



**IPSASB**

International Public  
Sector Accounting  
Standards Board®

AGENDA ITEM 10

# SUSTAINABILITY RESEARCH AND SCOPING

IPSASB Meeting – December 2024

Karen Leung, Manager

Riyadh, Kingdom of Saudi Arabia

Agenda Item 10.2.1

# Advancing Public Sector Sustainability Reporting



May 2022



Consultation Paper,  
Advancing Public Sector  
Sustainability Reporting

Dec 2022

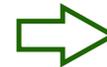
## IPSASB CONFIRMS ITS ROLE IN ADVANCING PUBLIC SECTOR SUSTAINABILITY REPORTING

*Building on strong stakeholder support, the international public sector standard setter takes the next step in advancing public sector sustainability reporting pending securing the resources needed to begin guidance development*

Dec 8, 2022 | New York, New York | English

### 3 priority projects for research and scoping:

- 1 General sustainability-related disclosures
- 2 Climate-related disclosures
- 3 Natural resources non-financial disclosures



Scoping assumptions



## Agenda Item 10.2.1

# Next Steps: Reflection of Priority Projects



Important foundation and reference point for potential future projects



PREVALENCE



CONSEQUENCES



URGENCY



FEASIBILITY

- 1 Authoritative guidance based on RPG 1 and/or RPG 3
- 2 General sustainability-related disclosures
- 3 Nature-related disclosures

# The CF and IPSASB's Role in Sustainability Reporting

## Strategic Objective

Strengthening Public Financial Management (PFM) and sustainability development globally through increasing adoption and implementation of accrual IPSAS and international public sector sustainability reporting standards

### Objective of the IPSASB



Terms of Reference



Preface to IPSAS

The objective of the IPSASB is to serve the public interest by developing high-quality accounting and other publications for use by public sector entities around the world in the preparation of GPFRs.

