

February 25, 2025

Ross Smith
Program & Technical Director
International Public Sector Accounting Standards Board
227 Wellington Street
West Toronto, ON M5V 3H2
Canada

Dear Sir,

**RE: REQUEST FOR FEEDBACK COMMENTS ON INTERNATIONAL PUBLIC
SECTOR ACCOUNTING STANDARDS BOARD (IPSASB) ED 92 –TANGIBLE
NATURAL RESOURCES**

The Financial Reporting Council of Nigeria (FRC) is pleased to avail its input alongside its constituents in Nigeria on the IPSASB Exposure Draft 92 – Tangible Natural Resources.

In order to elicit comments from stakeholders, the Financial Reporting Council of Nigeria organised a webinar on February 25, 2025 where 242 registered while 97 attended. Therefore, it is the voice of the 97 participants at the webinar that is being submitted by the Financial Reporting Council of Nigeria. The Council, on behalf of the Nigerian Constituent wishes to comment on the Exposure Draft as hereunder:

**SPECIFIC MATTER FOR COMMENT 1: PUBLIC SECTOR OPERATIONS AND
REGULATORY ROLE (PARAGRAPHS 1-4)**

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?

The Council agrees with the proposed approach as it aligns with existing standards and reporting frameworks. We believe it will provide relevant and useful information to stakeholders. WE believe that this approach will contribute to global comparability and consistency in financial reporting. However, the focus is to provide disclosure in financial statements. There is no related risk and opportunities, the financial implication of those risks. There must be a way to bring these financial risks and opportunities, if not, the report will not be robust as there will be no scenario or sensitivity analysis. If these things are missing, it will just be greenwashing.

Specific Matter for Comment 2: Own Operations (Appendix A1: Application Guidance – Own Operations)

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?

The Council agrees with the proposal in the draft standard to align with IFRS S1 and S2 protocol on measurement of Greenhouse emission. Using GHG protocol for emission measurement ensures consistency, clarity and manageability for IPSASB reporting. We are pleased with it and the opportunity for entities to provide justification for their method of measuring GHG. We appreciate the flexibility to apply an alternative methodology for measuring greenhouse gas emissions when necessary.

SPECIFIC MATTER FOR COMMENT 3: SCOPE OF PUBLIC POLICY PROGRAMS (PARAGRAPH 3 AND AG2.4–AG2.6)

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?

The Council agrees with the proposed approach and scope. It should be aligned with National Climate Policy. It is fair for us to disclose it, since it is part of our commitment to address GHG emission. If we limit the scope of disclosure to climate related outcomes, it will result in greenwashing. We should disclose all policies within the scope of that entity. The disclosure should show us the good and the bad.

SPECIFIC MATTER FOR COMMENT 4: PUBLIC SECTOR-SPECIFIC DEFINITIONS (PARAGRAPH 7)

This Exposure Draft provides public sector-specific definitions and related guidance for:

- (a) Public policy programs;
- (b) Public policy program outcomes; and
- (c) Climate-related public policy programs.

Do you agree with the proposed public sector-specific definitions and guidance? If not, what alternative definitions would you propose and why?

We agree with the proposal. The definition should be made more encompassing.

SPECIFIC MATTER FOR COMMENT 5: STRATEGY FOR CLIMATE-RELATED PUBLIC POLICY PROGRAMS (PARAGRAPHS 12 AND AG2.24–AG2.31)

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.

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?

The Council agrees with the proposed disclosure requirements, but we note a slight disconnect between this proposal and the initial definition and the scope of the standard. Nobody does strategy without working on external environment. The definition should not only focus on internal but also external implications of these strategies.

SPECIFIC MATTER FOR COMMENT 6: METRICS AND TARGETS FOR CLIMATE-RELATED PUBLIC POLICY PROGRAMS (PARAGRAPHS 26–27 AND AG2.34–AG2.44)

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.

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?

The Council does not have any significant concern as this is much in line with the various reporting frameworks. Guidelines on sector specific industry will enhance information to be turned out. It will make it easy for users to apply.

SPECIFIC MATTER FOR COMMENT 7: CONCEPTUAL FOUNDATIONS (PARAGRAPHS B2–B15)

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?

The Council agrees and it is consistent with what is contained in IFRS S1 regarding the disclosure of sustainable financial information, as what works for the private sector should work for the public sector. The definition of materiality should be expanded to financial and non-financial. Non-financial impact of public sector entities that are important for decision making.

SPECIFIC MATTER FOR COMMENT 8: GENERAL REQUIREMENTS (PARAGRAPHS B16–B46)

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?

We agree with the general disclosure requirements in line with IFRS S1. The sustainability report must speak to financial statements which should be integral to the general requirements. The standard should state the positioning or location of this report in the general-purpose financial statements.

SPECIFIC MATTER FOR COMMENT 9: TRANSITION (PARAGRAPHS 30–33)

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?

The Council agrees with the proposed transition arrangement but however, the one year transition period is short. A minimum of 3 years should be ideal as is the case with IPSAS.

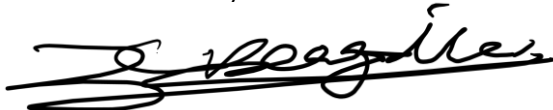
SPECIFIC MATTER FOR COMMENT 10: OTHER COMMENTS

Do you have any other comments on the proposed Exposure Draft?

None.

If you require any further information or clarification, do not hesitate to contact the Head, Directorate of Accounting Standards (Public Sector) on: ioanyahara@frcnigeria.gov.ng

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Iheanyi O. Anyahara', with a stylized flourish at the end.

Iheanyi O. Anyahara, PhD

Coordinating Director, Directorates of Accounting Standards – Public and Private Sectors and Sustainability Reporting

For: Executive Secretary/CEO