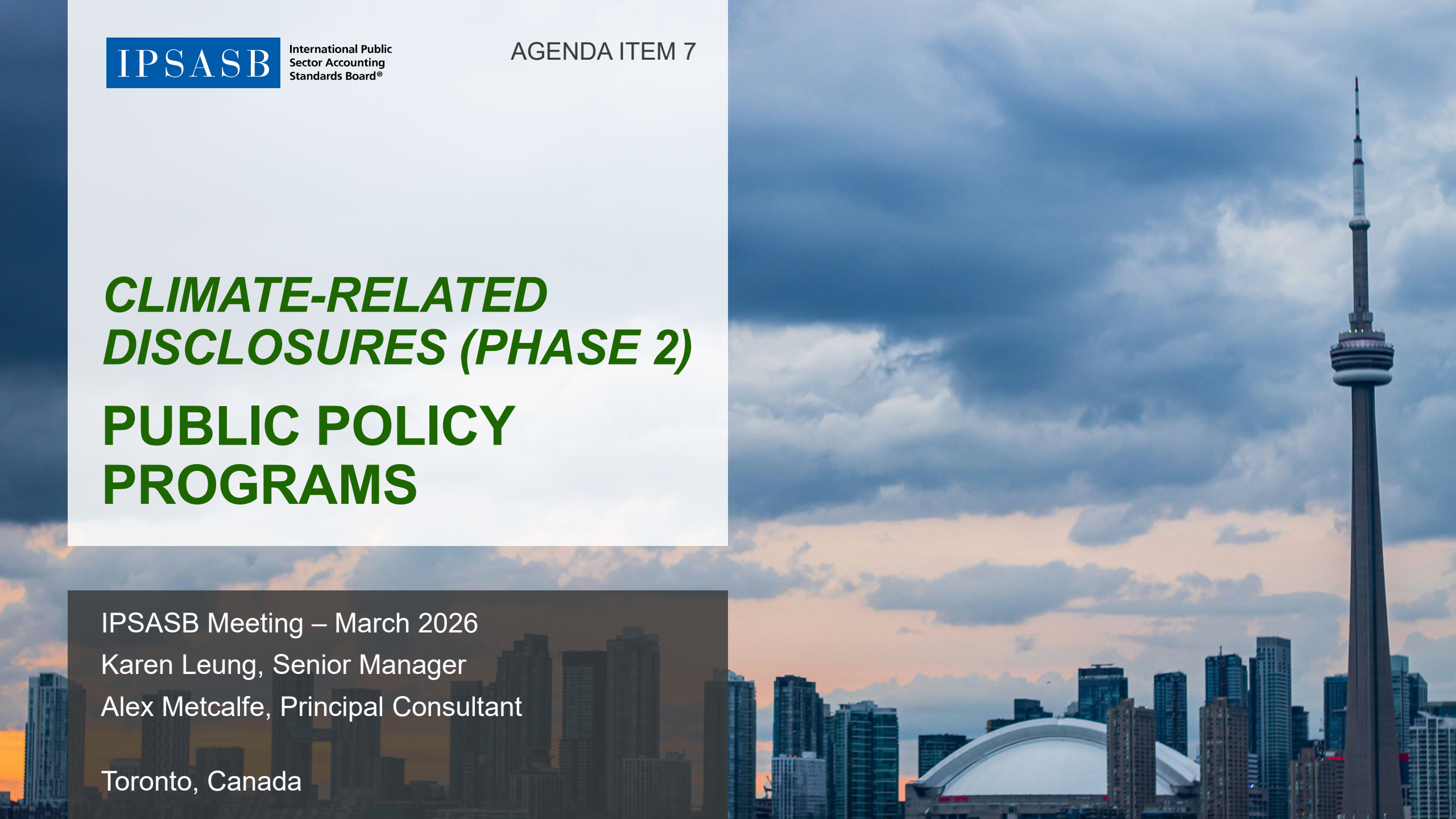
IPSASB International Public Sector Accounting Standards Board®

AGENDA ITEM 7

CLIMATE-RELATED DISCLOSURES (PHASE 2)

