

Annex 1: Side-by-Side Comparison: ISSB IFRS S1 & IFRS S2 vs. IPSASB SRS 1

Feature	IFRS S1 & IFRS S2 (ISSB Standards)	IPSASB SRS 1 (Public Sector Sustainability Reporting)
Issuer	IFRS Foundation – International Sustainability Standards Board (ISSB)	International Public Sector Accounting Standards Board (IPSASB)
Intended Sector	Private sector (listed companies, corporates, financial institutions, insurers, asset managers, banks)	Public sector (ministries, central governments, agencies, municipalities, SOEs operating under public mandate)
Launch Date	June 26, 2023	January 29, 2026
Effective Date	Reporting periods beginning on or after January 1, 2024 subject to jurisdictional adoption	Reporting periods beginning on or after January 1, 2028 (early adoption is permitted).
Jurisdictions adopted or committed	40 jurisdictions have adopted or committed so far. See profiles here .	Kenya as of July 1, 2028. Tanzania is looking into it and jurisdictions which adopted the ISSB standards
Standard Scope	<ul style="list-style-type: none"> - IFRS S1: General sustainability-related financial disclosures - IFRS S2: Climate-related disclosures (aligned with TCFD) 	<ul style="list-style-type: none"> - IPSASB SRS 1: requires public sector entities to disclose useful information about climate-related risks and opportunities to primary users of general-purpose financial reports for accountability and decision-making purposes. Developed in alignment with IFRS S2 Climate-related Disclosures to ensure coherence. - To be followed by general disclosure requirements standard.
Primary Objective	Provide decision-useful information for investors and capital market participants , enabling assessment of sustainability-related financial risks and opportunities .	Support public accountability, transparency, and stewardship by enabling reporting on sustainability impacts, risks, and outcomes linked to public service delivery .
Audience / Users of Reports	Equity and debt investors, lenders, analysts, rating agencies	Legislators, oversight bodies, taxpayers, civil society, development partners
Materiality Approach	Financial materiality: What affects enterprise value over short, medium, and long term.	The definition of materiality in SRS 1 aligns with the IPSASB Conceptual Framework: <i>"In the context of climate-related disclosures, information is material if omitting, misstating or obscuring it could reasonably be expected to influence the discharge of accountability by the entity, or the decisions that primary users make on the basis of the entity's general purpose financial reports prepared for that reporting period."</i>

		<p>While this definition reflects the public sector accountability lens, it still leaves room for interpretation, even though IPSASB’s stated aim is to align as closely as possible with financial materiality under the ISSB Standards.</p> <p>In the public sector, materiality has a dual dimension:</p> <ol style="list-style-type: none"> 1. Outside-in (aligned with ISSB): How sustainability-related risks and opportunities affect the government’s own operations—how it funds itself, uses resources, manages risks, and delivers services. 2. Inside-out (public mandate and policy powers): How government actions, policies, regulations, and public programs shape sustainability outcomes across the economy and society. Public sector entities have unique mandates and authority that create broader societal impacts not typically captured in private-sector reporting. <p>This dual perspective naturally leads to interpretations similar to double materiality, even though the IPSASB does not formally adopt the term.</p> <p>To address these complexities and promote consistent application, the IPSASB plans to develop non-authoritative guidance on materiality, helping preparers interpret materiality for sustainability-related information in a public-sector context.</p>
Pillars	<ul style="list-style-type: none"> - Governance - Strategy - Risk management - Metrics & targets 	<ul style="list-style-type: none"> - Governance - Strategy - Risk management - Metrics & targets
Governance Requirements	Detailed governance disclosures on oversight of sustainability and climate-related risks (board/management responsibilities)	Governance disclosures include roles of public officials, ministries, and agencies in managing sustainability impacts and public resources
Data and Assurance Orientation	Designed to be assurance-ready like financial reporting; encourages internal controls, verifiability, comparability but does not mandate it.	Introduces concepts supporting eventual external assurance but recognizes heterogeneity in public sector systems
Countries that IFC is supporting	South Africa, Peru, Bangladesh, Nepal, Jordan, Pakistan, Kazakhstan, Kyrgyz Republic	Tanzania