

28 February 2025

**The International Public Sector Accounting Standards Board (IPSASB)**

277 Wellington Street West  
Toronto, ON M5V 3H2  
Canada

**RE: PROPOSED IPSASB SUSTAINABILITY REPORTING STANDARD™ ON CLIMATE-RELATED DISCLOSURES (IPSASB SRS™ED 1)**

1. The South African Institute of Chartered Accountants (SAICA) welcomes the opportunity to make submissions on IPSASB SRS™ED 1.
2. SAICA is South Africa's pre-eminent accountancy body and is widely recognised as one of the world's leading accounting institutes. The Institute provides a wide range of support services to more than 50 000 members who are chartered accountants [CAs(SA)], associate general accountants [AGAs(SA)] and accounting technicians [ATs(SA)] who hold positions as chief executive officers, managing directors, board members, entrepreneurs, chief financial officers, auditors, and leaders in their respective spheres of operation.
3. Our work in the public sector goes beyond member support but also includes a significant focus on advocacy and capacity building to support and encourage an improvement in public finance management.
4. SAICA welcomes the publication of IPSASB SRS™ED 1 and the resultant introduction of a sustainability reporting standard in the public sector. Furthermore, SAICA acknowledges the urgency of sustainability reporting in the public sector and welcomes the IPSASB's decision to develop a climate-related disclosures standard as a start as this aligns with the private sector trajectory and gives the IPSASB a base to develop its standards on (in line with the IPSASB's IFRS alignment process). Climate-related disclosures will also assist in embedding sustainable practices and the reporting thereon while recognising just transition as a factor to be considered in climate-related public policy programs and their outcomes.
5. There is a need for the recognition of already existing non-financial information and integrated reporting requirements in jurisdictions as well as the IPSASB's already existing guidance (for example, Recognised Practice Guide (RPG) 3, *Reporting Service Performance Information*) such as South Africa and the integration of this with the Sustainability Reporting Standard. The IPSASB also has Recognised Practice Guide (RPG), *Reporting Service Performance Information* and factor in the interoperability between the already existing guidance and the newly developed sustainability reporting standards. This interoperability should be clearly articulated in the sustainability reporting standards.
6. Members were consulted in responding to the exposure draft through a Project Group comprising of members, associates and experts in sustainability reporting, and a Roundtable facilitated by the IPSASB.
7. Our detailed comments on the specific matters for comment are included under **Annexure A: Specific Matters for Comment** of this comment letter.



8. We would also appreciate the opportunity to engage further, and we would be willing to discuss the comments if required. Please do not hesitate to contact Odwa Benxa ([odwab@saica.co.za](mailto:odwab@saica.co.za)) in this regard.

Kind regards,



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**Natasha Soopal**  
**Executive: Ethics Standards and Public Sector**



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**Yvette Lange**  
**Chairperson: Sustainability Technical Committee**

## ANNEXURE A: SPECIFIC MATTERS FOR COMMENT

No.	Specific Matter for Comment	Comment	Recommendation
1.	<p><b>Specific Matter for Comment 1: Public sector operations and regulatory role (paragraphs 1-4)</b></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).</p> <p><i>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?</i></p> <p><i>The Exposure Draft includes an <b>Alternative View as per paragraphs AV1 to AV8 of the ED</b> on the approach to climate-related public policy programs</i></p>	<p>SAICA acknowledges and agrees that disclosures of both climate-related risks and opportunities to an entity’s own operations and climate-related public policy program outcomes when an entity has a responsibility for public policy programs, are necessary and would meet the needs of primary users of general-purpose financial reports.</p> <p>SAICA further acknowledges that the disclosures required are limited to the climate-related risks and opportunities that could reasonably be expected to affect the long-term fiscal sustainability of an entity, and where applicable, outcomes that could reasonably be attributed to a climate-related public policy programs. However, the concerns below arise in relation to climate-related public policy programs:</p> <ul style="list-style-type: none"> <li>• There is potential confusion arising from requiring disclosures for both public policy programs and own operations to be in one standard especially because most entities will not have public policy programs. Furthermore, the disclosure requirements are distinct to own operations and public policy programs. This may require different methodologies and approaches which then necessitates separate guidance for each to avoid the potential confusion.</li> <li>• There is a need for further clarity on the levels of government at which the public policy programs must be disclosed and how the information reported at individual entity level (that is, the</li> </ul>	<p>The IPSASB should consider separating the disclosure requirements for own operations and public policy programs into different standards to avoid the potential confusion that exists from including the disclosure requirements in the same standard.</p> <p>Furthermore, the IPSASB should consider adding more clarity on the levels of government that must disclose public policy program outcomes and how information about the outcomes of the public policy program is collated and reported at whole of government level. This may assist in ensuring that relevant information is disclosed at the right levels of government to ensure that the needs of primary users of the reports (such as multilateral lenders) have information for effective decision-making.</p>

