

Meeting: International Public Sector Accounting Standards Board

Meeting Location: Lisbon, Portugal

Meeting Date: September 9–12, 2025

Agenda Item 6

For:

☐ Approval

☒ Discussion

☐ Information

NATURAL RESOURCES

Project summary	The objective of the Natural Resources project is to research and address issues relating to the potential recognition and measurement of tangible natural resources.	
Project staff lead	<ul style="list-style-type: none"> Edwin Ng, Principal 	
Drafting group members	<ul style="list-style-type: none"> Renée Pichard, IPSASB Member (Drafting Group Chair) Ian Carruthers, IPSASB Chair Andrew van der Burgh, IPSASB Member Patricia Varela, IPSASB Member 	
Meeting objectives	Topic	Agenda Item
Project management	Natural Resources: Final IPSAS Standard Dashboard	6.1.1
	Decisions up to Previous Meeting	6.1.2
	Instructions up to Previous Meeting	6.1.3
	Natural Resources: Project Roadmap	6.1.4
Decisions required at this meeting	Proposed Work Plan to Finalize [Draft] IPSAS [X], <i>Tangible Natural Resources Held for Conservation</i>	6.2.1
	Proposed Definition of Tangible Natural Resource Held for Conservation	6.2.2
	Revisions to [draft] IPSAS [X], <i>Tangible Natural Resources Held for Conservation</i>	6.2.3
Other Supporting Items	Supporting Documentation 1 – [Draft] IPSAS [X], <i>Tangible Natural Resources Held for Conservation (with Tracked Changes)</i>	6.3.1

Prepared by: Edwin Ng (August 2025)

**NATURAL RESOURCES:
FINAL IPSAS STANDARD DASHBOARD**

Topic	Past Meetings	Sept 2025	Oct 2025	Dec 2025
Overall Project Management				
Project planning	✓			
Review of responses and identification of key themes and other issues	✓			
Review of the [draft] IPSAS				
Approval of the final IPSAS				
Tangible Natural Resources Held for Conservation – Key Issues				
Objective & Scope	✓			
Definitions				
Recognition & Measurement				
Presentation & Disclosure				
Transition				
Application Guidance				
Implementation Guidance				
Illustrative Examples				

Legend	
✓	Task Completed
	Planned IPSASB Discussion
	Page-by-page Review

DECISIONS UP TO PREVIOUS MEETING

Meeting	Decision	BC Reference
July 2025	1. The rebuttable presumption that tangible resources held for conservation have indefinite useful lives should be retained, and the proposed application guidance explaining how the presumption can be rebutted and how it interacts with IPSAS 21 are appropriate.	1. Paragraph BC29.
July 2025	2. Subject to the related instructions, the disclosure exemption for rare or endangered resources and the proposed application guidance explaining what is rare or endangered is appropriate.	2. Paragraph BC36.
July 2025	3. The proposed removal of the cross-references to IPSAS 45 and the addition of measurement and disclosure guidance specific to tangible natural resources held for conservation is appropriate.	3. Paragraph BC28
July 2025	4. The transition provisions should be retained and supplemented with the clarification that if a tangible natural resource is an asset but cannot be reliably measured upon the initial application of the standard, only disclosures are required.	4. Paragraph BC38.
July 2025	5. Subject to the related instructions, the proposed amendment to the description of heritage asset should be removed.	5. Paragraph BC41
July 2025	6. The proposed illustrative examples on measurement should be developed.	6. Paragraph BC47.
June 2025	1. The guidance on tangible natural resources should be located in a separate, standalone IPSAS Standard.	1. Paragraphs BC7-BC8.
June 2025	2. The scope of the final IPSAS Standard should focus on tangible natural resources held for conservation and the title and guidance should be amended accordingly.	2. Paragraph BC12.
June 2025	3. The objective of the IPSAS Standard on tangible natural resources held for conservation should be clarified in the Basis for Conclusions with an explanation that the standard does not preclude the IPSASB from developing non-financial reporting guidance on natural resources in the future.	3. Paragraph BC4.
September 2024	1. All decisions made up to September 2024 were reflected in [draft] IPSAS [X] (ED 92), <i>Tangible Natural Resources</i> .	1. N/A.

