IPSASB International Public Sector Accounting Standards Board®

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Meeting: International Public Sector Accounting Standards Board

Meeting Date: March 10–13, 2026

Agenda Item 7

CLIMATE-RELATED DISCLOSURES – PHASE 2: PUBLIC POLICY PROGRAMS

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.	
Meeting objective	The objective of this meeting is to discuss issues raised from respondents to the IPSASB SRS ED 1 in relation to climate-related public policy programs.	
Project staff leads	• Karen Leung, Manager • Alex Metcalfe, Principal Consultant	
Task Force members	The composition of the Task Force is to be determined.	
	Topic	***Agenda Item***
Essential Documents (Required Reading)	Scope of Disclosures	7.A.1
	Public Sector-Specific Definitions	7.A.2
	Structure of [draft] IPSASB SRS [X]	7.A.3
Supporting Documents (Posted separately on the meeting webpage)	Supporting Document 1 – Climate-related Disclosures – Phase 2: Public Policy Programs Dashboard	7.B.1
	Supporting Document 2 – Scope of Disclosures	7.B.2
	Supporting Document 3 – Public Sector-Specific Definitions	7.B.3
	Supporting Document 4 – Structure of [draft] IPSASB SRS [X]	7.B.4
Background Information (Available on the project webpage)	Decisions and Instructions from Previous IPSASB Meetings	
	Project Timeline	
	Other background information on the IPSASB's climate-related disclosures project can be found on the project page at: https://www.ipsasb.org/consultations-projects/sustainability-climate-related-disclosures	

Prepared by: Karen Leung and Alex Metcalfe (February 2026)

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	Responses to IPSASB SRS ED 1 can be found on the publication page at: https://www.ipsasb.org/publications/ipsasb-srs-exposure-draft-1-climate-related-disclosures

Scope of Disclosures

Question

1. Does the IPSASB agree with the staff recommendation to clarify the scope of disclosures to focus on material information relating to the climate-related outcomes of public policy programs?

Recommendation

2. Staff recommend that the IPSASB refine the proposals in the ED by:

   (a) Removing the reference to “primary objective” as a determinant of whether disclosures are required;

   (b) Clearly applying the term “climate-related” to the outcomes disclosed; and

   (c) As a consequence of (a) and (b), removing "climate-related public policy programs" as a defined term.

Context

3. In IPSASB SRS ED 1, *Climate-related Disclosures*, the IPSASB proposed disclosure requirements providing information to primary users to help understand how public sector entities contribute to climate action through public policy programs, while pragmatically balancing users’ information needs against the disclosure burden.

4. The Basis for Conclusions in the ED clarified the Board’s intention to support entities in providing information on both positive and negative impacts of climate-related public policy programs on greenhouse gas emissions. Therefore, the ED proposed that entities disclose “material information about the outcomes reasonably attributable to a climate-related public policy program”, where “climate-related public policy programs” were further defined as “public policy programs with a primary objective to achieve climate-related outcomes”.

Summary of Consultation Responses

5. A primary concern of respondents was the view that the scope of climate-related public policy programs to be reported on was too narrow. While the rationale for changing the scope varied across the responses, many noted that they viewed the current scope as limited to public policy programs with a primary objective to achieve climate-related outcomes, and that this “could lead to greenwashing”. Respondents noted that this would risk excluding programs with other primary objectives that may have significant negative climate-related outcomes. Overall, there was a strong call for clarifying the scope to include all public policy programs with material climate-related impacts, regardless of their primary objective.

Analysis

Primary Objective

6. Staff note that many public policy programs with climate-related outcomes are intended to achieve multiple objectives – such as advancing economic development or improving transport infrastructure. While achieving climate-related outcomes may not be the primary objective of these programs, they can nonetheless result in significant climate-related outcomes.

7. Staff also consider that the concept of materiality is central and needs to be applied pervasively

across the ED. The notion of materiality provides entities the ability to apply their judgment to manage disclosure burden by limiting disclosures to information that is material to primary users. Accordingly, staff consider that the application of materiality may be sufficient to manage disclosure burden, without the need for "primary objective" as an additional determinant.

8. To clarify the Board's intent and address stakeholder concerns, staff recommend revising the drafting by removing "primary objective", and explicitly state that entities should disclose material information on climate-related outcomes of all public policy programs.

Climate-related Outcomes

9. In addition to removing "primary objective", staff considered how the scope of disclosures could better reflect the Board's intention to focus on the climate-related outcomes of public policy programs.

10. While the definition of "climate-related public policy programs" refers to "public policy programs with a primary objective to achieve *climate-related outcomes*", the use of the term "climate-related public policy programs" might be interpreted as placing an emphasis on identifying a subset of public policy programs, rather than on the climate-related outcomes arising from broader public policy programs. Further, the use of the phrase "outcomes reasonably attributable to climate-related public policy programs" has caused confusion among respondents to the ED, where it was intended to clarify and provide practical guidance.