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		<p>implementers of the public policy) filters upwards to the entity with the responsibility for that public policy program. This may assist in ensuring that information is available at “whole of government” level to better assist the primary users of the reports (for example, international providers of capital) to evaluate the climate-related public policy program and its impact on their decision to provide the capital.</p>	
2.	<p><b>Specific Matter for Comment 2: Own Operations (Appendix A1: Application Guidance – Own Operations)</b></p> <p>The Exposure Draft primarily aligns disclosure requirements about an entity’s own operations with private sector guidance (IFRS S1, <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> and IFRS S2, <i>Climate-related Disclosures</i>), 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 <a href="#">AG1.72</a>).</p> <p><i>Do you agree with the proposed approach and guidance? If not,</i></p>	<p>SAICA agrees with the own operations disclosures being aligned with IFRS S1, <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> and IFRS S2, <i>Climate-related Disclosures</i> as this creates alignment with already existing disclosure requirements.</p> <p>Furthermore, SAICA supports the inclusion of the rebuttable presumption that entities use the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) as this the globally accepted standard in this regard. SAICA further supports the allowable choice to use a jurisdictional specific methodology if it is considered more appropriate in that jurisdiction.</p>	<p>The International Sustainability Standards Board (ISSB) recently added to its standard setting program the <a href="#">IFRS - Amendments to the Disclosure of Greenhouse Gas Emissions (Amendments to IFRS S2)</a> Project to address specific application challenges related to the measurement and disclosure of greenhouse gas emissions.</p> <p>The ISSB tentatively decided to propose to amend IFRS S2 to permit entities to exclude Scope 3 Category 15 GHG emissions associated with derivatives, facilitated emissions and insurance-associated emissions from the measurement and disclosure of Scope 3 Category 15 GHG emissions and to extend the jurisdictional relief so that, if an entity, in whole or in part, is required by a jurisdictional authority or exchange on which it is listed to use global warming potential (GWP) values that are not from the latest IPCC assessment, the entity would be permitted to use those GWP values instead of the GWP values from the latest Intergovernmental Panel on Climate Change (IPCC) assessment.</p> <p>The IPSASB should consider the potential impact of the above amendments to ensure that there is alignment between IFRS S2 and the IPSASB Climate-Related Disclosures standard.</p>

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	<i>what alternative approach would you propose and why?</i>		
3.	<p><b>Specific Matter for Comment 3: Scope of Public Policy Programs (paragraph 3 and AG2.4–AG2.6)</b></p> <p>This Exposure Draft requires disclosures about public policy programs with a primary objective to achieve climate-related outcomes.</p> <p><i>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?</i></p> <p><i>The Exposure Draft includes an <b>Alternative View as per paragraphs AV1 to AV8 of the ED on the approach to climate-related public policy programs</b></i></p>	<p>SAICA agrees that disclosures about public policy programs are needed and for the purposes of the exposure draft, the requirements should be limited to those that have the primary objective to achieve climate-related outcomes. This is because public policies by their nature can be broad which necessitates that the exposure draft must be specific in defining the disclosures required.</p> <p>However, there is potential for the proposals in the exposure draft to be interpreted as assessing the effectiveness of a policy as opposed to the outcome of the public policy program. For example, paragraph AG2.16 states that disclosures about an entity's climate-related public policy programs are focused on understanding the objectives of the climate-related public policy programs and their outcomes, <u>including whether they are achieving their intended outcomes</u>. This may present challenges such as the availability of capacity in an entity to perform the assessment, the length of time required to perform the assessment which may impact on the reporting timelines proposed in paragraph B26 and the overall impact on the quality and veracity of the disclosed information.</p>	<p>The IPSASB should consider including guidance in the standard to clarify that the aim of the required disclosures is not to disclose the effectiveness of the climate-related public policy program. This will assist in avoiding the potential confusion that currently exists in the standard.</p> <p>In addition, the IPSASB should consider providing guidance on how climate-related outcomes will be defined, and more so, how climate-related outcomes will be determined across the different levels/spheres of government. There should be a clear delineation between climate-specific policy versus policy that supports climate-outcomes and objectives. In addition, strategic national climate policy will be different from local government implementation objectives, as such outcomes will have different implications.</p>
4.	<p><b>Specific Matter for Comment 4: Public Sector-Specific Definitions (paragraph 7)</b></p> <p>This Exposure Draft provides public sector-specific definitions and related guidance for:</p> <p>(a) Public policy programs;</p>	<p>SAICA agrees with the definitions of public policy programs, public policy program outcomes and climate-related public policy programs.</p>	<p>None.</p>

