

Adopt. Apply. Advance.

CLIMATE-RELATED DISCLOSURES: PUBLIC POLICY OUTCOMES

IPSASB Meeting – June 2026

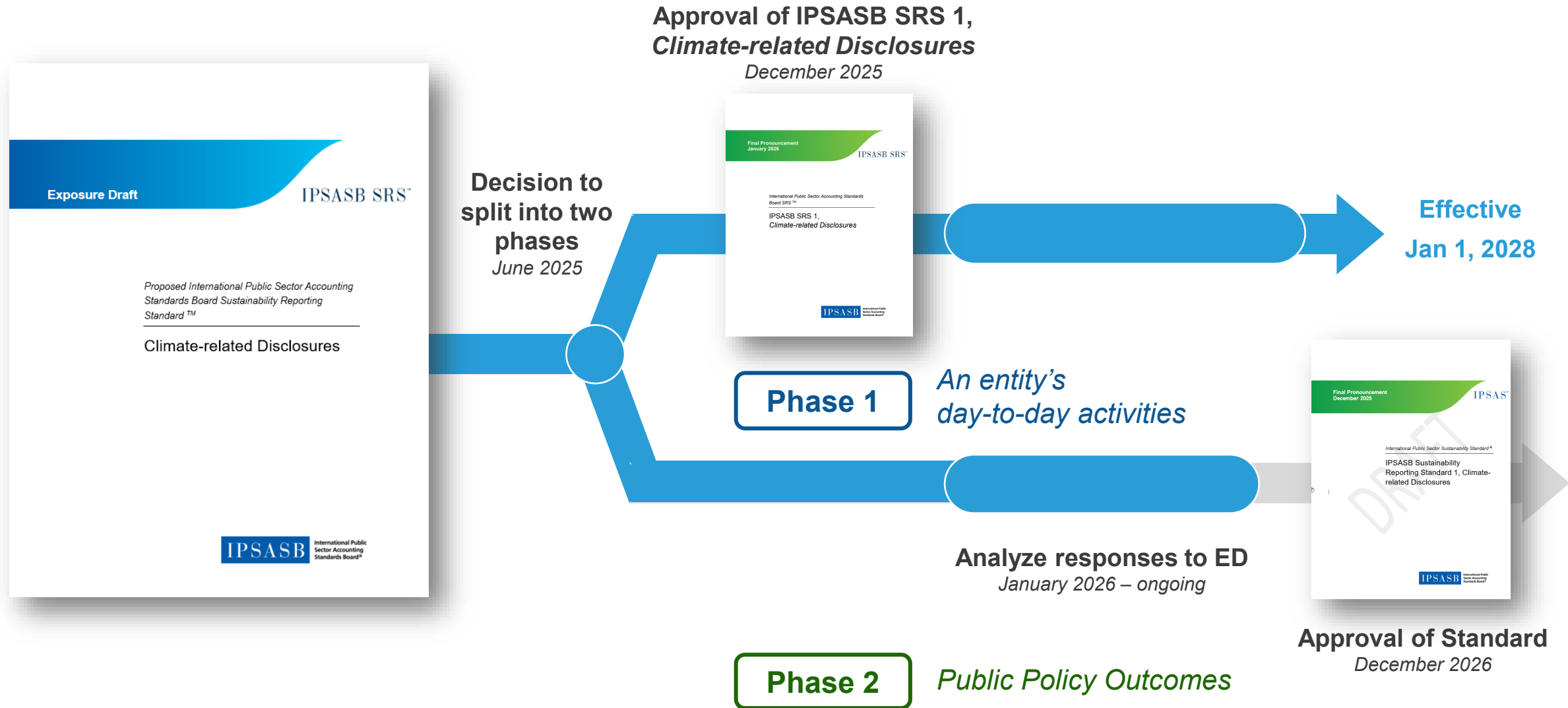
Celine Chan, Principal

Karen Leung, Senior Manager

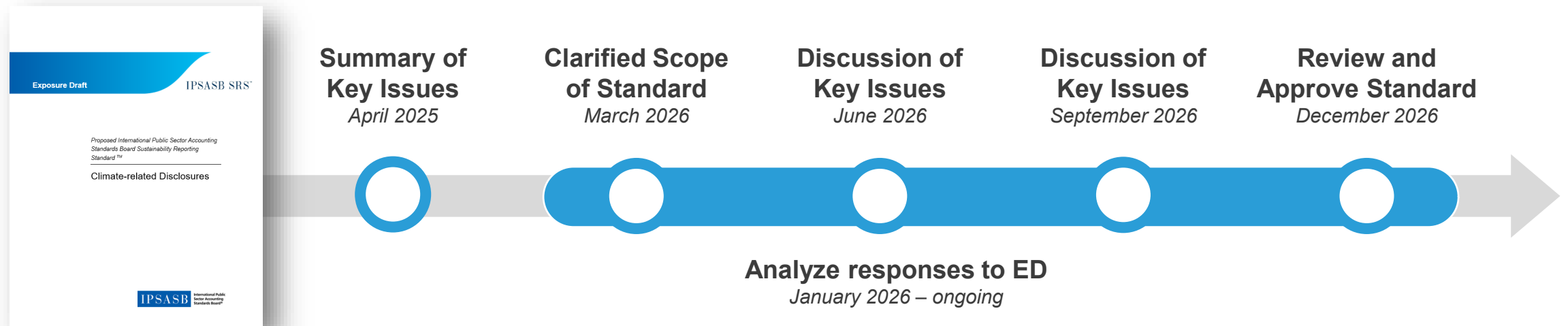
Alex Metcalfe, Principal Consultant

Washington D.C., USA

Project Status Update



Project Status Update



Responsibility: ED & Response Summary

- The ED required entities with responsibility for outcomes of climate-related public policy programs to provide disclosures required in the [draft] Standard
- The Basis for Conclusions showed the Board:
 - a) Intended for disclosures to hold entities accountable for the climate-related public policy programs for which they have responsibility and for their outcomes
 - b) Acknowledged that there are often multiple public sector entities involved in public policy with different roles, and provided key factors and examples
- Respondents to SMC
 - a) Supported the ED proposed approach to responsibility
 - b) Noted challenges related to shared responsibility

Responsibility for Public Policies with Climate-related Outcomes

Analysis

- Respondent support for proposed responsibility approach in ED
- Staff considered a range of potential amendments to reflect the March 2026 decision in relation to responsibility:



Decision Required

- Amendments to reflect the March 2026 decision

Recommendation

- Amend [draft] Standard to require disclosures where the entity has responsibility for public policies with climate-related outcomes
- See paragraph 3 in Appendix 1

Responsibility for Public Policies with Climate-related Outcomes

Analysis

- Respondents concerns regarding shared responsibility
 - Ambiguity of accountability
 - Divided responsibilities
 - Joint responsibilities
 - No coordination or integration across entities
 - Policies are set by legislators, not reporting entities
- IPSASB to take principled approach
- Provides complete picture of roles across entities
