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**Meeting:** International Public Sector Accounting Standards Board

**Meeting Date:** December 8-10, 2026

**Agenda Item 6**

# CLIMATE-RELATED DISCLOSURES: PUBLIC POLICY OUTCOMES

| | | |
|---|---|---|
| **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 and develop a final pronouncement for [draft] IPSASB SRS [X], *Climate-related Disclosures: Public Policy Outcomes*. | |
| **Project staff lead[s]** | • Celine Chan, Principal<br>• Karen Leung, Senior Manager<br>• Alex Metcalfe, Principal Consultant | |
| **Task Force members** | N/A | |
| | ***Topic*** | ***Agenda Item*** |
| **Essential Documents** (Required Reading) | Flexibility in the Reporting Period and Timing of Reporting | 6.A.1 |
| | Financial Implications of Public Policies | 6.A.2 |
| | Implementation Guidance and Illustrative Examples | 6.A.3 |
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| | [draft] IPSASB SRS X, Climate-related Disclosures: Public Policy Outcomes | 6.A.5 |
| | Improvements to IPSASB SRS Standards | 6.A.6 |
| | Approval of [draft] IPSASB SRS Exposure Draft [X], *Amendments to Greenhouse Gas Emissions Disclosures* (Amendments to IPSASB SRS 1) | 6.A.7 |
| | [draft] IPSASB SRS ED [X], Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IPSASB SRS 1) | 6.A.8 |
| **Supporting Documents** (Encouraged Reading: Posted Separately on Meeting Page) | Climate-related Disclosures: Public Policy Outcomes Final Pronouncement Dashboard | 6.B.1 |
| | Supporting Document 1 – Flexibility in the Reporting Period and Timing of Reporting | 6.B.2 |

Prepared by: Celine Chan, Karen Leung, Alex Metcalfe (November 2026)

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|---|---|---|
| | Supporting Document 2 – Financial Implications of Public Policies | 6.B.3 |
| | Supporting Document 3 – Implementation Guidance and Illustrative Examples | 6.B.4 |
| | Supporting Document 4 – Amendments to IPSASB SRS 1 | 6.B.5 |
| **Background Information** (Available on the project webpage) | Decisions and Instructions from Previous IPSASB Meetings | |
| | CAG Report back | |
| | Due Process Checklist | |
| | Project Timeline | |
| | Other background information on the IPSASB's Climate-related Disclosures: Public Policy Outcomes project can be found on the project page at: https://www.ipsasb.org/consultations-projects/climate-related-disclosures-public-policy-outcomes<br>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 | |

# Flexibility in the Reporting Period and Timing of Reporting

## Decision Required

1. The IPSASB is required to decide on the approach to providing flexibility on the timing and frequency of reporting.

## Context

2. IPSASB SRS ED 1 proposed that an entity report on its climate-related disclosures at the same time as, and for the same period as, its related financial statements, with relief in the first annual reporting period to report within nine months of the end of that period. In finalizing IPSASB SRS 1, the IPSASB retained these requirements. It concluded that they align with and are based on the IPSASB Conceptual Framework and that the guidance, including transition reliefs, addresses the implementation challenges respondents raised (see paragraph BC99 of IPSASB SRS 1).

3. At its September 2026 meeting, the IPSASB deliberated on three related topics based on stakeholder feedback to IPSASB SRS ED 1:

   (a) On the timing of reporting and the reporting period, where respondents broadly supported the general requirements, but some considered that public policy disclosures should be permitted on a different timeframe, as – in their view – outcomes are evaluated over cycles that are longer than the reporting period. The IPSASB instructed staff to consider options for additional flexibility on the requirement to report annually and at the same time as the entity's GPFRs;

   (b) On the frequency of measuring metrics, respondents noted that entities may measure policy metrics less frequently than they report. The IPSASB instructed staff to consider the implications resulting from (a) above for measurement frequency; and

   (c) On transition relief, where most respondents considered one reporting period insufficient and suggested two to five years instead. These respondents also noted that the reporting entities may depend on data held by other implementing entities. For this [draft] Standard, the IPSASB decided at the September 2026 meeting that transition relief should be provided in the first year for comparative information and timing of reporting, and for metrics for an extended period, and instructed staff to consider the implications of flexibility in (a) above for transition relief.

4. This paper addresses (a) and (b) above, as well as the transition relief for timing of reporting under (c).

## Analysis

*Annual vs. Entity Driven Reporting Cycles – Analysis of the Objective of the [draft] Standard and Primary Users' Information Needs*

5. In considering approaches to flexibility on timing and frequency of reporting as instructed by the Board, staff reflected on the objective of the [draft] Standard and the core concepts of the Conceptual Framework – including the primary users' information needs, general purpose financial reports, and the qualitative characteristics.