No.	Specific Matter for Comment	Comment	Recommendation
	<p>(b) Public policy program outcomes; and (c) Climate-related public policy programs.</p> <p><i>Do you agree with the proposed public sector-specific definitions and guidance? If not, what alternative definitions would you propose and why?</i></p>		
5.	<p><b>Specific Matter for Comment 5: Strategy for Climate-related Public Policy Programs (paragraphs 12 and AG2.24–AG2.31)</b></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><i>Do you agree that the disclosure requirements on strategy for climate-related public policy programs meet the information needs of primary users? If not,</i></p>	<p>In terms of paragraph AG2.24(d)(i) of the exposure draft, an entity is required to disclose any factors and assumptions used in designing its climate-related public policy programs including trade-off decisions, if any, between climate-related public policy program outcomes (such as balancing potential outcomes affecting greenhouse gas emissions and economic or social effects)</p> <p>Furthermore, paragraph AG2.25(c) states that public policy programs influence the activities and behaviours of other public sector entities, private sector entities and/or individuals and that given the breadth of stakeholders affected by an entity’s climate-related public policy programs, the entity may need to consider various factors in its decisions to set policy programs, for example, the potential trade-offs between different outcomes such as weighing the short-, medium and long-term costs and benefits from a climate-related public policy program to transition from fossil fuel production to renewable energy production to reduce greenhouse gas emissions, but may also have impacts on the local economy as well as the local workforce.</p>	None.

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	<i>what alternative approach would you propose and why?</i>	SAICA therefore agrees that the disclosure requirements on strategy for climate-related public policy programs meet the information needs of primary users because the disclosure requirements recognise that the strategy for public policy programs must factor a just transition and its potential impact on the economy and the local workforce.	
6.	<p><b>Specific Matter for Comment 6: Metrics and Targets for Climate-related Public Policy Programs (paragraphs 26–27 and AG2.34–AG2.44)</b></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><i>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?</i></p>	SAICA agrees that the disclosures of the metrics and targets meet the needs of the primary users of the report. However, currently countries that are signatories to the Paris Agreement are reporting on their Nationally Determined Contributions through the United Nations. The requirements for disclosures in this exposure draft may therefore cause potential duplication of reporting on these metrics and targets.	<p>SAICA notes that guidance on the location of the disclosures is included under Appendix B of the exposure draft. It may however be appropriate for this guidance to be included in the core text of the proposed standard to ensure that preparers of the climate-related disclosures reports are clear on where the disclosures must be located.</p> <p>In addition, there should be clear distinction between national reporting and local reporting as there is a difference in how this information is collected and presented, specifically in terms of metrics related to climate-related public policy programs. National reporting may not be able to provide provincial or local information.</p>
7.	<p><b>Specific Matter for Comment 7: Conceptual foundations (paragraphs B2–B15)</b></p>	SAICA agrees that proposed definition of materiality based on the IPSASB Conceptual Framework meets the information needs of primary users for climate-related disclosures.	None.



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	<p>This Exposure Draft includes conceptual foundations aligned with the IPSASB Conceptual Framework including the definition of materiality (see paragraphs <u>B8–B10</u>) and primary users of public sector general purpose financial reports (see paragraphs <u>B.AG28–B.AG33</u>).</p> <p><i>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?</i></p>		
8.	<p><b>Specific Matter for Comment 8: General requirements (paragraphs <u>B16–B46</u>)</b></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 <u>B22–B25</u>) and (b) an entity to report its climate-related disclosures at the same time as its related financial statements (see paragraphs <u>B26–B31</u>).</p>	<p>SAICA agrees with the requirements for an entity to include its climate-related disclosures in its general-purpose financial reports and for an entity to report its climate-related disclosures at the same time as its related financial statements as generally the reporting timelines for general purpose financial reports are legislated. For example, in the South African national and provincial government level context, annual financial statements must be prepared and submitted to the Auditor-General for audit by 31 May of each year, the Auditor-General must audit the annual financial statements (including the non-financial information) by 31 July of each year and the annual report which includes both the financial and non-financial information must be tabled in Parliament by 30 September of each year.</p>	None.