PUBLIC POLICY PROGRAMS



IPSASB Meeting – March 2026

Karen Leung, Senior Manager

Alex Metcalfe, Principal Consultant

Toronto, Canada



AGENDA

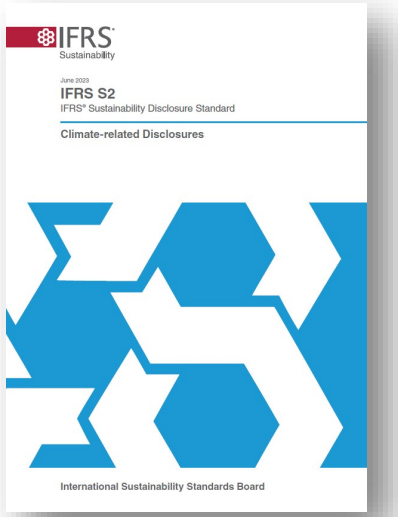
1. Education Session
2. Scope of Disclosures
3. Public Sector-Specific Definitions
4. Structure

IPSASB SRS ED 1, Climate-related Disclosures

GRI + IFRS® ISSB

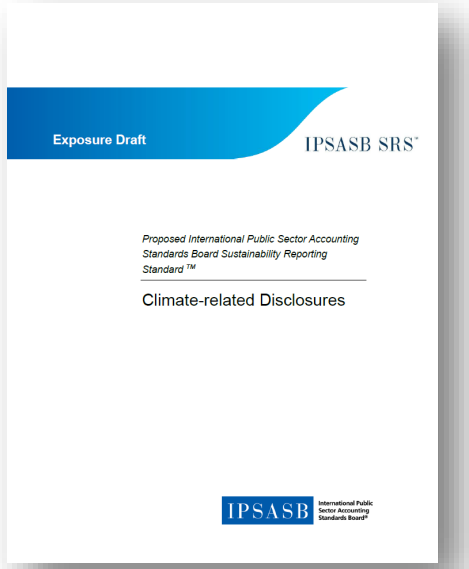


IFRS S1
General Requirements for Disclosure of Sustainability-related Financial Information



IFRS S2
Climate-related Disclosures

IPSASB



IPSASB SRS
Climate-related Disclosures Exposure Draft

Climate – No.1 priority

- Project launched in June 2023
- Leveraging IFRS S2 and some IFRS S1 concepts

Public sector considerations

- Dual role of governments
- Multi-stakeholder needs
- GRI concepts (external perspective)

Role of Public Sector in Climate

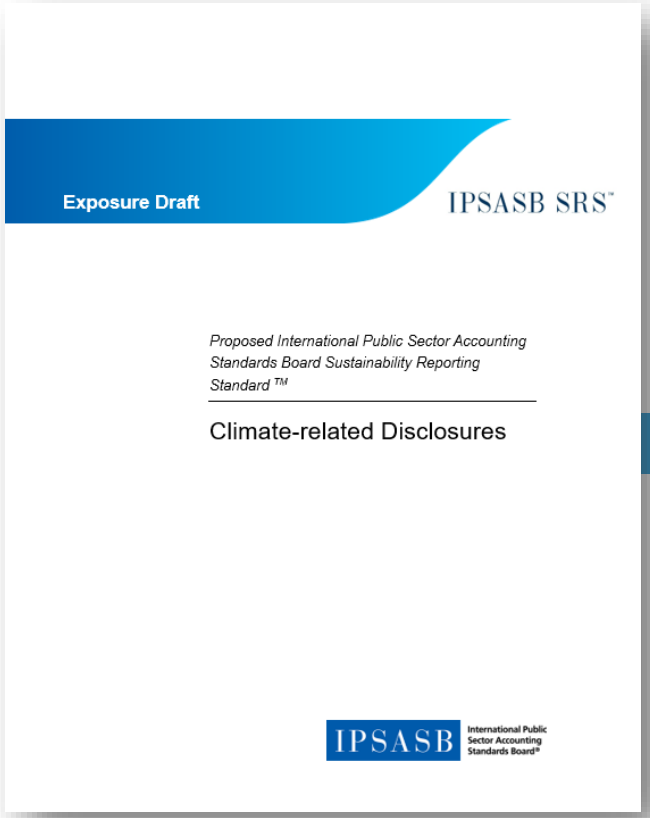


Role of Public Sector in Climate



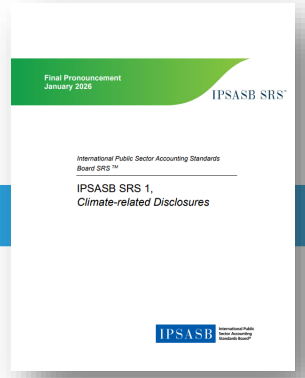
Agenda Item 7

Approval of IPSASB SRS 1



Decision to split into two phases
June 2025

Approval of IPSASB SRS 1, *Climate-related Disclosures*
December 2025



Develop implementation material
January 2026 – ongoing

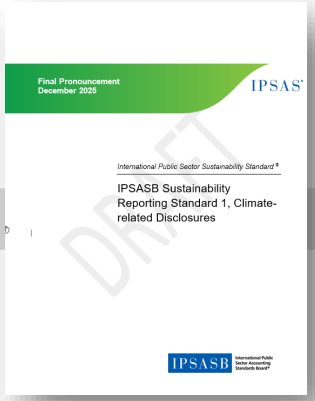
Phase 1

An entity's day-to-day activities

Analyze responses to ED (Public Policy Programs)
January 2026 – ongoing

Phase 2

Public Policy Programs



Approval of 'Public Policy Programs' guidance
To be determined

IPSASB

Public Policy Programs

Public Policy Programs

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, including:

- Regulations and standards
- Taxes and charges
- Subsidies and incentives
- Emissions trading systems
- Public procurement policies
- Infrastructure programs
- Research and development programs

Public Policy Program Outcomes

Public Policy Program Outcomes

Public policy program outcomes are the impacts on the economy, environment, and/or people that occur as a result of, or are reasonably attributable to, the public policy programs.

Public Policy Programs



Intended / Unintended

Direct / Indirect

Positive / Negative

Climate-related Information

Service Recipients

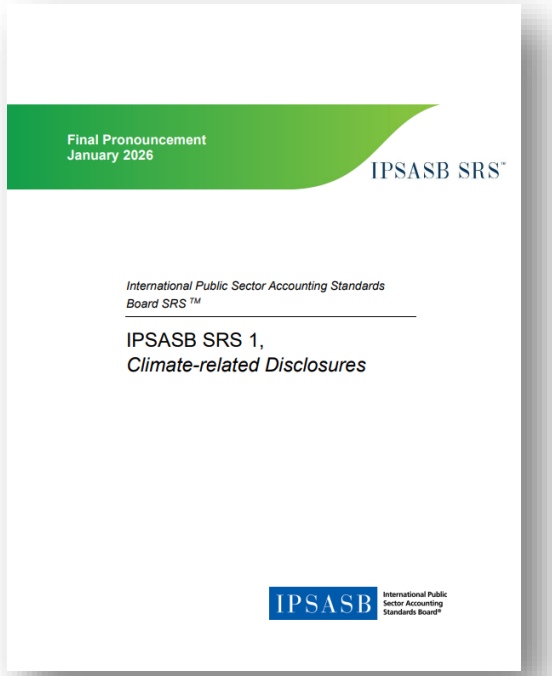
Resource Providers

Information for decision-making

Information to hold entities accountable



Climate-related risks and opportunities to the entity

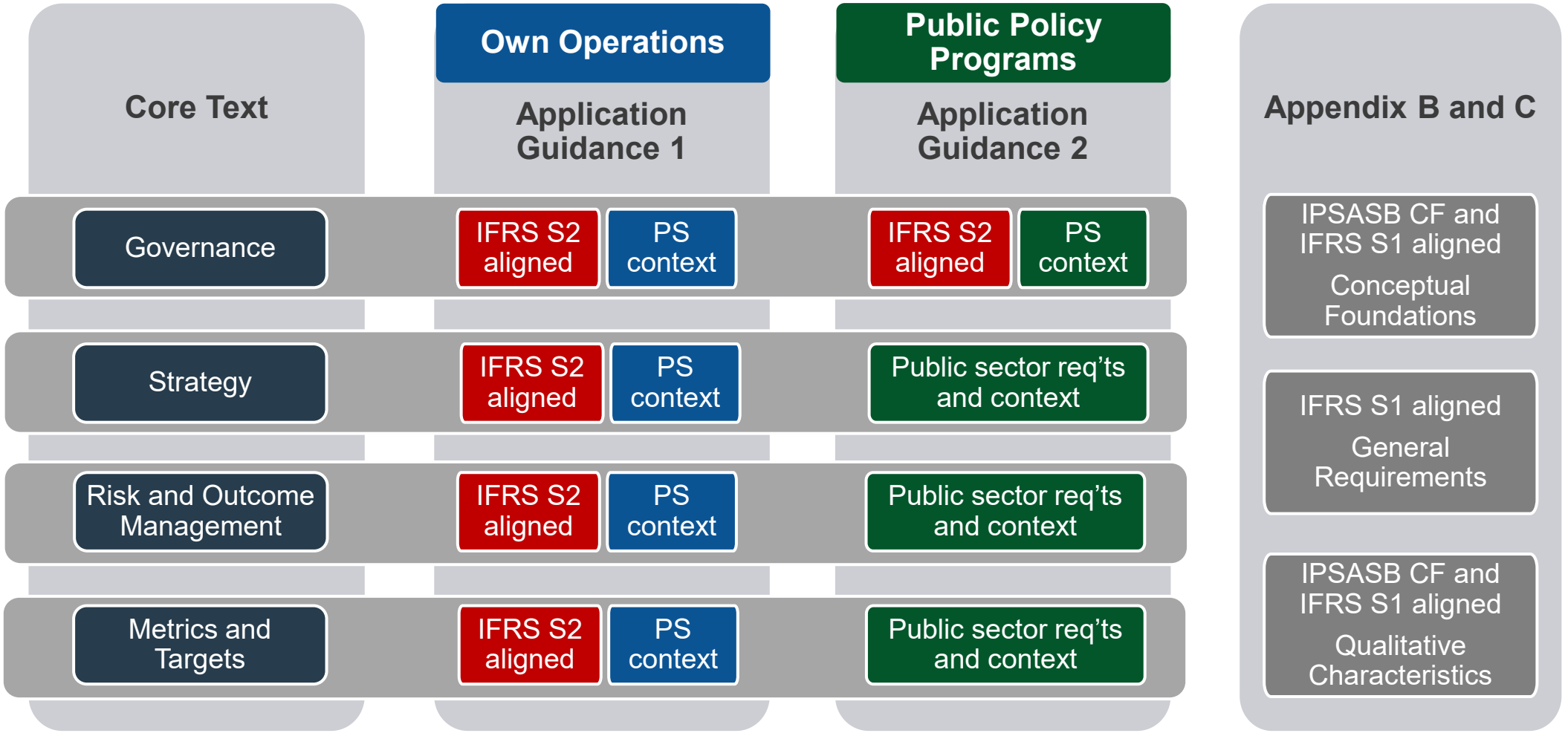


GHG emissions to climate action

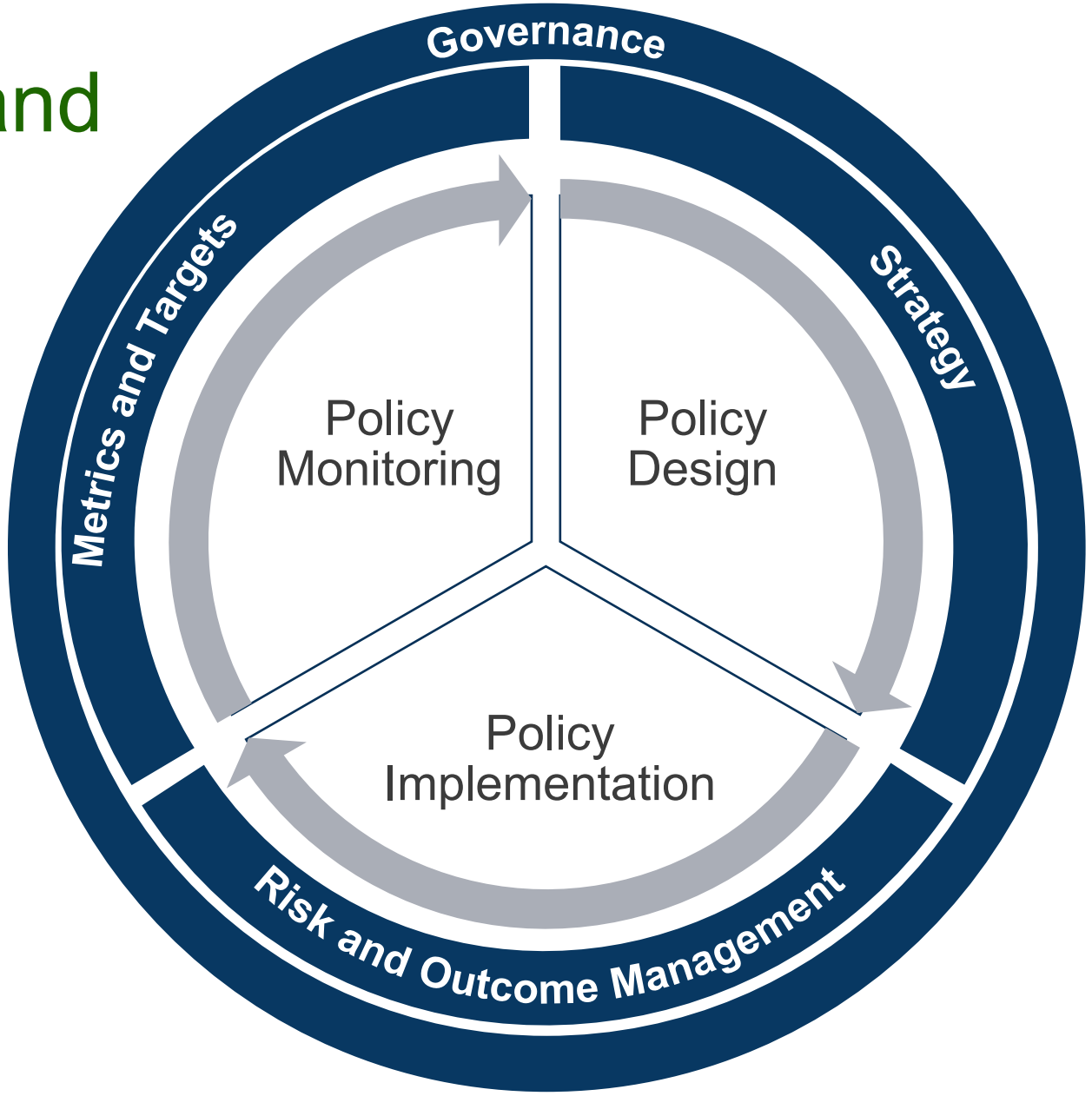
Climate-related public policy programs



ED Structure Overview



The Policy Lifecycles and the TCFD Pillars



Climate-related Public Policy Programs - Overview

Public Policy Programs



Climate-related public policy programs and their outcomes



Any public policy programs such as laws or regulation, taxes, subsidies, with a **primary objective** to achieve climate-related outcomes



Only required for **select entities responsible for outcomes** of climate-related public policy programs

Judgement

The Reporting Entity

Factors that may indicate **responsibility** include:

- Legislation that states the entity has responsibility for the outcomes;
- Responsibility for the design of the program, including ability to make decisions about changes or introduce new programs to achieve the outcomes; or
- accountability for the consequences of not achieving the outcomes.

Climate-related Public Policy Programs - Overview

Public Policy Programs



Climate-related public policy programs and their outcomes



Any public policy programs such as laws or regulation, taxes, subsidies, with a **primary objective** to achieve climate-related outcomes



Only required for **select entities responsible for outcomes** of climate-related public policy programs

Governance

- Oversight of climate-related public policy programs and their outcomes

Strategy

- Strategy and decision-making, anticipated challenges and financial implications