6. The objective of the [draft] Standard is "to provide principles for an entity to disclose information in its general purpose financial reports about the climate-related outcomes of its public policies that is useful to primary users for accountability and decision-making purposes". Public policies are

interventions taken or mandated by an entity exercising its sovereign powers (see paragraph 5 in Agenda Item 6.A.5). Staff consider that, read together, these call for information for accountability and decision making about how an entity:

(a) Has used its sovereign powers; and

(b) Deployed resources towards a public policy.

7. Respondents raised, and Board discussions have acknowledged, the practical challenges of annual reporting, where a longer, entity-driven reporting cycle may be practically beneficial for preparers. However, staff consider that primary users' information needs for accountability purposes should determine the reporting cycle.

8. Primary users are service recipients and resource providers, including citizens, taxpayers, donor agencies and lenders, and their representatives such as the legislature. They make decisions at different points, but the legislature's authorization and scrutiny of resources, through which citizens and taxpayers hold the entity to account between elections, follows an annual public financial management cycle to provide wholistic accountability, rather than fragmented disconnected information at different times. Similarly, resource providers such as donors and investors require financial information at least annually to hold the entity to account for use of resources, and to make informed capital allocation decisions (see Agenda Item 6.B.1, which sets out primary users' decisions and accountability needs, and when these arise). Therefore, primary users' decisions generally indicate that reporting on a timely basis requires annual reporting.

9. Some respondents commented that outcomes are evaluated over cycles longer than the reporting period. Staff consider that accountability for a public policy arises in each reporting period in which an entity exercises sovereign powers and deploys resources to it, whether or not the public policy outcomes have been achieved. Entities should apply materiality and exercise professional judgment in determining what information is material for disclosure in each reporting period even as the progress to achieve the overall outcomes develops over a number of reporting periods. Although outcomes may only be fully achieved over several reporting periods, material changes and reporting to provide transparency to facilitate accountability should be provided at each reporting period, consistent with the annual public financial management cycle. For example, in each period, the disclosures on how the policy was overseen, its status, its financial implications and its targets would provide timely and material information, even before outcomes are observable or measurable.

10. Staff also undertook research and discussed the timing of reporting with the Sustainability Implementation Forum (SIF) on November 3, 2026 to understand current practice for reporting on public policy. SIF members shared, and staff research showed, that information on public policy objectives, resources and performance is typically reported annually. Participants generally saw value in presenting this information together with the financial statements, to connect the resources allocated to public policies with the outcomes achieved. This supports accountability for performance and decision-making by users. Staff consider that the link arises because the financial statements report the resources an entity deploys toward its public policies, and both are prepared in the annual public financial management cycle through which the legislature authorizes resources and holds the entity to account. Agenda Item 6.B.2 further summarizes the perspectives from SIF Implementation Leaders.

11. Staff also considered allowing an entity to set its own reporting cycle, for example to match a policy's evaluation cycle or log frame. Staff consider that this would reduce the timeliness and comparability of the information, as evaluation cycles may be after multiple years, and based on when decisions are made and decision making for public policies as material information may not be provided in a timely manner, so staff do not consider an entity-driven reporting cycle to be in the public interest.

12. Therefore, based on the Conceptual Framework, SIF discussions and additional research, staff propose that the [draft] Standard require reporting on an annual basis at the same time as the financial statements rather than another entity-driven reporting cycle.

*Options for Providing Flexibility for Annual Reporting and Timing of Reporting*

13. Based on the above recommendation, Figure 1 sets out three options for providing flexibility for annual reporting. Table 1 describes each option and sets out the staff assessment against the information needs in paragraphs 5–9.

**Figure 1: Spectrum of options for providing flexibility**

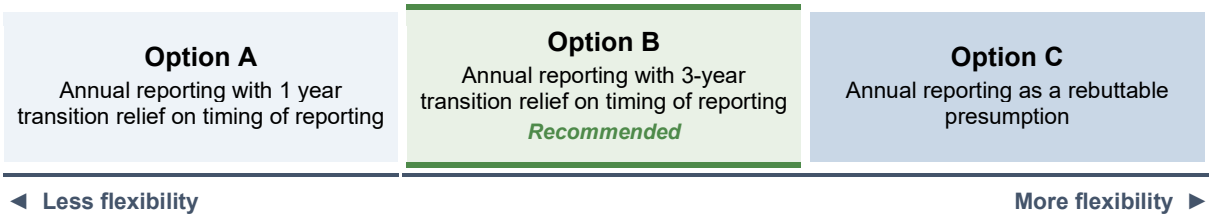



**Table 1: Assessment of the options**

| Option | What it involves | Staff assessment |
|---|---|---|
| **A. Annual reporting with one-year transitional relief** | Annual reporting for the same period as, and at the same time as, the related financial statements, with relief to report within nine months in the first annual reporting period only. | Provides timely, material information in each annual accountability cycle.<br>Materiality addresses concerns that outcomes are evaluated over cycles longer than the reporting period as entities would only be required to provide material information each year, such as information about the status of the policy and revenues and expenses in the current reporting period and remaining anticipated amounts.<br>Transition relief addresses concerns that information held by implementing entities may not be available in time. |
| **B. Annual reporting with extended timing relief (recommended)** | As Option A, but with the relief to report within nine months extended to the first three annual reporting periods (see paragraph 24 in Agenda Item 6.A.5) | As Option A, but with additional transitional relief to allow entities extended time to develop systems and processes for collecting information from implementing entities for timely reporting. |