INSTRUCTIONS UP TO PREVIOUS MEETING

Meeting	Instruction	Actioned
July 2025	1. Expand the exemption from certain disclosures for rare or endangered resources to both recognized and unrecognized tangible natural resources.	1. See Agenda Items 6.2.3 and 6.3.1.
July 2025	2. Address the distinction between tangible natural resources held for conservation and heritage assets through the guidance on definitions and scope in the final IPSAS Standard.	2. See Agenda Items 6.2.2 and 6.3.1.
July 2025	3. Work with members to develop specific examples on unit of account.	3. See Agenda Items 6.2.3 and 6.3.1.
June 2025	1. Shorten the definition for tangible natural resources held for conservation and related Application Guidance and explain in the Basis for Conclusions. Present the revised definition and related guidance to the IPSASB at a later meeting after other key decisions have been made.	1. See Agenda Items 6.2.2 and 6.3.1.
June 2025	2. Explain the challenge with the recognition of unextracted subsoil resources within the Conceptual Framework in the Feedback Statement.	2. To be presented at a later meeting once all key decisions have been finalized.
June 2025	3. Clarify the disclosure guidance for stewardship arrangements in the context of accountability and explain the need to analyze arrangements in the Implementation Guidance.	3. See Agenda Items 6.2.3 and 6.3.1.
June 2025	4. Develop Application Guidance explaining how conservation can result in service potential as contemplated in the Conceptual Framework.	4. See Agenda Items 6.2.3 and 6.3.1.

Agenda Item 6.1.3

April 2025	1. Include in the Basis for Conclusions an explanation of how the electromagnetic spectrum has no physical substance and is therefore not considered a tangible natural resource.	1. See Agenda Items 6.2.3 and 6.3.1.
April 2025	2. Prepare a feedback statement for publication with the final pronouncement on how the IPSASB has addressed the feedback received.	2. To be presented at a later meeting once all key decisions have been finalized.

**NATURAL RESOURCES:
PROJECT ROADMAP**

Meeting	Completed Actions or Discussions / Planned Actions or Discussions:
April 2025	1. Preliminary analysis of responses
June 2025	1. Review responses 2. Discuss issues
July 2025	1. Review responses 2. Discuss issues
September 2025	1. Discuss issues 2. Develop and review IPSAS Standard
October 2025	1. Review IPSAS Standard
December 2025	1. Approve IPSAS Standard

Proposed Work Plan to Finalize [Draft] IPSAS [X], *Tangible Natural Resources Held for Conservation*

Purpose

1. To provide the IPSASB with a timeline of the process used by staff to address the feedback on [draft] IPSAS [X], *Tangible Natural Resources Held for Conservation*.

Background

2. In July 2025, staff presented their analysis of the remaining issues raised by respondents to ED 92. Based on the [Decisions](#) and [Instructions](#) from the June 2025 and July 2025 meetings, staff updated the work plan as follows:

Next Steps

Meeting	Proposed Action at the Current and Upcoming IPSASB Meetings
September 2025 Meeting	<ul style="list-style-type: none">• Discuss the proposed revisions to the definition of tangible natural resources held for conservation.• Review the first draft IPSAS Standard, including the revised basis for conclusions, based on the decisions from June 2025 and July 2025.
October 2025 Check-In	<ul style="list-style-type: none">• Further review of the draft IPSAS Standard.
December 2025 Meeting	<ul style="list-style-type: none">• Approve the final IPSAS Standard.• Review the Feedback Statement (by exception).

Decision Required

3. No decisions required. For information purposes only.

Proposed Definition of Tangible Natural Resource Held for Conservation

Question

1. Does the IPSASB agree with proposed revisions to the definition of Tangible Natural Resource Held for Conservation?

Recommendation

2. Staff recommend:
 - (a) Including the following definition for 'tangible natural resource held for conservation' in the final IPSAS Standard:

"A Tangible Natural Resource Held for Conservation is a naturally occurring tangible asset that is managed to prevent its degradation."
 - (b) Removing the definitions of 'natural resource' and 'tangible natural resource;' and
 - (c) Amending the Application Guidance to:
 - (i) Explain the concept of 'degradation;'
 - (ii) Explain the use of the term 'conservation' (as opposed to 'preservation'); and
 - (iii) Explain that the determination of whether a tangible natural resource is held for conservation will depend on the entity's primary reason for holding the asset.

