 2025	16. The proposed changes as a result of splitting into two separate standards were appropriate	16. N/A
	17. The proposed changes reflecting increased alignment with private sector guidance, including removing the term “own operations” from authoritative guidance, were appropriate	17. N/A
	18. The proposed changes reflecting decisions from June and July 2025 meetings were appropriate	18. N/A
	19. The development of Phase 3 of the Making Materiality Judgments project should be accelerated, in parallel with Phase 2, to provide guidance on applying materiality in the context of sustainability reporting	19. Paragraph BC90
	20. Non-authoritative guidance on materiality for sustainability reporting should be developed by drawing on ISSB education material	20. Paragraph BC90

**CLIMATE-RELATED DISCLOSURES:
PROJECT ROADMAP**

Meeting	Completed Actions or Discussions / Planned Actions or Discussions:
March 2025	1. Summary of outreach and managing consultation responses
April 2025	1. Preliminary analysis of responses
June 2025	1. Review responses 2. Discuss issues
July 2025	1. Review responses 2. Discuss issues
September 2025	1. Review [draft] IPSASB SRS X, <i>Climate-related Disclosures</i> 2. Discuss issues 3. Page flip
October 2025	1. Review [draft] IPSASB SRS X, <i>Climate-related Disclosures</i>
December 2025	1. Approve IPSASB SRS X, <i>Climate-related Disclosures</i> 2. Review feedback statement

Scope 3 GHG Emissions – Public Policy Programs

Question

1. Does the Board agree with the proposed changes to the draft final pronouncement to clarify that public policy programs fall outside of the 15 categories of Scope 3 greenhouse gas (GHG) emissions?

Recommendation

2. Staff recommend that the IPSASB clarify that public policy programs fall outside of the 15 categories of Scope 3 GHG emissions through:
 - (a) Reintroducing a BC from the ED, acknowledging that the GHG Protocol was designed for the private sector and does not address Scope 3 emissions relating to public policy programs; and
 - (b) Adding an IG to clarify the scope of GHG emissions disclosure requirements, consistent with the reporting boundaries established by Scope 1, Scope 2, and the 15 categories of Scope 3.

Background

3. At the time of developing IPSASB SRS ED 1, *Climate-related Disclosures*, the IPSASB agreed that entities should disclose Scope 3 GHG emissions. The Board decided that the two distinct reporting perspectives between an entity's own operations and its public policy programs provided two different scopes of reporting.
4. Therefore, in developing the ED, the Board decided that it was appropriate to clarify that emissions resulting from climate-related public policy programs are reported separate from Scope 3 GHG emissions. This was addressed in the ED through the application guidance, basis for conclusions, and implementation guidance (see [Appendix A](#)).
5. At its June 2025 meeting, the IPSASB reviewed and discussed responses to the ED. In addition to its decision to progress the project in two separate phases, the Board also decided that it was appropriate to retain disclosure requirements on Scope 3 GHG emissions (see [Agenda Item 5.2.4](#)).
6. In September 2025, the Board reviewed a draft final pronouncement for Phase 1 of the project. Considering the potential confusion on whether emissions from public policy programs would be disclosed as a part of Scope 3 GHG emissions, Board members instructed staff to retain paragraphs clarifying that public policy programs are not considered part of Scope 3 greenhouse gas emissions (see [Appendix A](#)).

Analysis

7. In the summary of ED responses from April 2025 (see [Agenda Item 2.2.12](#)), staff did not identify any significant issues raised by respondents in relation to whether GHG emissions arising from public policy programs would be interpreted as part of Scope 3 GHG emissions.
8. However, staff note that the scope and definition of public policy programs were identified as key issues in the summary of ED responses (see [Agenda Item 2.2.4](#) and [Agenda Item 2.2.5](#)). With the decision to progress the project into two separate phases, the scope and definition of public policy programs will be further discussed by the Board as a part of Phase 2 of the project.
9. Staff observe that the GHG Protocol was designed for corporate reporting in the private sector, and was designed to define a reporting boundary, rather than capture all value chain emissions. For that reason, the 15 Scope 3 categories (see [Appendix B](#)) do not include emissions relating to public policy

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programs. In practice, even within the private sector, some value chain emissions may not fall directly within one of the 15 categories.

