

Meeting: IPSASB Consultative Advisory Group

Meeting Location: Washington, D.C., USA

Meeting Date: June 8, 2026

Agenda Item

6

For:

☐ Approval

☒ Discussion

☐ Information

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 objectives	Topic	Agenda Item
Discussion Items	Responsibility for Public Policies	6.1
	Strategy: Financial Implications	6.2
Other Supporting Items	IPSASB Due Process Checklist	6.3

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Responsibility for Public Policies

Background

1. IPSASB SRS ED 1, *Climate-related Disclosures*, proposed that an entity shall apply the [draft] Standard in reporting on the outcomes of a climate-related public policy program where the entity has responsibility for those outcomes. The intent was to enable primary users to hold entities accountable for the climate-related public policy programs for which they are responsible.
2. In developing the ED, the IPSASB recognized that multiple public sector entities are often involved in a public policy program and that different entities may play different roles. The ED therefore included guidance to support entities in determining where responsibility lies.
3. In general, the ED proposals on responsibility were supported by respondents, however, there are two substantive matters for the IPSASB to consider:
 - (a) In March 2026, in responding to constituents' comments on public policy programs, the IPSASB decided to clarify the scope of the [draft] Standard to focus on the climate-related outcomes of public policies, rather than on a defined subset of climate-related public policy programs. As a consequence, the IPSASB needs to decide the appropriate amendment to the ED framing of "responsibility for the outcomes of a climate-related public policy program" to align with the clarified scope; and
 - (b) Respondents to SMC 3 raised concerns about how the responsibility requirements would work in practice where responsibility for a public policy is shared across multiple entities, with most commenting that further guidance is needed to avoid gaps, non-disclosure, or duplication.
4. This paper sets out staff's proposed approach to (a) amending the responsibility requirements that clarify who should apply the [draft] Standard, and (b) the disclosure requirements related to shared responsibility. The IPSASB will discuss and consider these proposals at its June 2026 meeting, including consideration of advice from the CAG resulting from this agenda item.

Analysis

Who should apply the [draft] Standard

5. Following the March 2026 decisions on scope and definitions, staff considered various perspectives and potential drafting changes to determine what responsibility should relate to and the implications of who should apply the [draft] Standard: responsibility for climate-related outcomes of a public policy, responsibility for a public policy, or responsibility for public policy with climate-related outcomes.
6. Staff considered that "responsibility for climate-related outcomes of a public policy" can be interpreted narrowly, limited to public policies that are climate-focused, while on the other hand "responsibility for public policies" can be interpreted broadly, extending and requiring entities to review every public policy to determine applicability of the [draft] Standard.
7. Therefore, staff propose that entities with responsibility for a public policy with climate-related outcomes should apply the [draft] Standard. This best aligns with the IPSASB's original accountability objective in the ED – to hold entities accountable for the policies they are responsible for and for the outcomes of those policies. It is also consistent with the clarified scope of the [draft] Standard decision in March 2026, which moved away from a narrower subset of climate-related programs to all public policies with material climate-related outcomes.

8. Staff also recommend including application guidance to clarify that the [draft] Standard may not apply to all public policies and that entities should assess which public policies have climate-related outcomes that would be material information for primary users.

Shared responsibility

9. Many respondents commented on situations where responsibility for a public policy is shared across multiple public sector entities. Respondents noted that without further guidance, shared responsibility could result in disclosure gaps, non-disclosure of material information, or unhelpful duplication across reports.
10. To illustrate, the strategy for a public policy may be set by one entity, the funding provided by another, and the implementing expenditures incurred by a third. In such cases, primary users would benefit from understanding how the various roles fit together, and which entity's disclosures relate to which aspect of the policy.
11. Staff propose that, where responsibility for a public policy is shared, the reporting entity should disclose information about its own public policy mandate together with an overview of the roles of the other entities with shared responsibility for the public policy. This builds on the existing requirement in IPSASB SRS ED 1 for entities to disclose the scope of their mandate, and would help primary users build a complete picture of how responsibility is allocated and where to find information held by other entities.

Question for CAG Members:

What is the CAG's advice on the proposed approach responding to feedback received and IPSASB decisions on responsibility, in particular:

- (a) Amending the responsibility requirements, effectively widening who should apply the [draft] Standard to those entities with responsibility for public policies with climate-related outcomes; and
- (b) Requiring additional disclosures to provide users a complete picture of the shared responsibilities of public policies across multiple entities? Does the CAG have any practical examples of such scenarios to support application or implementation guidance?