Background

3. At the June 2025 meeting, staff proposed to retain the definitions of 'natural resources' and 'tangible natural resources' from ED 92, *Tangible Natural Resources*, in anticipation of the potential development of guidance on the reporting of natural resources in the broader general purpose financial reports.
4. In addition, staff introduced an additional definition for 'tangible natural resources held for conservation' to align with the proposed clarified scope which will focus on conservation. The proposed definition combined the definition of 'tangible natural resources' with the concept of managing the resource to prevent their degradation from active use or consumption in the provision of goods or services.
5. In response, the IPSASB members noted the following:
 - (a) The proposed definition of conservation should be shortened, and the concept of degradation should be explained in the Application Guidance rather than within the definition itself. Members also noted that the specificity regarding active use or consumption should be removed, as degradation can also result from other events such as natural disasters or destruction due to human action;
 - (b) There is no need to retain the definitions of 'natural resources' and 'tangible natural resources' if a revised definition of 'tangible natural resource held for conservation' can adequately capture the key characteristics of the assets intended to be within the scope of the standard. Some members also noted that if these separate definitions are needed when developing potential guidance in the future, they should be introduced at that time; and

- (c) Some members questioned whether 'conservation' is the same concept as 'preservation,' and whether the definition uses the correct term.
- 6. In addition to the above, staff received an offline member comment to clarify that when a tangible natural resource has multiple uses, the determination of whether the resource meets the definition of a tangible natural resource held for conservation should be based on its primarily intended use. These comments are also consistent with the discussion in July 2025 regarding the distinction between tangible natural resources held for conservation and heritage assets within the scope of IPSAS 45, *Property, Plant, and Equipment*.

Analysis

Proposed Revisions to Definitions

- 7. Based on the previously proposed definitions in ED 92 and the IPSASB's discussion from June 2025, the key characteristics of an asset which is intended to be within the scope of the final IPSAS Standard are as follows:
 - (a) The item is naturally occurring;
 - (b) The item is a resource which embodies service potential;
 - (c) The item has physical substance; and
 - (d) The item is held for conservation, which broadly means it is managed to prevent its degradation.
- 8. To capture these characteristics, staff propose to define 'tangible natural resource held for conservation' as follows:

"A Tangible Natural Resource Held for Conservation is a naturally occurring tangible asset that is managed to prevent its degradation."
- 9. The reasons for the above proposed definition are as follows:
 - (a) The definition highlights that these assets are naturally occurring. (Staff plans to retain the Application Guidance explaining what is meant by naturally occurring as this was not an issue raised by respondents to ED 92);
 - (b) By referring to the term 'asset,' there is no need for the definition to specify that these items are resources that embody service potential or the capability to generate economic benefits. This approach is consistent with how inventories or property, plant, and equipment (PP&E) are defined in IPSAS 12, *Inventories*, and IPSAS 45;
 - (c) Similarly, by referring to these items as 'tangible assets,' there is no need to specify that these assets have physical substance. This approach is also consistent with the definition of PP&E in IPSAS 45; and
 - (d) The definition broadly explains what is meant by conservation in general terms and, as explained in paragraphs 11-12 of this paper, the definition section of the core text will include a reference to the Application Guidance paragraphs which explain the concept of 'degradation' in detail.
- 10. As the above definition captures all the required characteristics, staff also propose to remove the definitions for 'natural resources' and 'tangible natural resources.'

Explanation of Degradation

11. As noted in paragraph 5(a), some IPSASB members highlighted that degradation is much broader than the active use or consumption of a resource and suggested that what is meant by 'degradation' should be explained in the Application Guidance rather than within the definition itself. To implement this suggestion, staff shortened the proposed definition of 'tangible natural resource held for conservation' as noted in paragraph 8.
12. In addition, the core text will refer to the Application Guidance, which will explain that:
 - (a) In the context of this standard, degradation generally refers to the reduction in the service potential embodied in an asset;
 - (b) Degradation can result from events leading to a decline in the quantity and quality of a natural resource, including:
 - (i) Depletion due to the active use or consumption of the asset, regardless of whether the use or consumption is carried out by the entity or a third-party;
 - (ii) Destruction of the asset, regardless of whether this resulted from human action or natural causes (e.g., a forest fire); and
 - (iii) Other events that could result in the decline in the quality of the resource (e.g., disease or pollution); and
 - (c) An entity will need to consider the natural processes of a tangible natural resource held for conservation when determining whether degradation has occurred.