10. Based on the above, staff are of the view that:
 - (a) It would be premature for the draft final pronouncement to address public policy programs in authoritative guidance, given that constituent feedback on the scope and definition of public policy programs are yet to be discussed; and
 - (b) Entities applying the GHG Protocol would not reasonably interpret the 15 Scope 3 categories to include emissions associated with public policy programs (see [Appendix B](#) for a detailed description of the categories, along with public sector-specific examples developed by staff).

Rebuttable Presumption of Using GHG Protocol

11. Staff also considered whether this issue might arise if an entity applies the rebuttable presumption and elects to use a methodology other than the GHG Protocol to measure or classify Scope 3 emissions.
12. In such cases, the draft final pronouncement requires entities to disclose Scope 3 GHG emissions using the 15 categories in the GHG Protocol (see paragraph AG1.80 in [Appendix A](#)). Staff consider that this requirement provides a clear and consistent basis for defining the Scope 3 reporting boundary, and provides adequate principles for entities to exercise judgement.
13. Overall, staff did not identify a need for additional guidance within the authoritative text in relation to the 15 Scope 3 categories and public policy programs. However, to reflect the Board's discussions and to provide further clarity the distinction for preparers, staff consider it appropriate to incorporate the drafting below through BCs and IGs:

Paragraph Reference in [draft] Standard (Agenda Item 2.3.1)	Paragraph Text	Staff Recommendation
BC51	The IPSASB acknowledged that the Greenhouse Gas Protocol was designed for the private sector and does not address Scope 3 emissions relating to “public policy programs” as referred to in the IPSASB SRS ED 1.	<p>This paragraph was removed during the September 2025 drafting, following the decision to split the project into two separate standards.</p> <p>Staff recommend reintroducing this BC to clarify the IPSASB's rationale regarding the applicability of the GHG Protocol to public sector entities, and to explain why emissions arising from public policy programs fall outside the reporting boundary.</p>

IG2	<p>What should an entity consider when disclosing its Scope 3 greenhouse gas emissions?</p> <p>A: An entity shall consider all 15 categories of Scope 3 greenhouse gas emissions, as described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), in disclosing its emissions. Emissions that do not fall within Scope 1, Scope 2, or the 15 categories of Scope 3 are outside the required disclosures in the [draft] Standard. Emissions outside the required disclosures include those arising from any type or set of interventions taken or mandated by a public sector entity exercising its sovereign powers to influence the decisions or behaviors of other entities or individuals.</p>	<p>Staff recommend developing an additional IG that illustrates how the 15 categories define the Scope 3 reporting boundary.</p> <p>This additional IG would assist preparers in identifying relevant value chain emissions within the 15 categories as defined in the GHG Protocol.</p>
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Decision

14. Does the Board agree with the staff [recommendation](#)?

Appendix A: Relevant Extracts from IPSASB SRS ED 1

- The following table shows relevant extracts from the IPSASB SRS ED 1 that were intended to clarify that emissions resulting from climate-related public policy programs are reported separate from Scope 3 GHG emissions:

ED Paragraph Reference	Paragraph Text	September 2025 Drafting
AG1.69	An entity with responsibility for outcomes of a climate-related public policy program should consider the greenhouse gas emissions in its value chain that may be related to its climate-related public policy activities in the measurement of Scope 1, 2, and 3 greenhouse gas emissions in its own operations. For example, an energy agency that regulates the energy sector within a jurisdiction would disclose emissions from consumed energy from its office premises and consumed energy from employees involved in setting regulations in the emissions from its own operations.	Removed
AG1.70	Where an entity's own activities contribute to the outcomes of the climate-related public policy program for which it has responsibility, the greenhouse gas emissions related to these activities would also be captured in reporting on the change in greenhouse gas emissions reasonably attributable to the climate-related public policy program.	Removed
AG1.80	In accordance with paragraph 28(a)(vi), an entity shall disclose information about its Scope 3 greenhouse gas emissions to enable primary users of general purpose financial reports to understand the source of these emissions. The entity shall consider its entire value chain (upstream and downstream) and shall consider all 15 categories of Scope 3 greenhouse gas emissions, as described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). In accordance with paragraph 28(a)(vi), the entity shall disclose which of these categories are included in its Scope 3 greenhouse gas emissions disclosures.	Retained
AG1.81	For the avoidance of doubt, regardless of the methodology an entity uses to measure its greenhouse gas emissions, the entity is required to disclose the categories included within its measure of Scope 3 greenhouse gas emissions as described in paragraph 17(a)(vi)a.	Retained

