



REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City

**GAMALIEL A. CORDOBA**  
Chairperson

December 9, 2022

**Mr. IAN CARRUTHERS**  
Chair  
International Public Sector Accounting Standards Board (IPSASB)

Dear Mr. Carruthers:

Relative to the release by the IPSASB of Exposure Draft (ED) 83 dated November 2022 on *Reporting Sustainability Program Information-Recommended Practice Guidelines (RPGs) 1 and 3: Additional Non-Authoritative Guidance*, we are submitting the comments/input of this Commission on the said ED.

Thank you.

Very truly yours,





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**Comments/Inputs on the Exposure Draft (ED) 83 dated November 2022 on  
 Reporting Sustainability Program Information-  
 Recommended Practice Guidelines (RPGs) 1 and 3:  
 Additional Non-Authoritative Guidance**

PROVISION	COMMENTS/ INPUTS
<p><b>Specific Matter for Comment 1</b></p> <p>Do you agree with the proposed additional implementing guidance for RPG 1? If not, what changes would you make?</p>	<p>We concur with the proposed additions to RPG 1, <i>Reporting on the Long-Term Sustainability of an Entity's Finances</i>, both the additional <i>Basis for Conclusions (BCs)</i> and <i>Implementation Guidance (IG)</i>. The proposed additional BCs will provide explanation to end-users of the IPSASB's decision to undertake the current <i>Reporting Sustainability Program Information</i> project. The proposed additional IGs communicate clearly that the principles and guidance in RPG 1 are relevant and applicable for an entity to report the financial impacts of sustainability programs and that they should be included when the entity develops its overall financial projections.</p> <p>As the information on how sustainability programs affect the dimensions of an entity's long-term fiscal sustainability, the additional IGs would be beneficial in demonstrating the applicability of the RPG 1 in a manner that can be easily understood by the end-users.</p> <p>In addition, the proposed additional IG will provide guidance on disclosures in the general purpose financial reports on the overall financial impact of government programs and projects, including the sustainability-related programs, on an entity's long term financial projections.</p> <p>Other comments on the proposed additional implementation guidance for RPG 1:</p> <ol style="list-style-type: none"> <li>1. In ED 83 "At a Glance", IG3 explains how a sustainability program impacts on the three dimensions (service, revenue, and debt) of long-term fiscal sustainability should be "assessed". However, the question posed in IG2, page 7 of the complete ED 83 is "How should sustainability program impacts on the</li> </ol>

PROVISION	COMMENTS/ INPUTS
	<p>dimensions of long-term fiscal sustainability be addressed?”</p> <p>For consistency, we suggest using the more appropriate term.</p> <p>2. We suggest revising IG3 by omitting the phrase “as well as on other principles and methodology”, as we find it unnecessary to be included in the paragraph.</p> <p>3. We suggest the inclusion of illustrative examples related to these IGs, particularly the analysis process as to the dimensions of long-term fiscal sustainability for better appreciation of the guidance.</p>
<p><b>Specific Matter for Comment 2</b></p> <p>Do you agree with the proposed additional implementing guidance and illustrative examples for RPG 3? If not, what changes would you make?</p>	<p>We concur with the proposed additions to RPG 3, <i>Reporting Service Performance Information</i>, consisting of the additional BCs, IGs and <i>Illustrative Examples</i> (IEs). Similar to RPG 1, these additions will provide explanation to end-users of the IPSASB’s decision to undertake the current <i>Reporting Sustainability Program Information</i> project and communicate clearly that the principles and guidance in RPG 3 are relevant and applicable for an entity to report the impact of sustainability programs, to enable transparency and accountability of the program’s impact against its objectives.</p> <p>Further, the proposed additional IEs for RPG 3, demonstrating the application of the principles to four different types of sustainability programs, including how an entity identifies service performance objectives of its respective programs, and how they can be expressed using indicators related to inputs, outputs, outcomes, efficiency or effectiveness or through a combination of one or more of such indicators, are applicable in the Philippine public sector setting. Specifically, IE5 of RPG 3 would be helpful in providing a general overview and guidance of how to apply the RPG principles, now that the Philippine government is beginning to leverage green bonds to raise new funding for its programs, specifically for social services and public infrastructures.<sup>1</sup></p>

<sup>1</sup> [Philippine to rely on green bonds for financing needs | Philstar.com](#) and [PH borrowings via ‘green’ bonds on the rise | Inquirer Business.](#)

PROVISION	COMMENTS/ INPUTS
	<p data-bbox="735 241 1430 573">Further, the IPSASB's proposed additional implementation guidance for RPG 3, particularly the additional IEs, provides a clear guidance on how to apply RPG 3 principles when reporting service performance information. It further guides the entity that when applying the RPG 3 guidance, it must evaluate and consider all pertinent information regarding the conditions surrounding its specific program.</p> <p data-bbox="735 611 1430 678">Other comments on the proposed additional IG and IEs for RPG 3:</p> <ol data-bbox="754 719 1430 1491" style="list-style-type: none"> <li data-bbox="754 719 1430 1014">1. We noted that the brief descriptions provided for the sustainability programs under IE4-IE8 are nearly identical and are general in nature. Thus, for better understanding, the IPSASB may consider providing specific descriptions or salient features of the said programs either in BC 47 or in IE4 to IE8 since not all users are familiar with such programs.</li> <li data-bbox="754 1055 1430 1491">2. We observed that some examples provided under IE of RPG3 (program financed by carbon tax) are not yet applicable to the Philippine setting. At present, some examples of sustainability-related projects in the Philippines include operations of emission testing centers and reforestation of protective areas. If found feasible, the IPSASB may consider gathering information on the actual sustainability-related programs being implemented by the participating countries to capture more examples based on their actual programs.</li> </ol>