- Clarifies the reporting entity's role and mandate

Decision Required

- Amendments to address respondent comments on shared responsibility

Recommendation

- Add disclosures about the roles and responsibilities of other entities with shared responsibility
- See paragraph 12(a) in Appendix 1

Strategy: ED & Response Summary

- The ED required disclosures on an entity's strategy for managing climate-related public policy programs, including:
 - Its strategy and decision-making in relation to the climate-related public policy program and their outcomes;
 - The anticipated challenges to achieving the intended outcomes; and
 - The current and anticipated financial implications of climate-related public policy programs to the entity itself
- In response to SMC 5 on Strategy, the main concern of respondents was in relation to financial implications:

Support for financial
implications disclosure
requirements
to the entity itself

Broaden financial
implications disclosure
requirements
beyond the entity

Disclosure burden on
proposed requirements

Strategy – Financial Implications to the Entity Itself

Analysis

Financial implications of climate-related public policy programs to the entity itself

Respondent support

March 2026 Decision

Financial implications of ~~climate-related public policy programs~~ public policies to the entity itself

Climate-related information

Information about how the entity is resourcing, and plans to resource, the activities [to achieve climate-related targets]

Decision Required

- Amendments to the disclosure requirements on financial implications corresponding to the March 2026 decision

Recommendation

- Require disclosure of how an entity resources activities to achieve any climate-related targets
- See paragraph 14(b) in Appendix 1

Strategy – Financial Implications Beyond the Entity

Analysis

Financial implications of climate-related public policy programs to the entity itself