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BC62 (1)	...the IPSASB acknowledged that the Greenhouse Gas Protocol was designed for the private sector and does not address Scope 3 emissions relating to public policy programs.	Removed – Propose to reintroduce to drafting (see paragraph 13 in Agenda Item 2.2.1 and paragraph BC51 in Agenda Item 2.3.1)
BC62 (2)	As a result, emissions from other entities and/or individuals that are reasonably attributable to a climate-related public policy program for which the entity has responsibility are addressed as part of reporting on climate-related public policy programs and their outcomes, specifically in the change in greenhouse gas emissions reasonably attributable to a climate-related public policy program (see paragraph BC84).	Removed
IG6	Does an entity include greenhouse gas emissions from activities of other entities and/or individuals reasonably attributable to climate-related public policy programs when reporting Scope 3 greenhouse gas emissions from its own operations? A: Entities with responsibility for outcomes of a climate-related public policy program should include the emissions from activities of other public sector entities, private sector entities and/or individuals that are within its value chain as part of reporting Scope 3 greenhouse gas emissions from its own operations. Accordingly, greenhouse gas emissions pertaining to activities of other public sector entities, private sector entities and/or individuals that are not within its value chain are excluded as part of reporting Scope 3 greenhouse gas emissions from its own operations.	Removed
IG9	Are the emissions resulting from an entity's own policy design, implementation and/or monitoring activities included in the measurement of the change in greenhouse gas emissions reasonably attributable to climate-related public policy programs? A: No. Metrics relating to climate-related public policy programs, such as greenhouse gas emissions, are designed to capture outcomes of the program itself. The entity's own emissions from designing, implementing and/or monitoring such programs through its operational model and value chain are disclosed as part of the entity's own operations.	Removed

Appendix B: Scope 3 Categories

1. To support understanding of how the categories may apply to public sector entities, staff developed further examples for each Scope 3 category. Staff are also exploring opportunities for further engagement with the World Resources Institute/GHG Protocol to consider whether these public sector-specific examples could inform their ongoing work.
2. The following table lists the 15 categories of Scope 3 GHG emissions from the GHG Protocol, together with the corresponding:
 - (a) Descriptions as taken from the [GHG Protocol Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#); and
 - (b) Staff-developed disclosure examples from the reporting perspective of a public sector entity in considering all the activities in its operational model.

Scope 3 Categories	Description from the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard	Scope 3 Disclosure Example
1. Purchased goods and services	Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 - 8	A local authority adopts a green procurement policy to purchase office supplies (e.g., recycled paper and eco-friendly cleaning services), reducing emissions in this category.
2. Capital goods	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year	A local government constructs a new office building using low-carbon materials (e.g., recycled steel and timber), reducing the emissions required to build this new asset.
3. Fuel- and energy-related activities (not included in scope 1 or scope 2)	Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2	A local authority installs onsite solar panels, reducing upstream emissions from the production and transportation of electricity that would otherwise be included in this category.
4. Upstream transportation and distribution	Transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles	A public health department of the local government chooses a medical supplier with a nearby distribution

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	<p>and facilities not owned or controlled by the reporting company)</p> <p>Transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company</p>	<p>center, shortening the supply chain distance and lowering upstream emissions from transporting goods to its facilities.</p>
5. Waste generated in operations	<p>Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)</p>	<p>A city-run public library system transitions to digital lending and reduces physical book purchases, cutting down on paper waste and emissions from third-party disposal of outdated or damaged books.</p>
6. Business travel	<p>Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)</p>	<p>City officials replace most air travel for inter-city meetings with rail or virtual meetings, significantly reducing the number of flights and their associated emissions in this category.</p>
7. Employee commuting	<p>Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)</p>	<p>A local government adopts a telecommuting policy and flexible schedules, reducing the number of employee commuting days and the associated emissions reported under this category.</p>
8. Upstream leased assets	<p>Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2 – reported by lessee</p>	<p>A city leases office space in a privately-owned building, where the energy and heating of that office (managed by the property owner) are accounted as the city's Scope 3</p>