Strategy: Financial Implications

Background

1. IPSASB SRS ED 1, *Climate-related Disclosures*, proposed that an entity disclose the current and anticipated financial implications of climate-related public policy programs to the entity itself.
2. In developing the ED, the IPSASB acknowledged that the financial implications of climate-related public policy programs extend beyond the entity itself, affecting the broader economy, environment, and people. The IPSASB also recognized that some jurisdictions and entities may already disclose this broader information. For practical reasons, the IPSASB decided to require disclosure only of the financial implications to the entity itself, while not precluding entities from disclosing the broader implications of the climate-related public policy program and/or related outcomes on other parties, and encouraging them to reflect relevant external factors in their disclosures.
3. In responding to SMC 5, most respondents who commented agreed or partially agreed that the proposed financial implications disclosures meet the information needs of primary users, and some highlighted the usefulness of the linkage between financial implications and public sector budgets. Respondents also suggested the proposals could be improved in two respects. First, some respondents considered that limiting the disclosures to the entity itself may be too narrow, as the financial implications for other parties, such as households, businesses, and other levels of government, are often more significant. Second, some preparers and audit offices noted the practical burden of quantifying financial implications, particularly for entities with more limited data infrastructure and technical capacity.
4. In March 2026, the IPSASB decided to clarify the scope of the [draft] Standard to focus on the climate-related outcomes of public policies, rather than on climate-related public policy programs. As a result, the financial implications disclosures would apply across a broader range of public policies. Staff identified a difficulty with applying the requirement to the financial implications of public policies in general terms – that is, disclosure of the financial implications of public policies, such as costs of administering, funding, or operating the policy itself, would not generally produce climate-related information for policies that are not climate-focused.
5. This paper presents staff proposals to address respondents' feedback and amendments to reflect the March 2026 decisions on (a) the financial implications to the entity itself (b) the financial implications beyond the entity itself, and (c) the proportionality mechanisms needed to address respondents' concerns. The IPSASB will discuss and consider these proposals at its June 2026 meeting, including consideration of advice from the CAG resulting from this agenda item.

Analysis

Financial implications to the entity itself

6. Most respondents that commented on financial implications supported the ED proposal to require disclosure of the financial implications to the entity itself. To retain an entity-level perspective while keeping the information climate-related, staff recommend that an entity disclose how it is resourcing, and plans to resource, the activities undertaken to achieve its climate-related targets. This produces climate-related information for both climate-focused and non-climate-focused public policies, and strengthens the connection between an entity's strategy, its climate-related targets, and the financial

information that supports them. This builds on the public policy reporting perspective already proposed in the ED and would be distinct from the disclosures on an entity's own operations in IPSASB SRS 1.

Financial implications beyond the entity itself

7. Responding to the feedback that an entity-only perspective may be too narrow, staff recommend that an entity also disclose the financial implications of the climate-related outcomes of its public policies for other parties in its jurisdiction. This captures the broader financial effects that respondents highlighted, while keeping the information climate-related and consistent with the clarified scope of the [draft] Standard. For example, a public policy that subsidizes AI data centers may lead to higher energy prices for households and businesses and to increased greenhouse gas emissions, the cost of which may be estimated using emissions pricing.

Proportionality and transitional relief

8. Respondents raised concerns about estimation uncertainty, data limitations, and the resulting burden on preparers. Staff acknowledge that estimating the financial implications of climate-related outcomes can require complex, forward-looking analysis, and the methodologies involved are still developing and may not be available in all jurisdictions.
9. To balance the usefulness of the information against these practical challenges, staff recommend supporting the disclosures with proportionality mechanisms. Proportionality mechanisms are a feature of IFRS S1, IFRS S2, and IPSASB SRS 1, and are intended to keep disclosure requirements achievable for entities with differing levels of capacity. In broad terms, they require an entity:
 - (a) To use information that is reasonable, supportable, and available without undue cost or effort, and
 - (b) To take an approach commensurate with the skills, capabilities, and resources available to it.
10. Staff also recommend that the IPSASB permit an entity to provide qualitative rather than quantitative information in certain circumstances and consider transitional relief, recognizing the developing nature of the methodologies.

Question for CAG Members:

Based on respondent comments and IPSASB decisions, staff plan to propose broadening disclosure requirements relating to financial implications, balanced with proportionality mechanisms.

Are there other factors the CAG would advise the IPSASB to consider in making its decision to balance primary users' information needs against the cost and practicality for preparers?

IPSASB Due Process Checklist

Project: *Climate-Related Disclosures: Public Policy Outcomes*

Greyed out portions of the checklist refer to due process elements reviewed by the IPSASB's Public Interest Committee.