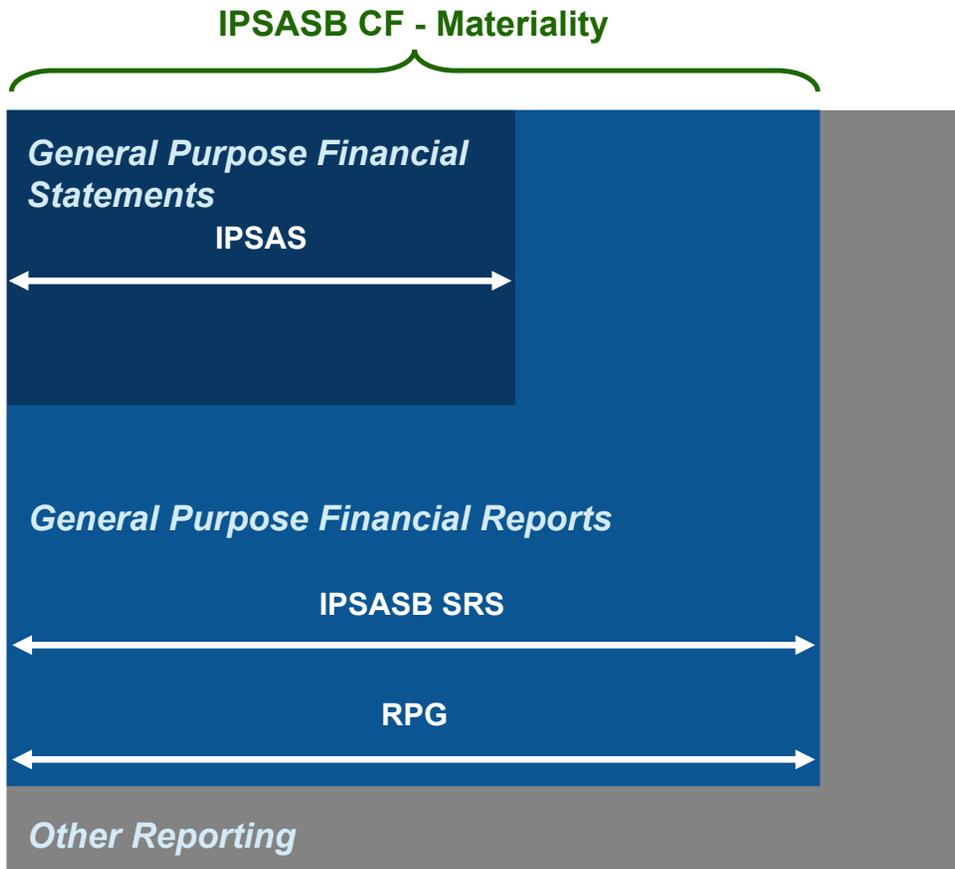
### Objective of Financial Reporting



IPSASB Conceptual Framework

The objectives of financial reporting by public sector entities are to provide information about the entity that is useful to users of GPFRs for accountability purposes and for decision-making purposes.

# The IPSASB's Remit Relative to Reporting Landscape



**IPSASB Conceptual Framework**

The IPSASB CF extend to GPFRs, which are broader than GPFs because they can include information that *enhances, complements, and supplements* the GPFs. Information in GPFs remains at the core of GPFRs.

## Importance of IPSASB's Remit



Guides scoping of potential sustainability projects



Clarifies positioning of IPSASB SRS in sustainability reporting landscape

Agenda Item 10.2.3

# Background: RPG 1 and RPG 3



July 2013

Mar 2015

May 2023



RPG 1

Recommended Practice Guide  
Reporting on the Long-Term  
Sustainability of an Entity's  
Finances

**RPG 1**



Reporting on the Long-term  
Sustainability of an Entity's Finances



RPG 3

Recommended Practice Guide  
Reporting Service  
Performance Information

**RPG 3**



Reporting Service Performance  
Information



RPG

Recommended Practice Guidelines™  
Reporting Sustainability Program  
Information—Amendments to RPGs  
1 and 3. Additional Non-  
Authoritative Guidance

**Amendments to  
RPGs 1 and 3**



Reporting Sustainability Program  
Information



Non-Mandatory



Best Practices

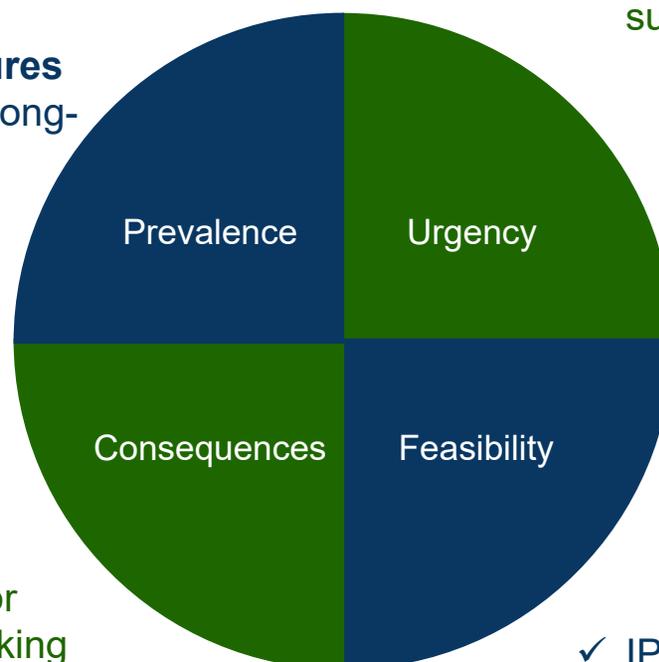
# Authoritative Guidance Based on RPG 1 and/or RPG 3

- Governments facing **increased financial strain**

- **Growing demand for disclosures** on performance indicators and long-term fiscal sustainability

- Need for **authoritative guidance to drive adoption**

- To provide useful information for accountability and decision-making



- Increasing importance of long-term fiscal sustainability and service performance