| Option | What it involves | Staff assessment |
|---|---|---|
| **C. Annual reporting as a rebuttable presumption** | Annual reporting at the same time as the related financial statements, unless the entity determines another frequency or timing better meets primary users' needs and discloses its reasons. | As Option A, however, a rebuttable presumption would create a permanent exception.<br>Reporting on a basis other than annual may reduce timeliness, comparability and usefulness for financial reporting cycles and user decision making and accountability. Staff suggest materiality and transition relief address these challenges through Option B. |

14. Alongside option B for annual reporting, staff propose the frequency of measuring metrics to require that an entity measure each metric with sufficient regularity that the information disclosed is not materially different from the information that measurement at the reporting date would produce, and to disclose when the metric was last measured (consistent with the proposals and Board discussion in September 2026).

15. The following extracts reflect the recommended option, with changes from the September 2026 draft in mark-up:

*Drafting extracts for the transitional relief*

> "26. In the first ~~annual reporting period~~three annual reporting periods in which an entity applies this [draft] Standard, the 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 in which the entity first applies this [draft] Standard~~each of those annual reporting periods."

*Drafting extracts for the frequency of measurement*

> "18. An entity shall measure each metric disclosed under paragraph 14 with sufficient regularity that the information disclosed does not differ materially from the information that would be disclosed if the metric were measured at the reporting date (see paragraph AG50).
>
> 19. Where the entity has not measured the metric during the reporting period, the entity shall disclose the date on which the metric was last measured."
>
> "AG50. In applying paragraph 18, an entity shall assess at each reporting date whether there is an indication that the information disclosed would differ materially if the metric were measured at that date. Where such an indication exists, the entity shall measure the metric. Indications could include that:
>
> **The public policy has been amended, or the resources committed to it have changed; Recommendation**
> A change has occurred in the factors that drive the climate-related outcomes of the public policy, including changes in technology or in economic conditions;
>
> Information from the monitoring and evaluation of the public policy indicates a change in the metric since it was last measured; and
>
> The methodology, measurement approach, inputs and assumptions used to measure the metric have changed."

16. Staff recommend that the IPSASB adopt Option B, and that the [draft] Standard:

    (a) Require an entity to report its climate-related disclosures annually and at the same time as its related financial statements, with relief to report within nine months in each of the first three annual reporting periods (see paragraphs 26 and B26 in Agenda Item 6.A.5); and

    (b) Require an entity to measure each metric with sufficient regularity that the information disclosed does not differ materially from a measurement at the reporting date, and to disclose the date on which it was last measured (see paragraph 18-19 and AG50 in Agenda Item 6.A.5).

# Financial Implications of Public Policies

## Decision Required

1. The IPSASB is asked whether it agrees that the updated drafting reflects the Board's decisions requiring an entity to disclose financial information about a public policy.

## Context

2. IPSASB SRS ED 1 proposed that an entity disclose "the current and anticipated financial implications of climate-related public policy programs to the entity itself". The application guidance referred to incurred and anticipated costs, amounts funded and unfunded, income and fees, and links to public budget reports. The IPSASB limited the proposal to the entity itself for practical reasons, while acknowledging that financial implications extend beyond the entity (BC79 to BC81 of IPSASB SRS ED 1).

3. Most respondents who commented on financial implications supported the proposal, while some considered the entity-only boundary too narrow. Based on this feedback from constituents, in June 2026, the Board agreed to require disclosure of the current and anticipated financial implications of climate-related outcomes beyond the entity, supported by proportionality mechanisms. Some members raised concerns about whether such information would be available, and whether entities could prepare and disclose such information, even with the proposed proportionality mechanisms. Therefore, staff undertook research on the availability and usefulness of such information beyond the entity. Having completed this work, staff have proposed updated drafting to clarify the disclosures relating to financial implications to the entity itself and those relating to others, as instructed by the Board.