#	Due Process Requirement	Yes/No	Comments
A. Project Brief			
A1.	A proposal for the project (project brief) has been prepared, that highlights key issues the project seeks to address.	Yes	The project brief was discussed and approved by the IPSASB at its June 2023 meeting. All issues the project seeks to address were considered. See Agenda Item 8 – June 2023 .
A2.	The IPSASB has approved the project in a public meeting.	Yes	The project brief was approved in June 2023. See Section 8 of the June 2023 minutes .
A3.	The IPSASB CAG has been consulted on the project brief.	N/A	The IPSASB CAG discussed significant issues during the development of the project brief in June 2023 (see Agenda Item 5 – June 2023).
B. Development of Proposed International Standard			
B1.	The IPSASB has considered whether to issue a consultation paper or undertake other outreach activities to solicit views on matters under consideration from constituents.	Yes	The IPSASB exposed the Consultation Paper, Advancing Public Sector Sustainability Reporting , in May 2022. This CP proposed building off existing private sector guidance where appropriate. The strong support from respondents shaped the Climate-Related Disclosures project.
B2.	If comments have been received through a consultation paper or other public forum, they have been considered in the same manner as comments received on an exposure draft.	Yes	Yes – responses to the Consultation Paper, Advancing Public Sector Sustainability Reporting , were considered at the December 2022 meeting. See Section 7 of the December 2022 minutes .
B3.	The IPSASB CAG has been consulted on significant issues during the development of the exposure draft.	Yes	Agenda Item 5 from June 2023 and Agenda Item 7 from December 2023 informed the development of the ED by surveying CAG members regarding the status of climate disclosures in their jurisdiction.

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#	Due Process Requirement	Yes/No	Comments
B4.	The IPSASB has approved the issue of the exposure draft.	Yes	The IPSASB approved the IPSASB SRS Exposure Draft (ED) 1 at the September 2024 meeting. See section 5 of the September 2024 minutes .
C. Public Exposure			
C1.	The approved exposure draft has been posted to the IPSAS website for public comment for an appropriate period.	Yes	IPSASB SRS Exposure Draft (ED) 1 was published in October 2024. Comments are requested by 28 February 2025.
C2.	Comments on the exposure draft have been posted to the IPSASB website after the end of the exposure period.	Yes	All 96 comment letters have been publicly posted on the IPSASB website .
D. Consideration of Respondents' Comments on an Exposure Draft			
D1.	Staff have provided the IPSASB, as part of the public agenda papers, with an analysis summarizing the significant issues raised by respondents, outlined their proposed disposition, and, as appropriate, explained why significant changes recommended by respondents have or have not been accepted.	Ongoing	The significant issues raised by respondents were presented to the IPSASB: <ul style="list-style-type: none"> • April 2025 – Agenda Item 2 • June 2025 – Agenda Item 5
D2.	The IPSASB has deliberated significant matters raised in the comment letters, and significant decisions have been minuted.	Ongoing	The significant matters raised by respondents have been deliberated by the IPSASB: <ul style="list-style-type: none"> • June 2025 – Agenda Item 5 • June 2025 – Minutes

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#	Due Process Requirement	Yes/No	Comments
D3.	The IPSASB has considered whether there are any issues raised by respondents, in addition to those summarized by Staff, that it considers should have been discussed by the IPSASB.	Yes	<p>The IPSASB considered whether there were any issues raised by respondents, that should be discussed, other than those summarized by staff:</p> <ul style="list-style-type: none"> • April 2025 – Agenda Item 2 • April 2025 - Minutes
D4.	The IPSASB CAG has been consulted on significant issues raised by respondents to the exposure draft and the IPSASB's related responses.	Ongoing	<p>The IPSASB CAG discussed significant issues raised by respondents to the exposure draft:</p> <ul style="list-style-type: none"> • Agenda Item 5 – June 2025 • Agenda Item 6 – June 2026
D5.	Significant comments received through consultation with the IPSASB CAG are brought to the IPSASB's attention. Staff have reported back to the IPSASB CAG the results of the IPSASB's deliberations on those comments received from the CAG.	Ongoing	<p>Staff have reported back to the IPSASB CAG the results of the IPSASB's deliberations on those comments received from the CAG:</p> <ul style="list-style-type: none"> • December 2025 - June 2025 CAG Report Back
D6.	The IPSASB has assessed whether there has been substantial change to the exposed document such that re-exposure is necessary.	TBD	Pending
D7.	If applicable, the IPSASB has voted on a resolution in favor of re-exposure.	TBD	Pending
D8.	The basis of the IPSASB's decision with respect to re-exposure has been minuted.	TBD	Pending

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#	Due Process Requirement	Yes/No	Comments
D9.	If the exposure draft has been re-exposed, the explanatory memorandum accompanying the re-exposure draft explained the reasoning for re-exposure and the changes made as a result of the earlier exposure.	TBD	Pending
<i>E. Approval</i>			
E1.	The Program and Technical Director has confirmed to the IPSASB that due process has been followed effectively the final standard is approved for issuance.	TBD	Pending
E2.	The IPSASB has approved the final revised content of the exposed standard in accordance with its Terms of Reference.	TBD	Pending
E3.	If applicable, the IPSASB has set an effective date for application of the final standard.	TBD	Pending
E4.	The IPSASB's basis for conclusions has been prepared and included in the final standard.	TBD	Pending