11. Consistent with the analysis above, staff consider that, in the context of climate-related disclosures, material information on public policy programs would be more appropriately captured through a clear focus on "climate-related outcomes". Clarifying this focus enables disclosures to reflect how public policy programs contribute to climate action, irrespective of their stated primary objective, and would better align the drafting with the Board's intention.

Combined Effect

12. Staff consider that removing "primary objective", together with clarifying the focus on "climate-related outcomes", would better meet primary users' information needs by capturing a broader range of public policy programs, and provide greater clarity in determining the scope of disclosures, through additional emphasis on climate-related outcomes of public policy programs.

13. Rather than requiring entities to first identify a narrowly defined subset of "climate-related public policy programs" and then assess the relevance of their outcomes, entities would consider the full range of public policy programs and apply materiality to identify climate-related outcomes that meet the information needs of primary users. This approach better reflects the Board's intentions, addresses respondent concerns, and supports users' understanding of how public sector entities contribute to climate action.

14. To illustrate the combined effect of these changes, the drafting of the objective would shift from requiring disclosures about "the outcomes of climate-related public policy programs" to "the climate-related outcomes of public policy programs". This reframing, applied consistently throughout the standard, removes "primary objective" as a determinant and instead centers the disclosure requirements on climate-related outcomes arising from the entity's broader public policy programs.

Decision Required

15. The IPSASB is required to decide on the scope of disclosures for [draft] IPSASB SRS [X].

Public Sector-Specific Definitions

Question

1. Does the IPSASB agree with the proposed revisions to the public sector-specific definitions in [draft] IPSASB SRS [X], *Climate-related Disclosures*?

Recommendation

2. Staff recommend that the IPSASB:

   (a) Adapt the term "public policy programs" to "public policy";

   (b) As a consequence of (a), revise the term "public policy program outcomes" to "public policy outcomes", and clarify its definition to make explicit that outcomes can be both positive and negative; and

   (c) Introduce a new defined term, "climate-related outcomes", defined as public policy outcomes relating to climate change mitigation or adaptation.

Context

3. In IPSASB SRS ED 1, the IPSASB proposed three interrelated defined terms that work together as follows:

   (a) "Public policy programs" – which defined the types of interventions that could fall within scope;

   (b) "Public policy program outcomes" – which identified the subset of interventions within the scope of the standard; and

   (c) "Climate-related public policy programs" – which defined the meaning of "outcomes" used across the disclosure requirements.

4. As a consequence of the recommendations in Agenda Item 7.A.1 to clearly apply the term "climate-related" to the outcomes disclosed, entities would report on "material information relating to the climate-related outcomes of public policy programs". Accordingly, the defined term "climate-related public policy programs" would be removed.

5. This paper addresses the two remaining definitions and considers whether a new defined term is needed in place of "climate-related public policy programs".

Analysis

6. Respondents generally supported the proposed definitions in the ED, but raised concerns about:

   (a) Terminology – where respondents noted that "public policy programs" could be read as two separate concepts (i.e. "public policy" and "programs"), and called for simpler, more user-friendly definitions;

   (b) The application of sovereign power across jurisdictions – where some respondents noted that the concept may not accommodate jurisdictions where subnational entities exercise competences delegated by the national legislator;

(c) The absence of explicit reference to positive and negative outcomes – where respondents raised concerns that the proposed scope could be interpreted such that entities report only on public policy with positive climate-related outcomes; and

(d) The need for additional defined terms including "climate-related outcomes" and "climate adaptation" – as the proposed scope of disclosures in Agenda Item 7.A.1 would make "climate-related outcomes" a central concept in the standard that is not currently defined.

Full details of the consultation responses and staff analysis are provided in Agenda Item 7.B.3.

7. In response to constituent feedback, staff recommend the following terminology and definitions for [draft] IPSASB SRS [X]. ~~Red strikethrough~~ indicates proposed deletions, and blue underline indicates proposed insertions:

(a) **Public policy**: "Public polic~~y~~ies ~~programs~~ are 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";

(i) This is an adaptation of the defined term from "public policy programs" to "public policy", which has consequences on the level of reporting for preparers. The proposed adaptation better reflects the range of interventions listed in paragraph AG2.4 of the ED and addresses respondent concerns that the original term could be read as two separate concepts;

(b) **Public policy outcomes**: "Public policy ~~program~~ outcomes are the positive and negative impacts on the economy, environment and/or people, which occur as a result of, or are reasonably attributable to, the public policy ~~program~~";