4. In September 2026, the IPSASB reviewed the [draft] Standard and instructed staff to:

   (a) Review the proposed disclosures about the financial implications of a public policy on the reporting entity's financial statements, considering connectivity with those statements and its March 2026 decision to revise the scope to "public policies"; and

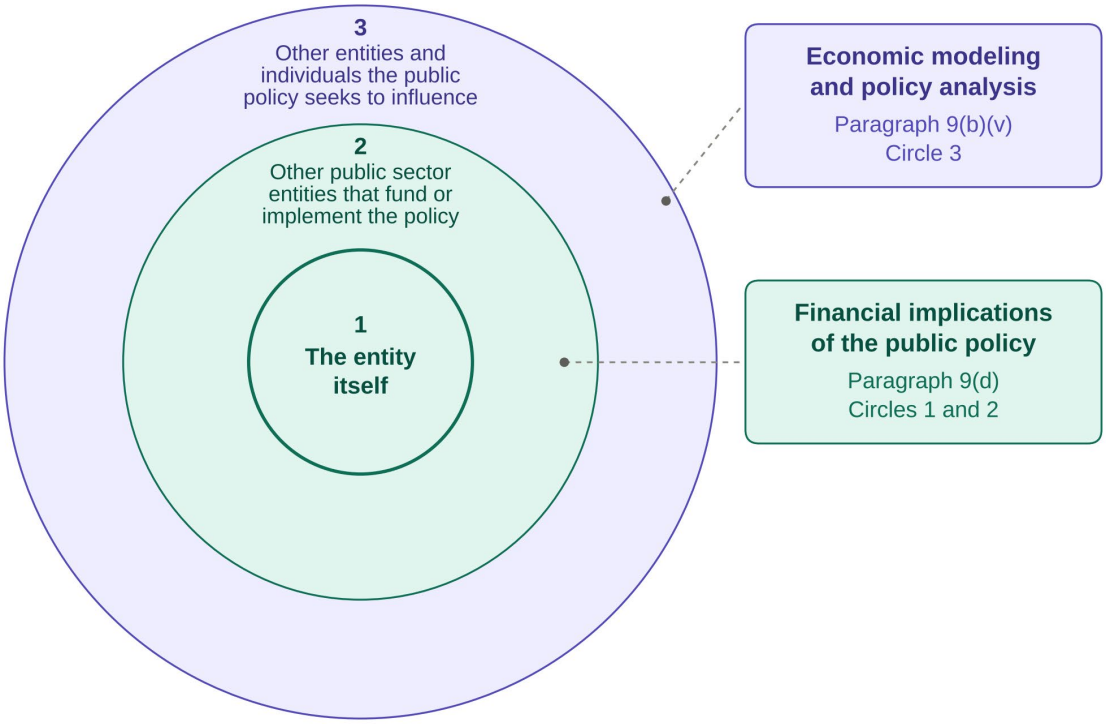
   (b) Consider whether financial implications beyond the entity should be described with other terminology.

## Analysis

5. Figure 1 shows the three groups that may be financially affected by a public policy. IPSASB SRS ED1 covered only circle 1, the entity itself. The Board's March 2026 decision to revise the scope of disclosures extended disclosures to circle 2, to the public policy. The Board's June 2026 decision extended the disclosures about financial implications beyond the entity, which is captured in circle 3.

6. Staff consider that these circles represent different perspectives related to different sources of information and therefore the disclosure requirements should differ. This paper provides analysis of staff proposals to group and describe the disclosure requirements as the 'financial implications of the public policy' which includes circles 1 and 2 (see paragraph 9(d) in Agenda Item 6.A.5) and 'economic modeling and policy analysis' which describes the type of information relating to circle 3 (see paragraph 9(b)(v) in Agenda Item 6.A.5).

**Figure 1: Financial information about a public policy**




***Circles 1 and 2: Financial implications of a public policy***

7. Following the March 2026 Board meeting decisions, the scope of climate-related disclosures concerns a public policy rather than a program. A public policy's financial implications may sit with one entity or several. For example:

   (a) Where a municipality designs, funds and implements a policy, its own financial statements may capture all the related amounts (i.e., circle 1, which captures all financial implications of the public policy, may align with circle 2).

   (b) Where a Ministry of Environment is primarily responsible for an electric vehicle transition policy, but a Ministry of Finance pays purchase subsidies and a Ministry of Transport builds a charging network, the primarily responsible entity's financial statements show only part of the implications (i.e., the financial implications are found across circle 1 and 2).

8. Therefore, to align with the revised scope concerning public policy, staff propose that the disclosure requirement covers the financial implications of the public policy across both circles 1 and 2. This would provide users with useful financial information for the whole policy regardless of the funding and implementation arrangements.

9. Since the financial implications, such as expenses, may not all be recognized by one entity, staff therefore propose application guidance and implementation guidance to explain that amounts may come from (i) the entity's own financial statements and (ii) the financial statements of other public sector entities that fund or implement the public policy.

10. Because the reporting entity may not hold information about amounts recognized by the entities in circle 2, staff propose applying an IPSASB SRS 1 proportionality mechanism to the financial implications requirements allowing the entity to use all reasonable and supportable information available without undue cost or effort. This would allow entities to use estimates where they are unable to collect data from other entities or to disclose where there are data gaps. However, information in the entity's own financial statements would be considered available to the entity. Staff propose that the guidance requires entities to provide disclosures that enable users to understand which amounts are taken from its own financial statements, from those of the other entities or from estimates (see AG34 in Agenda Item 6.A.5 and Agenda Item 6.B.3).