Conservation or Preservation

13. Staff reflected on the discussion of the terms 'conservation' and 'preservation' and noted that this issue was discussed by the Natural Resources Task Force when the description of 'conservation' in ED 92 was presented to the IPSASB in March 2024. The Task Force analyzed the definitions of 'conservation' used by various international organizations (e.g. UNESCO), government entities (e.g. United States Department of Agriculture), as well as plain English definitions from dictionaries and Wikipedia. A summary of the definitions analyzed by the Task Force is included in [Appendix A](#) of this paper.
14. Based on the definitions reviewed, the Task Force proposed to use the term 'conservation' based on the following reasons:
 - (a) Some definitions of 'conservation' include or refer to the concept of 'preservation' (see UN Environment Programme, United States Department of Agriculture, Merriam-Webster Dictionary, and Wikipedia in [Appendix A](#)); and
 - (b) In the definition used by the National Park Service (US), conservation is generally associated with the protection of the natural environment, whereas preservation is specifically associated with the protection of buildings, objects, and landscapes.
15. Staff reconsidered the analysis and did not find a compelling reason to move away from the use of the term 'conservation.' However, to resolve the issue, staff propose to explain in the Application Guidance that conservation is sometimes referred to as preservation, but in the context of the

standard, the two terms generally refer to the same concept of managing natural resources to protect them from degradation.

Primary Intended Use of a Tangible Natural Resource Held for Conservation

16. Regarding the classification of a tangible natural resource based on its primary intended use, staff noted that such clarifications are typically explained in the Application Guidance and not in the definitions in other IPSAS Standards. To be consistent with this approach, staff propose to clarify in the Application Guidance that in situations where a tangible natural resource is held for multiple uses, the determination of whether it is held for conservation will depend on an entity's judgment on its primary intended reason for holding the asset.
17. Staff noted that this clarification also addresses the delineation between tangible natural resources held for conservation and heritage assets within the scope of IPSAS 45. An entity will need to apply judgment to determine whether the primary reason for holding a tangible natural resource is for conservation or for use in the production or supply of goods or services, for rental to others, or for administrative purposes. In the latter case, the asset would be within the scope of IPSAS 45. This clarification will be added to the Application Guidance.

Decision Required

18. Does the IPSASB agree with the staff's [recommendations](#)?

Appendix A: Definitions of ‘Conservation’ Analyzed in March 2024

UNESCO

Conservation includes effective and active measures that can be taken by State Parties to ensure the identification, protection, presentation, and transmission of heritage. Conservation of natural heritage refers to the protection, care, management and maintenance of ecosystems, habitats, wildlife species and populations, within or outside of their natural environments, in order to safeguard the natural conditions for their long-term permanence. The Conservation theme includes policies related to protection, management, monitoring, impact assessments, factors affecting the properties, tourism, and sustainable development.

UN Environment Programme

The active management of the earth's natural resources and environment to ensure their quality is maintained and that they are wisely used. The concept is used in the context of biodiversity, environment, and natural resources, including protection and management. It refers to the act of preserving, guarding or protecting, meanwhile keeping in mind the sustainable character and wise use.

United States Department of Agriculture

Conservation is the protection, preservation, management, or restoration of natural environments and the ecological communities that inhabit them. Conservation is generally held to include the management of human use of natural resources for current public benefit and sustainable social and economic utilization. Conservation is the careful maintenance and upkeep of a natural resource to prevent it from disappearing.

National Park Service (US)

Conservation is generally associated with the protection of natural resources, while preservation is associated with the protection of buildings, objects, and landscapes. Put simply, conservation seeks the proper use of nature, while preservation seeks protection of nature from use.

Merriam-Webster Dictionary

Conservation: A careful preservation and protection of something, especially planned management of a natural resource to prevent exploitation, destruction, or neglect.

Cambridge Dictionary

Conservation: The protection of plants and animals, natural areas, and interesting and important structures and buildings, especially from the damaging effects of human activity. Carefully using valuable natural substances that exist in limited amounts in order to make certain that they will be available for as long a time as possible.

Wikipedia

Conservation is the preservation or efficient use of resources, or the conservation of various quantities under physical laws. Conservation may also refer to nature conservation, which is the moral philosophy and conservation movement focused on protecting species from extinction, maintaining, and restoring habitats, enhancing ecosystem services, and protecting biological diversity.