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	<p><i>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?</i></p>		
9.	<p><b>Specific Matter for Comment 9: Transition (paragraphs 30–33)</b></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.</p> <p><i>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?</i></p>	<p>In terms of paragraph AG1.17, entities shall provide climate-related disclosures to enable primary users of general-purpose financial reports to understand the entity’s:</p> <ul style="list-style-type: none"> <li>a) Governance processes, controls and procedures it uses to monitor, manage and oversee its climate-related risks and opportunities;</li> <li>b) Strategy for managing climate-related risks and opportunities;</li> <li>c) Processes to identify, assess, prioritize and monitor its climate-related risks and opportunities; and</li> <li>d) Performance, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation, in relation to its climate-related risks and opportunities.</li> </ul> <p>In terms of paragraph AG2.18, an entity that has a responsibility for the outcomes of a climate-related public policy program shall provide climate-related disclosures to enable primary users of general purpose financial reports to understand the entity’s:</p> <ul style="list-style-type: none"> <li>a) Governance processes, controls and procedures used to monitor, manage and oversee its climate-related public policy programs and their outcomes</li> </ul>	<p>SAICA proposes that a longer transitional period for climate-related public policy programs be considered by the IPSASB to ensure that there is sufficient time for entities responsible for climate-related public policy programs to establish processes, controls and procedures to collate information about climate-related public policy program outcomes and ensure the quality of the information to be disclosed.</p>

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		<p>b) Strategy for managing its climate-related public policy programs and their outcomes;</p> <p>c) Processes to identify, assess, prioritize and monitor anticipated and/or unanticipated challenges to achieving the intended outcomes of climate-related public policy programs; and</p> <p>d) Performance, including progress towards intended outcomes of climate-related public policy programs.</p> <p>SAICA agrees that transitional provisions are required as this is a new reporting area within the public sector. The IPSASB has proposed in paragraph 31(a) of the exposure draft that an entity is permitted to report its climate-related disclosures after it publishes its related financial statements, within nine months of the end of the annual reporting period in which the entity first applies this [draft] Standard.</p> <p>The collation of information relating to performance and progress towards the intended outcomes of climate-related public policy programs may require the entity to obtain information from external entities. This information will further require quality checks to be performed to ensure its integrity. These processes may therefore require time for establishing information collation and data quality check processes, controls and procedures especially during the first year of implementation of the standard. Therefore, while a period of nine months may be sufficient for own operations, it may however be insufficient to ensure that processes, controls and procedures are developed and implemented for reporting climate-related public policy program outcomes which may negatively impact the quality of the climate-related public policy program outcomes information disclosed.</p>	

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10.	<p><b>Specific Matter for Comment 10: Other Comments</b></p> <p><i>Do you have any other comments on the proposed Exposure Draft?</i></p>	<p>SAICA acknowledges that sustainability reporting is a new concept in the public sector and has noted the below potential implementation challenges:</p> <ul style="list-style-type: none"> <li>• The integrity, quality and completeness of the data to be reported may be a challenge given the complexity and number of entities within a government that may need to feed into the climate-related public policy program outcomes information to be reported.</li> <li>• Sustainability reporting information may be in departments other than the finance department in entities who may not have the level of skills and capacity normally ascribed to finance units in relation to reporting. This may impact the quality of the data reported.</li> <li>• There may be additional costs incurred in relation to capacity development, the collation and reporting of sustainability data, including information technology systems to collate and store the data, for which budgets may not be made available due to funding constraints in government. There may also not be buy-in from government to prioritise funding for sustainability reporting.</li> <li>• There is potential risk of incomplete disclosures where climate-related public policy programs have a negative impact on the economy and people due to challenges such as political implications arising from transitioning from fossil fuels to renewable energy to reduce greenhouse gas emissions.</li> <li>• There may be a lack of awareness on sustainability reporting and the benefits thereof which may hinder the implementation of sustainability reporting.</li> </ul>	<p>The IPSASB should factor these challenges in developing the standard as addressing it may assist in promoting the adoption of this standard, as well as other sustainability related standards that may be developed in the future. In addition, the IPSASB should consider assurance requirements alongside the development of the sustainability reporting standards to ensure that the standards would enable assurance over information required to be reported as and when that is required.</p>