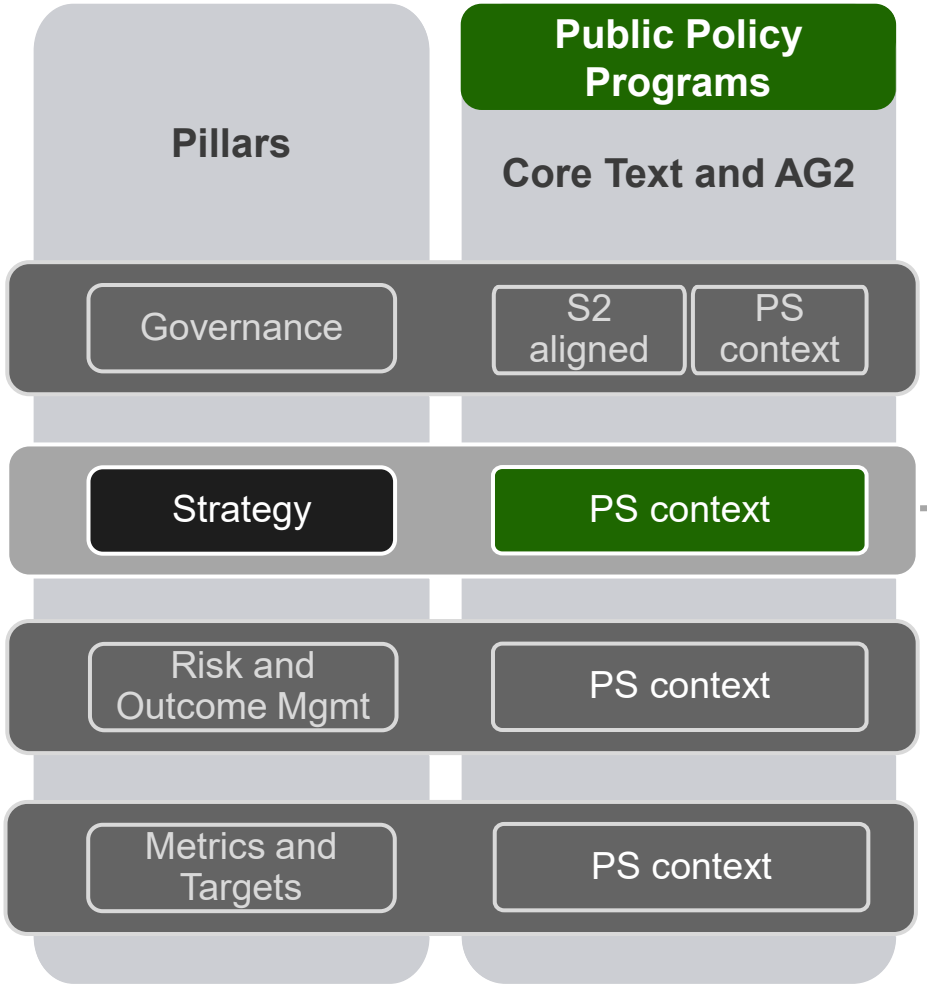
Risk Management

- Processes to identify, assess, prioritize and monitor challenges to achieving outcomes

Metrics & Targets

- Reasonably attributable change in GHG emissions and how it is progressing towards its targets, and other metrics and targets

Public Policy Programs



Strategy and decision-making

- Mandate
- Objectives and Intended Outcomes
- Factors considered

Anticipated challenges to achieving intended outcomes

- Internal Factors
- External Factors

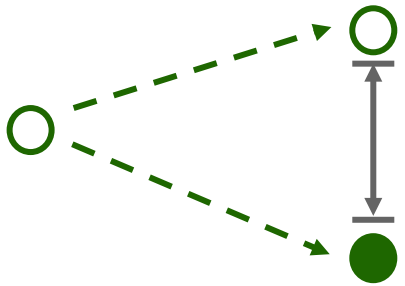
Financial implications of programs

- Cost of programs
- Sources of Funding

Public Policy Programs

Pillars	Public Policy Programs: Core Text and AG2	
Governance	S2 aligned	PS context
Strategy	PS context	
Risk and Outcome Mgmt	PS context	
Metrics and Targets	PS context	

Greenhouse Gas Emissions from Public Policy Programs



GHG emissions without policy

± Estimated change in GHG emissions

GHG emissions from **reasonably attributable outcomes**

Other metrics

- Other metrics used by the entity to measure and monitor outcomes of the climate-related public policy program

Example

Own operations



Ministry of Transport

Converts its fleet of buses to electric vehicles

Provides disclosures as a part of its **own operations**

Climate-related Public Policy Programs



Ministry of Environment

Designs a broad climate-related public policy program

Provides disclosures about its **own operations**

Provides disclosures on the climate-related public policy program and outcomes

Transitional Provisions

In the first annual reporting period:



Not required to disclose comparative information

Aligned with the private sector



Report climate-related disclosures after financial statements

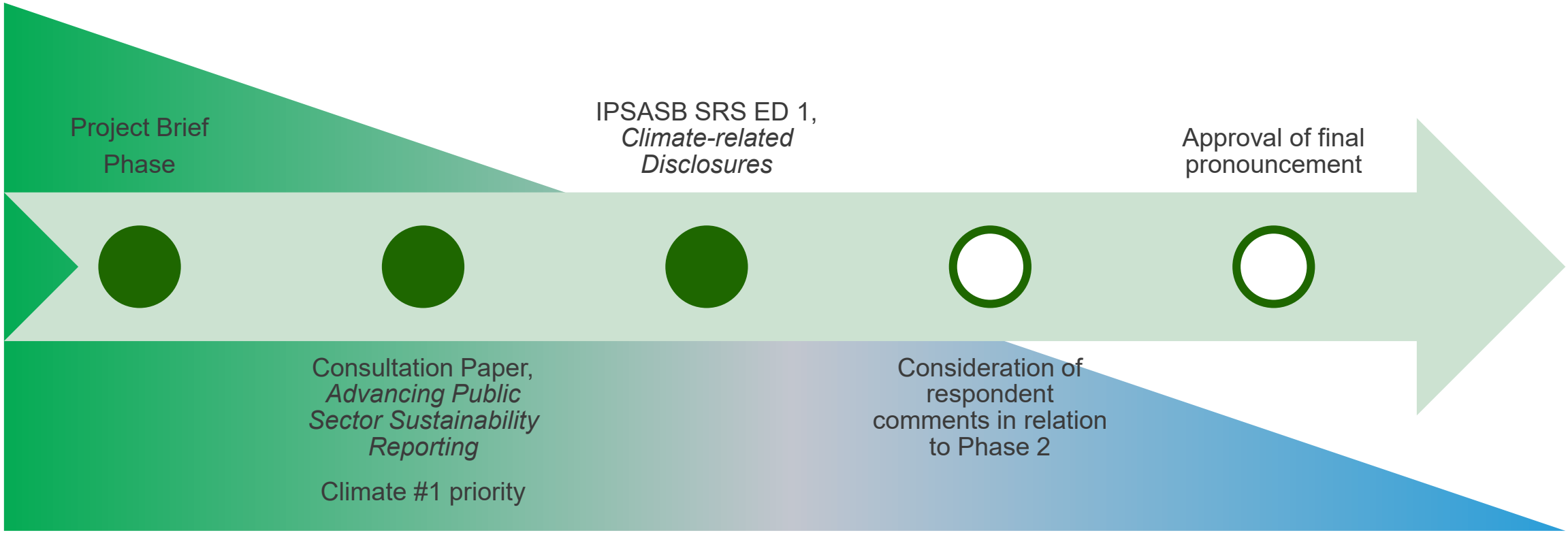
Aligned with the private sector



Not required to disclose change in greenhouse gas emissions from existing climate-related public policy programs

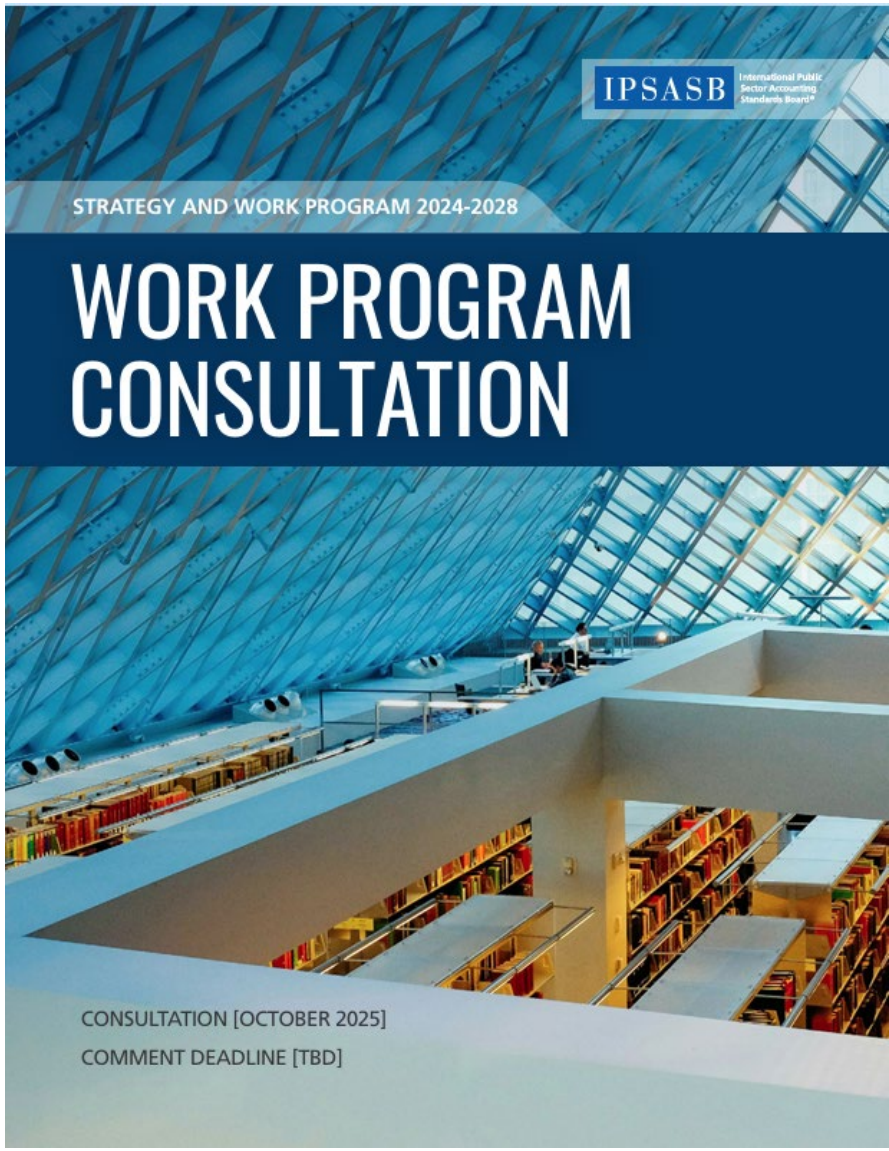
Due Process – Climate-related Disclosures Phase 2

PIC monitors each phase for deviations in due process



Work Program Consultation

- Consultation will consider project priorities related to the following:
  - Financial Reporting Topics (alignment and public sector specific)
  - Sustainability Reporting Topics
  - Post Implementation Reviews (IPSAS Standards)
- Comment deadline: May 4, 2026
  - Feedback from the Consultation will inform IPSASB decisions on projects in 2026 and beyond