- **Critical for investment needed**, maintaining access to capital markets

- ✓ **Strong foundation from IPSASB literature**

- ✓ **Significant progress** since RPG 1 and RPG 3

- ✓ IPSASB CF supports RPG development

Agenda Item 10.2.4

# Background: General Sustainability-related Disclosures



## Consultation Paper, *Advancing Public Sector Sustainability Reporting*

### Public sector sustainability reporting - key driving factors



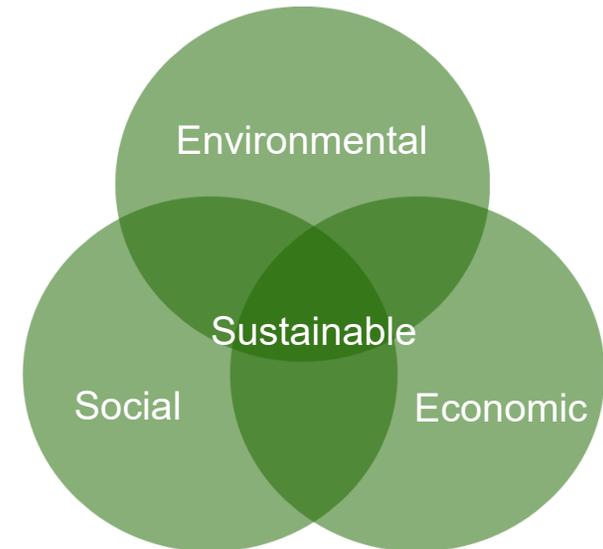
Growing global interest



Maintaining access to capital markets

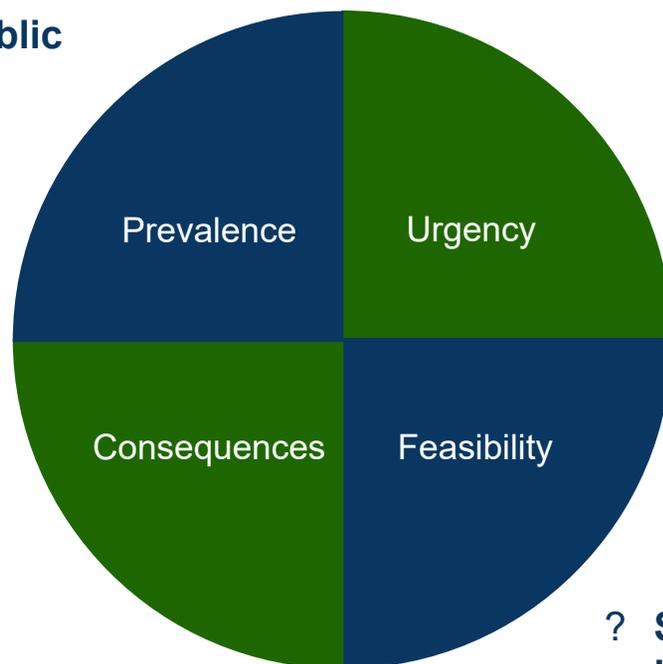


Lack of a public sector standard



# General Sustainability-related Disclosures

- **Broad societal role of the public sector**
- Sustainability-related risks and opportunities directly affect cross-cutting responsibilities
- Ensuring that entities disclose adequate **information on all aspects of sustainability for accountability and decision-making**



- **Address the needs relating to other specific sustainability-related topics, without specific standards**

✓ **Existing IFRS S1** private sector guidance that can be adapted

? **Ongoing consultation of the IPSASB SRS ED 1**, which includes parts of S1

? **Scope / Extent of sustainability-related information** under IPSASB's remit

? **Potential implementation challenges**

Agenda Item 10.2.5

# Background: Nature-related Disclosures



Natural Capital Protocol



TNFD Recommendations



GRI 101: Biodiversity 2024



2012

2021

2022

2023

2024



UN System of Environmental-Economic Accounting (SEEA) Central Framework



Kunming-Montreal GLOBAL BIODIVERSITY FRAMEWORK

Kunming-Montreal Global Biodiversity Framework (GBF)



ABOUT US IFRS ACCOUNTING IFRS SUSTAINABILITY

Home > IFRS Foundation work plan > Biodiversity, ecosystems and ecosystem services

