



Agenda Item 10: Natural Resources

Edwin Ng, Principal

IPSASB Meeting

March 10–13, 2020

New York, USA

Session Outline

-
- Discussions to Date
 - Development of the Natural Resources Project Brief
 - Key Issues
 - Comments from Members, TAs, and Observers
 - Approval of the Project Brief

Discussions to Date (1)

The IPSASB added Natural Resources to the work program in September 2018. Since then...

Input and advice on public interest issues and project scope from:

- IPSASB CAG – June 2019
- National Standard Setters – June 2019
- IPSASB Stakeholders – 3 Regional Roundtables in partnership with African Union, Asian Development Bank and FOCAL

Discussions to Date (2)

Feedback from research and scoping:

- Financial reporting objectives should drive scope
- Keep scope manageable; many broad issues and initiatives related to natural resources, many beyond financial reporting
- Ensure clarity and focus on resources prior to extraction
- Separately consider exploration and development activities and relevance of accounting guidance related to activities (IFRS 6 and IFRIC 20)
- Consider tangible natural resources rather than intangibles
- Broad group of interested stakeholders with high expectations extending beyond financial reporting. Important to clearly communicate project objectives

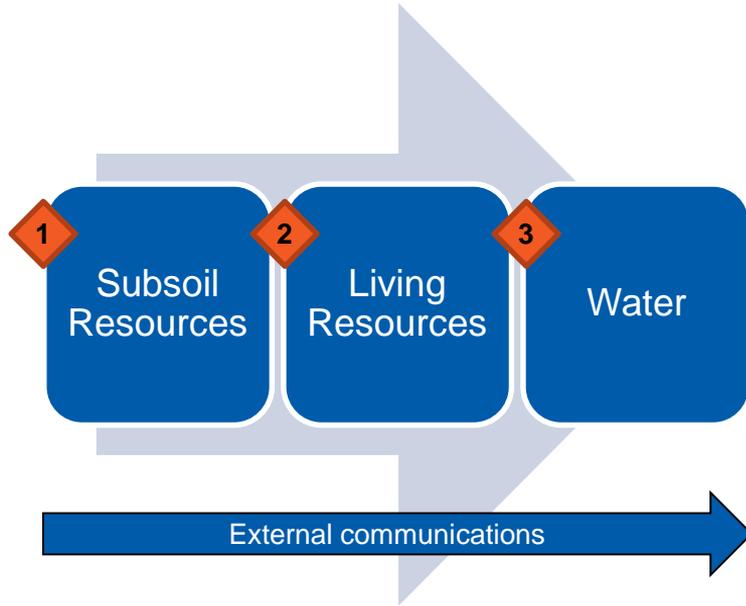
Development of the Natural Resources Project Brief

Natural Resources Project Brief was developed based on the following:

- Research previously performed for CAG and roundtable materials
- Consultations with the CAG and constituents at the Public Sector Standards Setters Forum and regional roundtables
- Input from the Natural Resources Task Force
 - The Task Force recommended the project brief for approval by the IPSASB

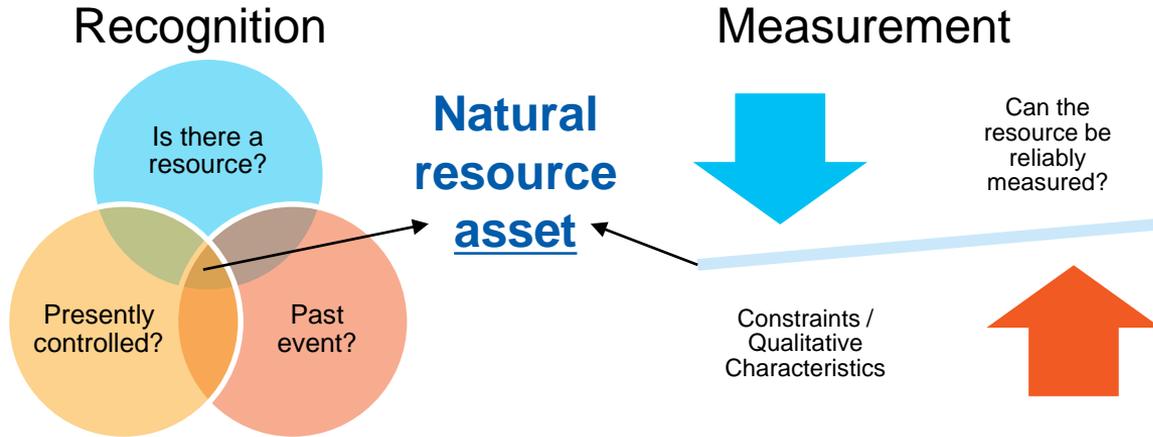
Key Issues – Project Management (5.3-5.6)

Complete project in phases for better management:



Phase 1 Major Milestones	Date
Approve project brief	March 2020
Develop and approve phase 1 consultation paper covering: <ul style="list-style-type: none"> • General issues on natural resources • Deep dive on subsoil resources 	June 2021
Develop and approve phase 1 exposure draft	December 2022
Develop and approve phase 1 final standard	March 2024
External communications	Throughout

Key Issues – Scope, Recognition, and Measurement (5.7-5.11)



Key Issues – Presentation and Disclosures (5.12)

Constituents concerned about broader financial reporting disclosures, regardless of whether resources are recognized as assets:

Fiscal Sustainability

- Use of currently available resources
- Availability of resources for future generations

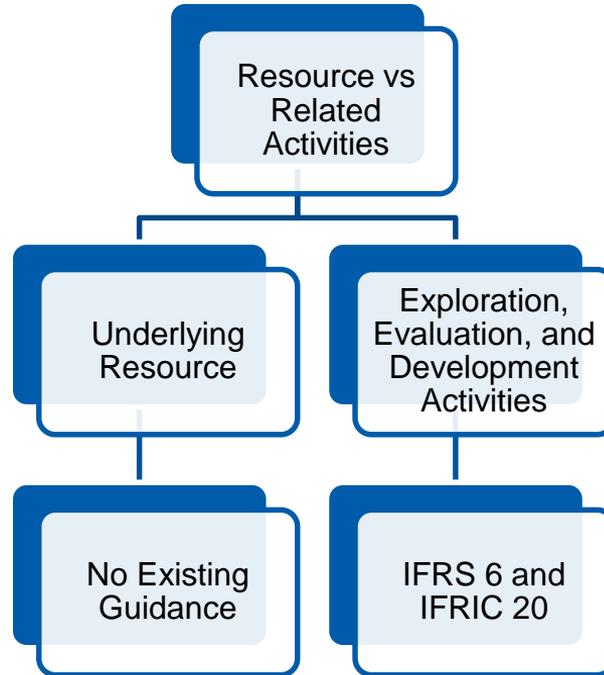
Risks and Uncertainties

- Risks from use of natural resources
- Impact on climate change

Service Performance Information

- How use of natural resources impacts achievement of the entity's performance objectives

Key Issues – Cost of Related Activities (5.13)



Comments from Members, TAs, and Observers

- Discussion of comments from IPSASB Members, Technical Advisors, and Observers received prior to the meeting

Approval of the Natural Resources Project Brief

The IPSASB is asked to:

- Approve Natural Resources – Project Brief and Outline



www.ipsasb.org