11. Staff held discussions with members of the Sustainability Implementation Forum (SIF) and other practitioners to consider the relevance and usefulness of connecting public policy disclosures to financial statements. Based on these discussions, the SIF Implementation Leaders and practitioners confirmed the value and importance of such information for accountability and transparency in the use of public funds, and for other issues such as potential liabilities that arise as a result of public policies (see Agenda Item 6.B.3). Therefore, staff propose keeping the term "financial implications" from IPSASB SRS ED 1, requiring "current and anticipated financial implications on the financial position, financial performance and cash flows" in paragraph 9(d).

12. The following extract shows the updated drafting, with changes from the September 2026 draft in mark-up (see Agenda Item 6.A.5):

> "9. To achieve this objective, an entity shall disclose information about:…
>
> (d) The current and anticipated financial implications of the public policy on financial position, financial performance and cash flows of the entity itself and of other public sector entities that fund or implement the public policy for the reporting period (current financial implications), and over the short, medium and long term (anticipated financial implications). ~~, including;~~
>
> ~~(i) The total expenses and revenues incurred and generated, and anticipated to be incurred and generated as a result of the public policy; and~~
>
> (ii) ~~The implications of the public policy on the entity's financial position, financial performance and cash flows.~~"
>
> 11.In identifying climate-related outcomes of the public policy disclosed in paragraph 9(c), and in preparing disclosures about the current and anticipated financial implications in paragraph 9(d), the entity shall use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort. In providing quantitative information about those financial implications, an entity may disclose a single amount or a range."

"AG33. Paragraph 9(d) requires disclosures about the current and anticipated financial implications of the public policy on the financial position, performance and cash flows of the entity itself and of other public sector entities that fund or implement the public policy…

"AG35. Information about current financial implications from the entity's own financial statements is available to the entity without undue cost or effort. The entity will often need to obtain information about amounts recognized by other public sector entities that fund or implement the public policy (see paragraphs AG7 and AG12). Where it is unable to do so, the entity may

estimate those amounts in accordance with paragraph 11. The reporting entity's disclosures should enable primary users to understand which amounts are taken from its own financial statements, from the financial statements of those entities or from its own estimates, and the level of measurement uncertainty in those estimates. To the extent an entity is not able to collect or estimate part of the financial implications of the public policy, the entity shall disclose sufficient information for the primary user to understand what information is not included in the disclosed amounts."

***Circle 3: Economic modeling and policy analysis***

13. A public policy also affects the other entities and individuals whose decisions or behaviors it seeks to influence (circle 3). In September 2026, the Board instructed staff to consider whether financial implications beyond the entity should be described with other terminology. After undertaking research and meeting with policy specialists, staff propose replacing "financial implications on economy, environment and people" in paragraph 9(b)(v) with "economic modeling and policy analysis". There are two reasons for this proposed change:

    (a) First, "financial implications" may be interpreted as amounts related to financial statements, as in IPSASB SRS 1, IFRS S1 and IFRS S2, and paragraph 9(d) of the [draft] Standard.

    (b) Second, staff research and discussion with policy specialists indicate that "economic modeling and policy analysis" is consistent with where this information would generally be found (see Agenda Item 6.B.3).

14. Staff propose application guidance to explain that this includes any estimates of the policy's effects on those it seeks to influence, taken from the analysis used in designing the policy (see AG25 in Agenda Item 6.A.5). This disclosure requirement would increase transparency and accountability around the key factors and assumptions used in policy analysis. The entity would not be required to disclose current or anticipated amounts for these effects (see Agenda Item 6.B.3). Applying the Board's June 2026 decision, paragraph 10 includes the two IPSASB SRS 1 proportionality mechanisms: the entity uses all reasonable and supportable information available without undue cost or effort, and an approach commensurate with the reporting entity's skills, capabilities and resources.

15. The following extract shows the updated drafting, with changes from the September 2026 draft in mark-up (see Agenda Item 6.A.5):

    "9. To achieve this objective, an entity shall disclose information about:…

        (b) A description of the public policy, including:…

            *(v)* Key ~~climate-related~~ factors and assumptions used in the design and decision making in setting the public policy, such as economic modeling and policy analysis, climate-related scenario analysis~~,~~; ~~financial implications on economy, environment and people,~~; trade-off decisions~~,~~; and policy coordination and coherence;*"*…

    10. In preparing disclosures about the key factors and assumptions used in design and decision making in setting the public policy in paragraph 9(b)(v), an entity shall:

        (a) Use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort; and

(b) Use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.