Biodiversity, ecosystems and ecosystem services

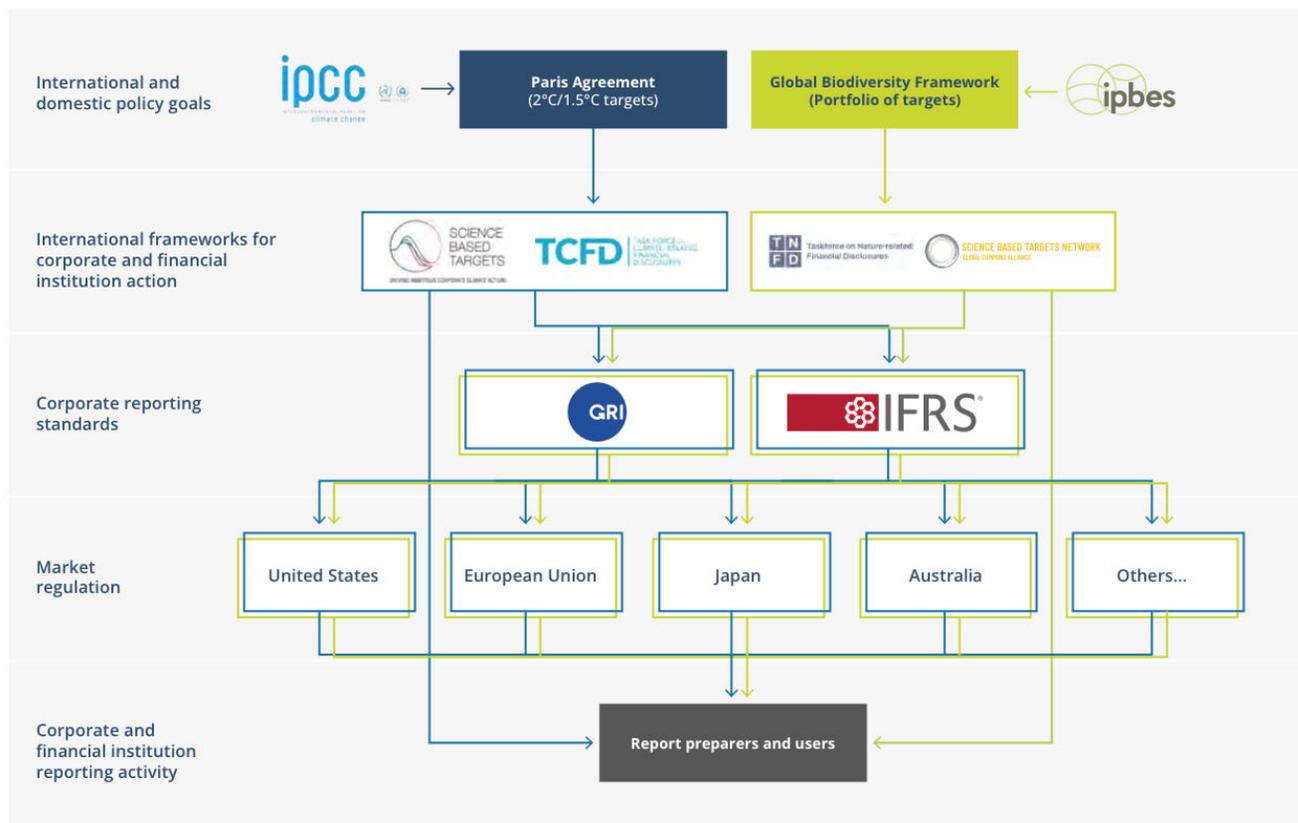
ISSB begins research project: Biodiversity, Ecosystems, and Ecosystem Services (BEES)