(i) This is a consequence of adapting the defined term from "public policy programs" to "public policy", and a clarification that outcomes can be both positive and negative. This proposed change responds to constituent feedback that the proposed scope could result in entities reporting only on public policy with positive climate-related outcomes. Although this issue was noted in paragraphs AG2.9 – AG2.10 of the ED, this change addresses constituent feedback and brings additional clarity through the definitions; and

(c) Climate-related outcomes: "Climate-related outcomes are public policy outcomes relating to climate change mitigation or adaptation";

(i) This is a new defined term, replacing "climate-related public policy programs", which is proposed for removal in Agenda Item 7.A.1. It provides preparers with a clear basis for identifying the outcomes within scope and anchors the definition in mitigation and adaptation, which are well-established concepts in the UNFCCC and the Paris Agreement. It also responds to constituent requests for a defined term for "climate-related outcomes" and provides explicit clarity on the inclusion of climate change adaptation.

Decision Required

8. The IPSASB is required to decide on the proposed public sector-specific definitions: "public policy", "public policy outcomes", and "climate-related outcomes".

Structure of [draft] IPSASB SRS [X]

Question

1. Does the Board agree to retain the IPSASB SRS ED 1 structure in [draft] IPSASB SRS [X]?

Recommendation

2. Staff recommend that the IPSASB retain the proposed structure of IPSASB SRS ED 1 in [draft] IPSASB SRS [X], including:

   (a) Retaining the structure from the TCFD framework; and

   (b) Applying the same Conceptual Foundations and General Requirements as IPSASB SRS 1, *Climate-related Disclosures*.

Context

3. The IPSASB SRS ED 1 was developed leveraging existing guidance, where the IPSASB drew primarily from IFRS S2 *Climate-related Disclosures*, and brought in necessary elements from IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*.

4. In addition to private sector guidance, the IPSASB also drew from existing IPSASB literature, which included the IPSASB Conceptual Framework (CF), RPG 1, *Reporting on the Long-term Sustainability of an Entity's Finances*, and RPG 3, *Reporting Service Performance Information*, providing public sector-specific context and conceptual foundations for the ED.

5. This guidance was supported by constituents and has been included as authoritative appendices in IPSASB SRS 1. As a result, and following the publication of IPSASB SRS 1, this structure establishes the necessary conceptual foundations and general requirements that will be needed to support the development of [draft] IPSASB SRS [X].

Analysis

Appropriateness of the TCFD Structure

6. As a result of the alignment with IFRS S2, disclosure requirements in the ED, including those on climate-related public policy programs, are framed around the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations: Governance, Strategy, Risk and Outcome Management, Metrics and Targets.

7. In general, respondents supported the use of the TCFD pillars in the context of the ED, noting that it enhances comparability, interoperability, and consistency with global sustainability reporting frameworks. Staff also note that no other well-supported alternatives to the TCFD framework was identified from the responses.

8. On balance, staff consider that retaining a TCFD-aligned structure offers a coherent and conceptually grounded framework for reporting on climate-related public policy programs. Accordingly, staff recommend that the IPSASB retain the structure of the TCFD framework as part of developing [draft] IPSASB SRS [X].

General Requirements and Conceptual Foundations

9. Appendix B, Appendix B.AG, and Appendix C of the ED drew from IFRS S1 and the IPSASB CF to provide the necessary general requirements and conceptual foundations to operationalize the ED. In developing the IPSASB SRS 1, the Board considered broad support for the proposed drafting of the general requirements, together with its discussions on conceptual foundations, and decided to retain alignment with the proposed General Requirements and Conceptual Foundations, including the materiality definition, which was drawn from the CF.

10. Overall, staff did not identify substantial arguments were made against the proposed General Requirements that have not already been addressed by proposed guidance in the ED or previously discussed by the IPSASB. Staff also consider that on balance, in developing a suite of IPSASB SRS Standards, it is important to maintain consistency in General Requirements and Conceptual Foundations to ensure a coherent conceptual basis and promote consistent interpretation across the suite of Standards.

11. Accordingly, staff recommend that the IPSASB retain the Conceptual Foundations and General Requirements as part of developing [draft] IPSASB SRS [X], consistent with the decisions made in developing IPSASB SRS 1.

Overall Structure

12. Overall, staff consider that the proposed structure of the ED remains appropriate in developing [draft] IPSASB SRS [X]. Under this structure, the core text would continue to be framed around the TCFD framework, supported by relevant Application Guidance, and underpinned by Appendix B, Appendix B.AG, and Appendix C, which provide the necessary General Requirements and Conceptual Foundations. Staff consider that this structure maintains consistency with the sustainability reporting landscape, as well as the IPSASB SRS 1.

Decision Required

13. The IPSASB is required to decide whether it would retain the IPSASB SRS ED 1 structure as it develops [draft] IPSASB SRS [X].