

SAI INDONESIA
COMMENTS FOR EXPOSURE DRAFT
IPSASB SRS CLIMATE-RELATED DISCLOSURES

1	<p>Specific Matter for Comment 1: Public sector operations and regulatory role (paragraphs 1-4)</p> <p>This Exposure Draft requires a public sector entity to provide disclosures about (i) the climate-related risks and opportunities that are expected to affect its own operations, and (ii) climate-related public policy programs and their outcomes when an entity has responsibility for those programs and their outcomes (see paragraphs 3 and AG2.7–AG2.8). Do you agree the proposed approach meets the information needs of primary users (see paragraphs 1– 4)? If not, what alternative approach would you propose and why?</p>
	<p>It is important to highlight the challenges that arise when climate-related public policy involves more than one ministry or institution, which requires effective cross-sectoral coordination. This cross-sectoral control must be clearly regulated so that each ministry or institution involved can play a transparent and consistent role in disclosing information related to the impact of climate change. Good governance is key to ensuring that each party can deliver accurate, complete, and timely data. This includes coordination mechanisms that reduce potential overlaps and information gaps between ministries, as well as ensuring that disclosures are made in accordance with standards.</p> <p>In addition, the next challenge is related to the capacity and resources to implement an effective climate disclosure.</p>
2	<p>Specific Matter for Comment 2: Own Operations (Appendix A1: Application Guidance – Own Operations)</p> <p>The Exposure Draft primarily aligns disclosure requirements about an entity’s own operations with private sector guidance (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures), with public sector guidance, including a rebuttable presumption that entities use the GHG Protocol: A Corporate Accounting and Reporting Standard (2004), unless another established method of measuring its greenhouse gas emissions is more appropriate or required by a jurisdictional authority (see paragraph AG1.72). Do you agree with the proposed approach and guidance? If not, what alternative approach would you propose and why?</p>
	<p>Yes, agreed. The approach or guidance used is the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) to ensure that entities follow an internationally recognized and widely accepted methodology. This aims to create uniformity in the disclosure of information related to climate change risks and opportunities in terms of greenhouse gas emission measurement.</p>
3	<p>Specific Matter for Comment 3: Scope of Public Policy Programs (paragraph 3 and AG2.4–AG2.6)</p> <p>This Exposure Draft requires disclosures about public policy programs with a primary objective to achieve climate-related outcomes. Do you agree with this approach and the scope of public policy programs included in required disclosures? If not, what alternative approach would you propose and why?</p>
	<p>It is important to highlight the challenges that arise when climate-related public policy involves more than one ministry or institution, which requires effective cross-sectoral coordination. This cross-sectoral control must be clearly regulated so that each ministry or institution involved can play a transparent and consistent role in disclosing information</p>

	<p>related to the impact of climate change. Good governance is key to ensuring that each party can deliver accurate, complete, and timely data. This includes coordination mechanisms that reduce potential overlaps and information gaps between ministries, as well as ensuring that disclosures are made in accordance with standards.</p> <p>In addition, the next challenge is related to the capacity and resources to implement an effective climate disclosure.</p>
4	<p>Specific Matter for Comment 4: Public Sector-Specific Definitions (paragraph 7)</p> <p>This Exposure Draft provides public sector-specific definitions and related guidance for:</p> <ul style="list-style-type: none"> (a) Public policy programs; (b) Public policy program outcomes; and (c) Climate-related public policy programs. <p>Do you agree with the proposed public sector-specific definitions and guidance? If not, what alternative definitions would you propose and why?</p>
	<p>Yes, we agree with the definition proposed in this draft exposure. However, it is necessary to consider the level of maturity of each public entity because there are still public sector entities that have limitations in measuring the long-term impact that can arise from a policy program so that they only report the measurement of the results of public policy programs to the level of output, not outcomes.</p> <p>In addition, it would be useful to include relevant concrete examples, so that the understanding of the implementation of public policy programs, especially those related to climate change, can be clearer and easier to apply in practice.</p>
5	<p>Specific Matter for Comment 5: Strategy for Climate-related Public Policy Programs (paragraphs 12 and AG2.24–AG2.31)</p> <p>This Exposure Draft proposes disclosure requirements about an entity's strategy for climate-related public policy programs which include information that enables primary users to understand the entity's strategy and decision-making, anticipated challenges to achieving intended outcomes and financial implications of the climate-related public policy program.</p> <p>Do you agree that the disclosure requirements on strategy for climate-related public policy programs meet the information needs of primary users? If not, what alternative approach would you propose and why?</p>
	<p>The disclosure requirements regarding the entity's strategy for climate change-related public policy programs in this Draft Exposure need to be further scrutinized, especially to ensure its alignment with the information/disclosures in existing reports that may have been prepared by the entity. This is important so that there is no overlap or misinformation between the disclosures required in this draft and the disclosures or reports that have been prepared by the entity. The main challenge in the preparation of these disclosures is that adequate disclosures require strategic thinking involving various disciplines. The disclosure of this strategy should contain details about how the entity plans to achieve climate policy goals, challenges that may arise in the implementation process, and how these risks are managed from a financial perspective so that illustrations/examples are needed to make it easier for readers to understand so that they can apply these standards more effectively.</p>
6	<p>Specific Matter for Comment 6: Metrics and Targets for Climate-related Public Policy Programs (paragraphs 26–27 and AG2.34–AG2.44)</p> <p>This Exposure Draft proposes to require disclosures about metrics and targets, including (a) the change in greenhouse gas emissions reasonably attributed to climate-related public policy programs and (b) other metrics to measure and monitor performance in relation to climate-related public policy programs.</p> <p>Do you agree these disclosures meet the information needs of primary users of the report (see paragraph 26)? If not, what alternative approach would you propose and why?</p>