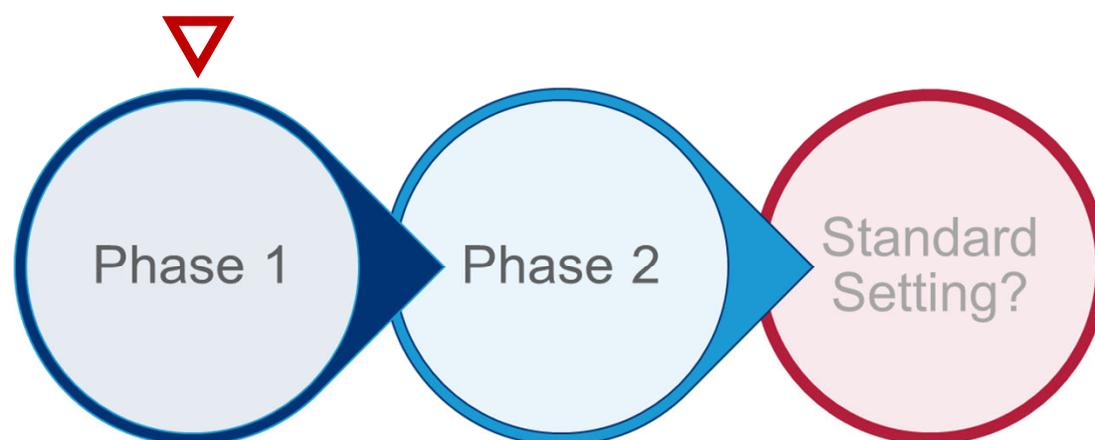
IPSAS ED 92, Tangible Natural Resources

## Agenda Item 10.2.5

# The emerging global reporting architecture for nature



# ISSB: Biodiversity, Ecosystems, and Ecosystem Services (BEES) Research Project



## Building the foundation

- Seek to build a baseline level of knowledge and understanding across a set of clearly defined research areas

## Analysing implications

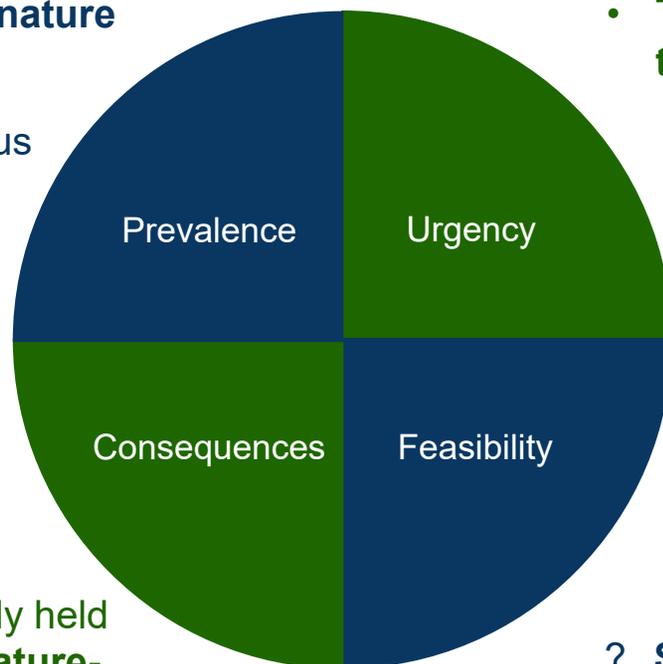
- draw out insights and implications—for example, using findings to develop a framework of key concepts
- assess the information expected to be provided by applying IFRS S1 relative to the common information needs of users

## Recommending an approach

- Recommend on necessity and feasibility of standard-setting
- Decision point for beginning the development of a consultation document

# Nature-related Disclosures

- Public sector as a **steward of nature**
- **Increasing global focus on nature** as a critical area of focus



- The public sector is increasingly held **accountable for managing nature-related risks and opportunities**

- The GBF sets **targets for 2030**, with **timelines rapidly approaching**
  - Yet, there is currently no international public sector standard on nature-related disclosures

? Relevant **private sector guidance is still recent and evolving**

? Connections to insights from the **ongoing consultation of IPSAS ED 92, *Tangible Natural Resources***

? **Scope of nature-related information**

? **Potential implementation challenges**