AG26. Paragraph 9(b)(v) requires entities to provide disclosures about key ~~climate-related~~ factors and assumptions used in setting the public policy. Public policy outcomes include positive or negative impacts on the economy, environment and people, which are interconnected by nature, and influence the activities and behaviors of a breadth of stakeholders. Therefore, public policy strategy and design require considerable analysis, taking into account key factors and assumptions. Disclosures about key factors and assumptions may include information about:

(a) Economic modeling and policy analysis ~~Financial implications on the economy, environment and people~~, such as information and analysis ~~from economic modeling~~ used to assess the ~~financial implications of~~ public policy outcomes ~~under different public policy alternatives~~ on economy, environment and/or people expected to be affected, such as potential changes to energy prices from a policy to transition to renewable energy, or the cost of greenhouse gas emissions attributable to the public policy estimated using an established emissions price; …

**Recommendation**

16. Staff recommend that the [draft] Standard:

(a) Describe the financial implications of a public policy (circles 1 and 2) using the structure of IPSASB SRS 1 as financial implications of the public policy on the financial position, financial performance and cash flows, with application guidance on amounts recognized by other public sector entities that fund or implement the public policy and on links to the entity's financial statements (paragraph 9(d) and 11, AG33 – AG36 and B.AG51 in Agenda Item 6.A.5); and

(b) Describe the effects of the public policy on circle 3 as disclosures about key factors and assumptions from economic modeling and policy analysis used in setting the policy (paragraph 9(b)(v) and AG26 in Agenda Item 6.A.5).

## Implementation Guidance and Illustrative Examples

### Decision Required

1. The IPSASB is required to decide on whether the topics needing implementation guidance and illustrative examples are appropriate.

### Context

2. IPSASB SRS ED 1 included the following sections:

   (a) Implementation guidance (IGs), which provides guidance on applying the requirements of the ED in a question-and-answer format; and

   (b) Illustrative examples (IEs), which demonstrate how the requirements of the ED may be applied in specific circumstances.

### Analysis

3. Generally, the core text in an IPSAS sets out the accounting principles for the standard's subject matter, and the IPSASB develops IGs and IEs using the following approach:

   (a) IGs are developed if the core text and AGs require further explanation; and

   (b) IEs are developed if the core text, AGs and IGs require further explanation and a fact-specific example would help further explain the principles.

4. Consistent with this approach, staff reviewed the IGs and IEs included in the ED to assess whether they remain relevant and should be retained, updated or removed. Staff also considered whether additional IGs and IEs are needed to reflect the IPSASB's subsequent decisions.

5. As a result of this review, the following IGs and IEs are included in the [draft] Standard:

   (a) IG1 – *Applicability to subnational governments* – Adapted from IG4 in the ED to clarify how sovereign powers may be allocated under different government structures, requiring entities to exercise judgement in identifying primary responsibility for a public policy;

   (b) IG2 – *Applicability to all current and active public policies* – A new IG developed in response to the IPSASB's instruction to clarify the applicability of the [draft] Standard to new and existing public policies;

   (c) IG3 – *Reporting financial implications of public policy* – A new IG to provide further explanation of the disclosures relating to financial implications, consistent with the changes discussed in Agenda Item 6.A.2;

   (d) IG4 – *Applicability of greenhouse gas emissions metrics* – A new IG to clarify that, although greenhouse gas emissions are a specified metric category, it might not be material information for all public policies, such as for some adaptation policies;

   (e) IG5 – *Greenhouse gas emissions from policy design, implementation and monitoring activities* – Adapted from IG9 in the ED to clarify that emissions arising from these activities are excluded from the measurement of changes in greenhouse gas emissions reasonably attributable to a public policy;

(f) IG6 – *Disclosing publicly available information* – Adapted from IG12 in the ED to clarify that entities may use existing publicly available information to meet the disclosure requirements;

(g) IE – *Determining primary responsibility for a public policy (Examples 1–4)* – Adapted from IE31–IE38 in the ED to demonstrate how the four factors may be applied in determining which entity has primary responsibility for a public policy;

(h) IE – *Identifying climate-related outcomes of a public policy (Examples 5–6)* – Adapted from IE39–IE43 in the ED to illustrate how an entity may identify the climate-related outcomes of a public policy; and

(i) IE – *Estimating greenhouse gas emissions reasonably attributable to a public policy* – Adapted from IE44–IE49 in the ED to illustrate the process of estimating changes in greenhouse gas emissions reasonably attributable to a public policy.

6. Agenda Item 6.B.4 provides detailed analysis on the topics needing further clarification through implementation guidance and illustrative examples.

**Recommendation**

7. Staff recommend that the IPSASB provide implementation guidance and illustrative examples on the topics outlined in paragraph 5.

# Page-by-Page Review

## Decision Required

1. The IPSASB is required to complete a page-by-page review of the [draft] Standard (see Agenda Item 6.A.5).

## Context

2. In September 2026, the Board conducted its initial section-by-section review of the [draft] Standard. Staff received comments from Board members during the review, as well as additional drafting comments received separately.