	Yes, but it will be useful to include relevant illustrations/examples to provide an overview of the disclosure of metrics and targets so that the information disclosed is able to meet the information needs of stakeholders.
7	<p>Specific Matter for Comment 7: Conceptual foundations (paragraphs B2–B15)</p> <p>This Exposure Draft includes conceptual foundations aligned with the IPSASB Conceptual Framework including the definition of materiality (see paragraphs B8–B10) and primary users of public sector general purpose financial reports (see paragraphs B.AG28–B.AG33). Do you agree that the proposed definition of materiality based on the IPSASB Conceptual Framework meets the information needs of primary users for climate-related disclosures? If not, what alternative approach would you propose and why?</p>
	Given the characteristics of the public sector as distinct from the private sector, where the primary objective is public service and management of public funds , it is important to ensure that such disclosures are tailored to the context of public policy and regulations applicable in each country. It will be useful to include relevant concrete examples.
8	<p>Specific Matter for Comment 8: General requirements (paragraphs B16–B46)</p> <p>This Exposure Draft includes general requirements aligned with private sector guidance (IFRS S1) including the requirements for (a) an entity to include its climate-related disclosures in its general-purpose financial reports (see paragraphs B22–B25) and (b) an entity to report its climate-related disclosures at the same time as its related financial statements (see paragraphs B26–B31). Do you agree that the disclosure requirements proposed in the general requirements are appropriate for public sector entities? If not, what alternative approach would you propose and why?</p>
	<p>What needs to be noted is that the preparation of the report must be carried out by a party who has adequate competence and qualifications, be it accountants or certified professionals in the field of sustainability and climate change.</p> <p>Alternative approaches that could be considered are adjustments to transitional relief. It can be determined by each jurisdiction, given the readiness and diverse local contexts, while increasing the capacity of report authors to understand and implement these standards effectively.</p>
9	<p>Specific Matter for Comment 9: Transition (paragraphs 30–33)</p> <p>This Exposure Draft proposes to provide transitional relief only in the first year of adoption (see paragraphs 30–33) for disclosures relating to an entity's own operations and where applicable, relating to climate-related public policy programs and their outcomes. Do you agree that the proposed transition provisions approach should be applicable to both own operations and climate-related public policy programs? If not, what alternative approach would you propose and why?</p>
	The proposed transitional relief only in the first year of adoption for disclosures related to entity's own operations and, where possible, public policy programs related to climate change, could indeed provide important flexibility in the adoption process. However, provisions regarding the effective date and transition period should be determined by each jurisdiction , given the readiness and diverse local contexts . Each country has a standard setter that better understands the level of readiness of the public sector to implement this standard. For example, Indonesia has adopted IFRS S1 and S2 with an effective date of January 1, 2027, with early implementation allowed. Indonesia also provides transitional provisions that do not require the disclosure of Scope 3 greenhouse gas emissions and the use of <i>the</i> Greenhouse Gas Protocol in the first three years. This allows entities to adapt their reporting processes to existing resources and capacities, while still adhering to international standards. Therefore, the transitional provisions must take into account each

	country's readiness to implement comprehensive and realistic disclosures, including in the case of more complex Scope 3 emissions disclosures.
10	Specific Matter for Comment 10: Other Comments Do you have any other comments on the proposed Exposure Draft?
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