Respondent comments



March 2026 Decision

Financial implications of climate-related ~~public policy programs to the entity itself~~ outcomes of public policies

Decision Required

- Amendments to the disclosure requirements on financial implications corresponding to the March 2026 decision

Recommendation

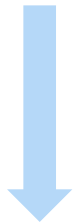
- Require current and anticipated financial implications of the climate-related outcomes of public policies
- See paragraph 15 of Appendix 1

Strategy

Analysis

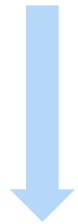
Addressing disclosure burden

Proportionality
Mechanisms



Recommend to
include

Transition
Provisions



Discuss at a future
meeting

Implementation
Guidance



To consider at
implementation
phase

Decision Required

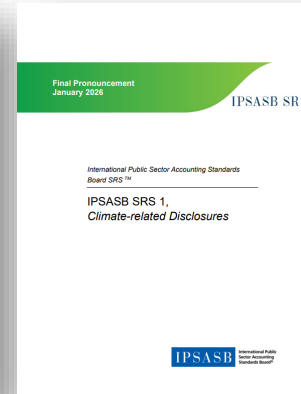
- Additional disclosure requirements on financial implications, including proportionality mechanisms

Proportionality Mechanisms

IFRS S2



IPSASB SRS 1



Mechanism 1

Reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort



E.g. Obtaining information from another public sector entity

Mechanism 2

Commensurate with the skills, capabilities and resources available to the entity



E.g. Investing in a technically sophisticated approach

Proportionality Mechanisms in IPSASB SRS 1

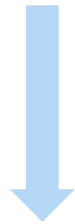
IPSASB SRS 1 Requirements	Mechanism 1	Mechanism 2
Identification of climate-related risks and opportunities reasonably expected to affect long-term fiscal sustainability	✓	
Scope of the value chain	✓	
Anticipated financial effects	✓	✓
Approach to climate-related scenario analysis	✓	✓
Scope 3 GHG emissions	✓	
Climate-related metrics	✓	

Strategy

Analysis

Addressing disclosure burden

Proportionality Mechanisms



Mechanism 1

Mechanism 2

Qualitative
Information

Decision Required

- Additional disclosure requirements on financial implications, including proportionality mechanisms

Recommendation

- Support financial implications disclosure requirements by proportionality mechanisms (1 and 2) and transitional relief
- See paragraph 17 of Appendix 1

Metrics and Targets: ED & Response Summary

- The ED proposed disclosures on metrics and targets, including:
 - Change in GHG emissions reasonably attributable to a climate-related public policy program;
 - Other metrics used to measure and monitor performance; and
 - Targets for achieving intended outcomes of climate-related public policy programs
- In response to SMC 6 on Metrics and Targets:
 - Some respondents highlighted the decision-usefulness of the GHG attribution requirements, while most supported the disclosures on other metrics; and
 - The main concern was regarding the complexity of attributing GHG emissions to public policies.

Metrics and Targets

Analysis

- Although respondents to SMC 6 highlighted the importance of disclosing the change in GHG emissions for public policies, they were concerned about the complexity of the disclosure requirement
- Staff acknowledge that there may be challenges for some entities, and propose proportionality mechanisms:
 - Mechanism 1: *Reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort*
 - Mechanism 2: *Commensurate with the skills, capabilities and resources available to the entity*

Decision Required

- Address respondent concerns to SMC 6 on Metrics and Targets

Recommendation

- Include proportionality mechanisms (1 and 2) to support the attribution of GHG emissions to public policies
- See paragraph 25 of Appendix 1

Section-by-Section Review: Appendix 1

Analysis

- Other key drafting changes to the [draft] Standard to reflect March 2025 Board decisions and instructions:
 - **Public policies:** Examples revised to reflect a broader range of public policies (i.e. fossil fuel subsidy)
 - **Climate-related outcomes:** Application guidance added to clarify that climate-related outcomes may be positive or negative, along with examples
 - **Intended outcomes:** References removed from drafting, as disclosures including both positive and negative climate-related outcomes are required regardless of intention

Decision Required

- Amend [draft] Standard to reflect March 2026 decisions and instructions

Recommendation

- Staff recommend the changes summarized on the left, and included in Appendix 1

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