## Analysis

3. Staff have updated the [draft] Standard in Agenda Item 6.A.5 to reflect the IPSASB's decisions and instructions to date, as follows:

   (a) **Core Text** – Reviewed in September 2026 and updated as discussed in Agenda Item 6.A.1 and 6.A.2;

   (b) **Application Guidance** – Reviewed in September 2026, updated as discussed in Agenda Item 6.A.2, as well as to reflect the Board's comments from the section-by-section review;

   (c) **Appendix B and its related Application Guidance** – Reviewed in September 2026 and updated to reflect the Board's comments from the section-by-section review, including updates to the guidance on materiality, the reporting entity and connected information to better reflect the public policy context;

   (d) **Appendix C** – Reviewed in September 2026 and updated to reflect a public policy example;

   (e) **Implementation Guidance and Illustrative Examples** – Revised from the ED to adapt IGs and IEs from the ED and incorporate newly developed IGs and IEs, as presented in Agenda Item 6.A.3; and

   (f) **Basis for Conclusions** – Reviewed in September 2026 and updated to reflect decisions made at that meeting.

## Recommendation

4. Staff recommend that the IPSASB approve the changes made to the [draft] Standard, subject to any further amendments arising from the IPSASB's discussions at the December 2026 meeting.

## [draft] IPSASB SRS X, *Climate-related Disclosures: Public Policy Outcomes*

1. The [draft] IPSASB SRS [X] is posted separately for easier readability.

2. IPSASB members, Technical Advisors, and Observers are asked to note the following when reviewing the draft IPSASB Sustainability Reporting Standard™ (IPSASB SRS™) X, *Climate-related Disclosures: Public Policy Outcomes:*

   (a) Track changes represent changes from the [Standard] since the IPSASB's initial section-by-section review at the September 2026 meeting;

   (b) When reviewing the [draft] Standard, members are encouraged to focus on clarity of drafting aligned with Board decisions instructions from the September 2026 meeting;

   (c) Paragraph cross-references may not all be up to date as paragraph numberings may change during drafting. Staff will undertake a detailed review of cross-references before the final Standard is presented for approval; and

   (d) The Basis for Conclusions reflect Board decisions to date and will continue to be updated for additional decisions until approval.

3. IPSASB members are asked to complete a page-by-page review of this Appendix at the December 2026 meeting. To effectively make use of plenary time in December 2026, members are asked to provide feedback on substantial matters in-session, and to share editorial comments with staff separately.

# Improvements to IPSASB SRS Standards

## Decision Required

1. The Board is required to decide on:

   (a) An ongoing improvements process to IPSASB SRS Standards alongside of the IPSASB's existing Improvements to IPSAS Standards process; and

   (b) The proposed amendment to IPSASB SRS 1, *Climate-related Disclosures*, arising from the ISSB's *Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)* issued in December 2025.

## Context

*Improvements to IPSASB SRS Standards Process*

2. The IPSASB has an established process for making improvements to IPSAS Standards, including amendments arising from the IASB's Improvements to IFRS Accounting Standards and other narrow-scope amendments. These improvements are generally considered as part of the IPSASB's ongoing standard-setting activities.

3. With the issuance of IPSASB SRS 1, staff consider it appropriate to expand the scope of the existing improvements process to include changes to relevant IPSASB SRS Standards. This would enable the IPSASB to consider amendments arising from changes to relevant IFRS Sustainability Disclosure Standards, and to consider other narrow-scope improvements amendments identified through the IPSASB's standard setting and other activities (including engagement with stakeholders).

4. Under this approach, staff would assess potential improvements to IPSASB SRS Standards and bring recommendations to the Board for consideration at future meetings, as appropriate. In considering amendments arising from relevant IFRS Sustainability Disclosure Standards, staff would assess whether alignment remains appropriate for the public sector, taking into account existing adaptations and disclosure requirements in IPSASB SRS Standards.

5. As the first batch of improvements under this proposed process, staff considered the ISSB's *Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)* issued in December 2025 and their implications for IPSASB SRS 1 and this [draft] Standard.

*Amendments to IPSASB SRS 1*

6. In issuing *Amendments to IFRS S2*, the ISSB decided to provide additional relief and clarify existing relief from specific greenhouse gas emissions disclosure requirements in IFRS S2. The ISSB decided that the amendments would support entities applying IFRS S2 by reducing the complexity, risk of potential duplication of reporting and related costs associated with applying specific requirements in IFRS S2. These targeted amendments would:

   (a) Clarify that an entity is permitted to limit measurement and disclosure of Scope 3 Category 15 GHG emissions to financed emissions as defined in IFRS S2;

   (b) Permit use of alternative classification systems – beyond the Global Industry Classification Standard (GICS) – to disaggregate information about financed emissions;

(c) Clarify availability of the jurisdictional relief from using the GHG Protocol Standard, if only part of an entity is required to use a different method for measuring GHG emissions; and

(d) Introduce a jurisdictional relief from using Global Warming Potential (GWP) values from the latest IPCC Assessment Report for converting GHG emissions.