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		emissions under this category.
9. Downstream transportation and distribution	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company)	A city-run tree nursery sells young trees to residents. The delivery of these trees to customers' homes by an external courier service generates emissions categorized under downstream transportation and distribution.
10. Processing of sold products	Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)	A local government operates a recycling program, selling collected recyclable materials (like aluminum and paper) to processing companies. The emissions from those companies processing these materials (e.g., remelting aluminum) fall into this category.
11. Use of sold products	End use of goods and services sold by the reporting company in the reporting year	A local government auctions old fleet vehicles to the public. The emissions produced when the buyers drive these vehicles are considered part of the city's Scope 3 use-of-sold-products emissions.
12. End-of-life treatment of sold products	Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life	As part of a voluntary composting program, residents purchase bins from the municipality. Years later, when the broken plastic bins are discarded and processed as waste, the disposal emissions are

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		reported under end-of-life treatment of sold products.
13. Downstream leased assets	Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 – reported by lessor	A local government owns social housing units which it leases to tenants. The energy use (e.g., electricity) in these homes, controlled by the residents, results in emissions under this category for the local government.
14. Franchises	Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor	A local government authorizes private entities to operate service centres under a franchise arrangement. The emissions generated from the operation of these franchised service centres fall into this category.
15. Investments	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2	A municipality holds a majority stake in a publicly regulated utility company. The emissions from the utility's operations, such as electricity generation, are proportionally attributed to the municipality's investment portfolio under Category 15.

Other Decisions and Instructions from September 2025

Question

1. Does the Board agree that decisions and instructions from September 2025 have been addressed appropriately?

Recommendation

2. Staff recommend revising the draft final pronouncement as outlined in the table following paragraph 6.

Background

3. During the September 2025 meeting, the IPSASB performed three page-by-page reviews of the draft final pronouncement, covering:
 - (a) Changes as a result of splitting into two separate standards;
 - (b) Changes reflecting proposed increased alignment with private sector guidance; and
 - (c) Changes as a result of Board decisions and instructions from the June 2025 and July 2025 meetings, other than the cross-cutting decision to develop two separate standards and to align with private sector guidance.
4. The IPSASB decided that the changes made above were appropriate, subject to the instructions outlined in [Agenda Item 2.1.2](#). These instructions were subsequently actioned by staff and incorporated into the revised draft final pronouncement.
5. Ahead of the October 2025 check-in meeting, a drafting group which consisted of Board members was formed. The drafting group reviewed the draft final pronouncement providing editorial and drafting feedback.
6. At the October 2025 check-in meeting, the IPSASB will review the specific changes that were made by staff to reflect decisions and instructions from September 2025, other than the instruction addressed through [Agenda Item 2.2.1](#). As the Board has already completed three detailed page-by-page reviews of the draft final pronouncement, the discussion in October will focus only on the specific changes that have been made since September 2025.
7. A version which shows the tracked changes from the version reviewed in September 2025 can be found in [Agenda Item 2.3.1](#). To facilitate the IPSASB's review of the document, the following analysis summarizes the key changes made to the draft final pronouncement.

Analysis

8. The following table summarizes the key revisions to the draft final pronouncement and the explanation of the changes:

#	Section/Topic	Paragraph References (Agenda Item 2.3.1)	Explanation of Changes
1	Objective	Paragraphs 1-2	Staff made the following changes as instructed by the Board in September 2025:

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			<ul style="list-style-type: none"> Increased alignment in wording with IFRS S2; and Signposted Appendix B in the objective.
2	Scope	Paragraph 3	<p>Staff made the following change as a result of the Board decision to increase alignment with IFRS S2:</p> <ul style="list-style-type: none"> Aligned the scope paragraph with that of IFRS S2 and with the definitions “Climate-related risks”, “Climate-related physical risks”, and “Climate-related transition risks” in the draft Standard.
3	Definitions Appendix B – Definitions Appendix D Basis for Conclusions – Definitions	Paragraphs 6, B1, BC37	<p>Staff made the following change as instructed by the Board in September 2025:</p> <ul style="list-style-type: none"> Included an appendix listing terms used in IPSAS Standards that are applied with the same definition, in line with the approach used in RPG 1. <p>These terms are now listed in Appendix D.</p>
4	Core Text – Strategy	Paragraph 16	<p>Staff made the following change as a result of the Board decision to increase alignment with IFRS S2:</p> <ul style="list-style-type: none"> Removed paragraph 16, as it was not a part of IFRS S2 and is adequately addressed by the disclosure requirements in paragraph 15(a).
5	Core Text – Metrics and targets – Internal carbon price	Paragraph 26(f)	<p>Staff made the following change as a result of the Board decision to increase alignment with IFRS S2:</p> <ul style="list-style-type: none"> Reintroduced the IFRS S2 examples in where an entity may apply an internal carbon price in decision-making.
6	Core Text – Metrics and targets – Peer metrics	Paragraphs 29 and 34	<p>Staff made the following drafting change to improve consistency with the rest of the draft Standard and alignment with past Board decisions (see Agenda Item 6.2.9):</p> <ul style="list-style-type: none"> Aligned the level of flexibility in disclosing peer metrics with the approach applied in