Scope of Disclosures: ED & Response Summary

- The ED required disclosures on public policy programs with a primary objective to achieve climate-related outcomes.
- The Basis for Conclusions showed that the IPSASB intended the guidance to:
  - Enable primary users to understand how public sector entities contribute to climate action through their public policy programs; and
  - Balance information needs with practical implementation and cost-benefit considerations by limiting the scope to public policy programs with a primary objective to achieve climate-related outcomes.
- Most respondents who commented on SMC 3 expressed concerns with the proposed scope and/or approach.

Scope of Disclosures

Analysis

Primary Objective

- Many public policy programs with significant climate-related outcomes aim to achieve multiple objectives
- Materiality is already applied pervasively in the ED and provides entities with the ability to manage disclosure burden by limiting disclosures to material information

Climate-related Outcomes

- Clearly applying “climate-related” to outcomes would clarify the intended focus and better align with Board's intention, as articulated in the ED’s Basis for Conclusions

Recommendation

- Staff recommend that the IPSASB:
  - Remove primary objective as a determinant of which disclosures are required;
  - Apply the term “climate-related” to the outcomes disclosed; and
  - As a consequence of the above, removing the “climate-related public policy programs” definition.

Decision Required

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

Public Sector-Specific Definitions: ED Proposals

- The ED proposed three interrelated defined terms for public policy programs:
  - **Public policy programs**: interventions taken or mandated by a public sector entity exercising its sovereign powers to influence the decisions or behaviors of other entities or individuals;
  - **Public policy program outcomes**: the impacts on the economy, environment and/or people, which occur as a result of, or are reasonably attributable to, the public policy programs; and
  - **Climate-related public policy programs**: public policy programs with a primary objective to achieve climate-related outcomes.

Public Sector-Specific Definitions

Analysis

- Respondents felt “public policy programs” could be read as two separate concepts and may not reflect how interventions operate in practice.
- The ED definitions did not explicitly address whether outcomes could be positive and negative, risking an interpretation that only positive climate outcomes are in scope.
- Respondents requested a defined term for “climate-related outcomes”. Anchoring this new definition in climate mitigation and adaptation aligns with UNFCCC/Paris Agreement and responds to requests for explicit inclusion of adaptation.

Recommendation

- Staff recommend that the IPSASB:
  - Adapt the term public policy programs to public policy;
  - Clarify in the definitions that outcomes can be positive or negative; and
  - Introduce the term “climate-related outcomes” (covering mitigation or adaptation policy).

Decision Required

- The IPSASB is required to decide on the public sector-specific definitions for [draft] IPSASB SRS [X].

Public Sector-Specific Definitions

Proposed Definitions

- **Public Policies** 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.
- **Public Policy 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, public policy.
- **Climate-related Outcomes** are public policy outcomes relating to climate change mitigation or adaptation.

Recommendation

- Staff recommend that the IPSASB:
  - Adapt the term public policy programs to public policy;
  - Clarify in the definitions that outcomes can be positive or negative; and
  - Introduce the term “climate-related outcomes” (covering mitigation or adaptation policy).

Decision Required

- The IPSASB is required to decide on the public sector-specific definitions for [draft] IPSASB SRS [X].

Structure of the Standard: ED & Response Summary

- The ED applied the TCFD structure (Governance, Strategy, Risk and Outcome Management, Metrics and Targets) to frame disclosure requirements for climate-related public policy programs.
- The ED also included General Requirements and Conceptual Foundations drawn from IFRS S1 and the IPSASB Conceptual Framework, including:
  - Appendix B: General requirements including materiality, judgments, uncertainties and errors; and
  - Appendix C: Qualitative characteristics.
- Respondents generally supported the TCFD pillars and the proposed General Requirements. A few suggested aligning with the RPG 3 structure, and some raised points on reporting timing and alignment with budget processes.

Structure of the Standard

Analysis

- The TCFD pillars enhance comparability, interoperability, and consistency with global sustainability reporting frameworks
- RPG 3 was evaluated during ED development and its outcome-oriented approach integrated into the ED
- No substantial arguments were raised against the General Requirements that were not already addressed in the ED

Recommendation

- Staff recommend that the IPSASB retain the ED structure by:
  - Applying the TCFD pillars in developing [draft] IPSASB SRS [X]; and
  - Retaining Appendix B, Appendix B.AG, and Appendix C.

Decision Required

The IPSASB is required to decide on whether to retain the ED structure.



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