**Analysis**

7. IPSASB SRS 1 was developed primarily based on IFRS S2, with adaptations where appropriate for the public sector. Given the Board's objective of maintaining alignment with IFRS S2, where appropriate for the public sector, staff considered whether these amendments have implications for IPSASB SRS 1 and this [draft] Standard.

8. While the amendments have some implications for the existing requirements in IPSASB SRS 1, staff note that these will be limited for the following reasons:

(a) Scope 3 Category 15 greenhouse gas emissions – The amendments are generally applicable to IPSASB SRS 1, except those relating to the detailed application guidance for asset management, commercial banking and insurance activities, which the IPSASB decided not to incorporate into IPSASB SRS 1 due to the limited relevance for most public sector entities;

(b) Alternative classification systems – IPSASB SRS 1 does not include the detailed financed emissions disclosure requirements in IFRS S2, including the use of GICS. Accordingly, these amendments are not applicable to IPSASB SRS 1;

(c) Clarifying jurisdictional relief relating to the GHG Protocol – In developing IPSASB SRS 1, the IPSASB decided to provide greater flexibility in the use of the GHG Protocol Corporate Standard through a rebuttable presumption. Accordingly, these amendments are not applicable to IPSASB SRS 1; and

(d) Jurisdictional relief providing greater flexibility on GWP values – In developing IPSASB SRS 1, the IPSASB decided to provide greater flexibility in the use of GWP values from the latest IPCC Assessment Report. Accordingly, these amendments are not applicable to IPSASB SRS 1.

9. Agenda Item 6.B.4 provides detailed analysis of the IFRS S2 amendments.

10. Agenda Item 6.A.8 sets out the proposed [draft] IPSASB SRS ED [X] including the amendments to IPSASB SRS 1 as a result of the staff analysis based on *Amendments to IFRS S2*.

**Recommendation**

11. Staff recommend that the IPSASB:

(a) Include improvements to IPSASB SRS Standards as part of the IPSASB's existing Improvements to IPSAS Standards process in future meetings; and

(b) Agree with the proposed amendments IPSASB SRS 1 to clarify that an entity is permitted to limit the measurement and disclosure of Scope 3 Category 15 GHG emissions to financed emissions, consistent with the amendments to IFRS S2.

# Approval of [draft] IPSASB SRS Exposure Draft [X], *Amendments to Greenhouse Gas Emissions Disclosures* (Amendments to IPSASB SRS 1)

## Decision Required

1. The IPSASB is required to decide on the approval of [draft] IPSASB SRS Exposure Draft [X], *Amendments to Greenhouse Gas Emissions Disclosures* (Amendments to IPSASB SRS 1), with an exposure period of 60 days.

## Context

2. This paper is intended to facilitate the formal voting process to approve the ED for exposure.

## Analysis

*Due Process*

3. In Agenda Item 6.A.6, the IPSASB considered proposed amendments to IPSASB SRS 1, *Climate-related Disclosures*, to align, where appropriate, with *Amendments to Greenhouse Gas Emissions Disclosures* (Amendments to IFRS S2) published by the ISSB in December 2025.

4. Based on the staff analysis, the proposed amendments to IPSASB SRS 1 are limited to clarifying that an entity is permitted to limit the measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions to financed emissions, consistent with the amendments to IFRS S2.

*Exposure Period*

5. The ordinary exposure period is 120 days as stated in the IPSASB's Due Process and Working Procedures. However, due to the limited scope of this ED and the specific wording in the due process and working procedures allowing shorter exposure periods for improvements, staff recommend the exposure period of 60 days.

6. Staff expect to publish [draft] IPSASB SRS Exposure Draft [X] in January 2027, with a consultation period ending in March 2027. This timeline would allow staff to present an analysis of responses to [draft] IPSASB SRS Exposure Draft [X] at the June 2027 meeting.

## Recommendation

7. Staff recommend that the IPSASB:

   (a) Approve [draft] IPSASB SRS ED [X], *Amendments to Greenhouse Gas Emissions Disclosures* (Amendments to IPSASB SRS 1); and

   (b) Expose [draft] IPSASB SRS ED [X] for a period of 60 days.

## [draft] IPSASB SRS ED [X], *Amendments to Greenhouse Gas Emissions Disclosures* (Amendments to IPSASB SRS 1)

1. The [draft] IPSASB SRS ED [X] is posted separately for easier readability.

2. The [draft] IPSASB SRS ED [X] is presented where only the relevant sections with changes from IPSASB SRS 1 are brought out with the changes made. The draft ED is presented with track changes, with additions underlined and deletions ~~struck through~~.

3. IPSASB members are asked to complete a page-by-page review of this Appendix at the December 2026 meeting. To effectively make use of plenary time in December 2026, members are asked to provide feedback on substantial matters in-session, and to share editorial comments with staff separately.