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			<p>the first reference within the draft Standard (paragraph 22); and</p> <ul style="list-style-type: none"> Updated the reference to IFRS S2 Industry-based Guidance with SASB Standards.
7	Application Guidance – Scope and definitions	Paragraph AG3	<p>Staff made the following change as instructed by the Board in September 2025:</p> <ul style="list-style-type: none"> Added an AG in relation to the “own operations” reporting perspective, drawing on the ED definition where “own operations include all of the activities in an entity’s operational model”. <p>In addition, further editorial comments were received to retain the paragraph explaining that “these requirements and guidance are expected to be relevant to all public sector entities”, which was previously located in AG1.2 of the ED.</p>
8	Application Guidance – Metrics and targets	Paragraph AG90	<p>Staff made the following change as a result of the Board decision to split the project into two separate standards and increase alignment with IFRS S2:</p> <ul style="list-style-type: none"> Aligned references to “metric categories”; and Removed “other metrics” as it was used for public policy programs (see Agenda Item 6.2.5). <p>Staff note that disclosure requirements on disclosing metrics developed by an entity, originally located in paragraph AG2.43 and referenced from AG1.111 in the ED, appears to have been removed in error. This section is now reintroduced in AG90(a)–AG90(d).</p>
9	Basis for Conclusions – Proportionality	Paragraph BC8	<p>Staff made the following change as instructed by the Board in September 2025:</p> <ul style="list-style-type: none"> Added a BC on the IPSASB’s discussions and intention in relation to the proportionality mechanisms provided, to clarify that these mechanisms are to

			support capacity building rather than encourage inconsistent application.
10	Basis for Conclusions – Background	Paragraphs BC11, BC21	Staff made the following changes as instructed by the Board in September 2025: <ul style="list-style-type: none"> Added a BC to summarize the IPSASB's journey in developing the two reporting perspectives and splitting the project into two separate standards. Added a BC to explain the rationale for changes made to increase alignment with private sector guidance.
11	Basis for Conclusions – Definitions	Paragraph BC35	Staff made the following change as instructed by the Board in September 2025: <ul style="list-style-type: none"> Added a BC to provide further explanation on the term “operational model”, including references to “outcomes”, “objectives”, and RPG 3, <i>Reporting Service Performance Information</i>.
12	Implementation Guidance – Capital deployment	Paragraph IG1	Staff made the following change as a result of the Board decision to increase alignment with IFRS S2 and reintroduce paragraph 27(e) on capital deployment: <ul style="list-style-type: none"> Reintroduced an IG containing example metrics related to capital deployment.

9. In addition, staff added BCs in relation to past Board discussions and decisions in response to comments received and drafting group recommendations on the following:

- (a) Peer metrics (paragraphs BC68–BC71); and
- (b) Validation process in setting climate-related targets (paragraph BC72).

Next Steps

10. Staff will prepare the draft final pronouncement for approval and plan to present an approval paper at the December 2025 meeting. The draft final pronouncement will reflect any final:

- (a) Decisions and instructions from the October check-in meeting; and
- (b) Editorial and drafting changes shared directly with staff following the October 2025 check-in meeting.

Decision Required

11. Does the IPSASB agree with the staff [recommendation](#)?

**Supporting Document 1 – [draft] IPSASB SRS X, *Climate-related Disclosures* –
with Track Changes**

1. [draft] IPSASB SRS X, *Climate-related Disclosures* with track changes referenced in [Agenda Item 2.3.1](#) is posted separately for easier readability.