Revisions to [draft] IPSAS [X], *Tangible Natural Resources Held for Conservation*

Question

1. Does the IPSASB agree with the proposed changes to the draft IPSAS Standard on Tangible Natural Resources Held for Conservation?

Recommendation

2. Staff recommend revising the final IPSAS Standard on Tangible Natural Resources Held for Conservation as outline in the table following paragraphs 5.

Background

3. Staff developed [draft] IPSAS [X], *Tangible Natural Resources Held for Conservation*, based on the decisions and instructions from the June 2025 and July 2025 IPSASB meetings, as well as the proposals in [Agenda Item 6.2.2](#). A version which shows the tracked changes from Exposure Draft 92, *Tangible Natural Resources*, can be found in [Agenda Item 6.3.1](#).
4. To facilitate the IPSASB's page-by-page review of the document, the following analysis summarizes the key changes to the [draft] final IPSAS since Exposure Draft 92, *Tangible Natural Resources* (ED 92).

Analysis

5. The following table summarizes the key revisions to ED 92 and the explanation of the changes:

#	Paragraph References	Topic	Explanation of the Changes
1	Title 3-6 AG2-AG5 IG1-IG3	Scope	<ul style="list-style-type: none">• The scope of the draft IPSAS Standard was clarified to focus on tangible natural resources held for conservation, as decided in June 2025.• Application Guidance was added to explain the concept of conservation. The flowchart in AG2 was also amended for the revisions in scope and definitions.• The previous Implementation Guidance on scope and conservation were combined to addresses how to distinguish between resources that are held for conservation from resources within the scope of other IPSAS Standards.• As a result of the scope clarification:<ul style="list-style-type: none">○ 'Held for conservation' was added throughout the document when appropriate.○ References to financial capacity and fair value have been removed throughout the document when appropriate.

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2	7 AG6-AG11	Definitions	<ul style="list-style-type: none"> See revisions proposed in Agenda Item 6.2.2: <ul style="list-style-type: none"> A new definition was introduced for ‘tangible natural resources held for conservation’. The definitions for tangible natural resources and natural resources have been deleted.
3	12 AG21-AG26	Unit of Account	<ul style="list-style-type: none"> As instructed in July 2025, staff worked with members who raised concerns regarding the unit of account and: <ul style="list-style-type: none"> Added guidance on unit of account based on the IPSASB’s Conceptual Framework. Revised the guidance and examples in the Application Guidance to focus on conservation. The previous Implementation Guidance paragraphs on unit of account were deleted as they repeated the guidance in the revised Application Guidance.
4	16-20 AG33-AG34	Measurement	<ul style="list-style-type: none"> As decided in July 2025, the cross-reference to the guidance in IPSAS 45 on the determination of cost was replaced with guidance based on IPSAS 45 but tailored to conservation.
5	55, 65 AG44-AG45	Rare or Endangered Resources	<ul style="list-style-type: none"> As instructed in July 2025, the disclosure exemption for rare or endangered resources was revised to: <ul style="list-style-type: none"> Specify that an entity does not need to disclose the resource’s location, quantity, and carrying amount if such disclosures would lead to further endangerment. Expand the exemption to disclosures of unrecognized resources. Provide Application Guidance on the determination of what is considered rare and endangered.
6	58-63	Disclosure of Current Value	<ul style="list-style-type: none"> As decided in July 2025, the cross-reference to the guidance in IPSAS 45 on the disclosure of current value was replaced with guidance based on IPSAS 45 but tailored to conservation.
7	72	Transition	<ul style="list-style-type: none"> As decided in July 2025, the transitional provisions were clarified to explicitly state that only disclosures are required if resources which meet the asset definition upon the initial application of the standard could not be reliably measured.

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8	AG38-AG41	Assessment of Useful Life	<ul style="list-style-type: none"> As decided in July 2025, Application Guidance on the assessment of whether a resource has an indefinite or finite useful life was added.
9	Appendix B	Amendments to IPSAS 33—Issued in 2025	<ul style="list-style-type: none"> Amendments to the updated version of IPSAS 33, which is expected to be approved at the September 2025 meeting, were added.
10	BC2, BC4, BC5, BC8, BC11, BC19-BC20, BC22-BC23, BC29, BC36, BC38, BC40-BC41	Basis for Conclusions	<ul style="list-style-type: none"> The Basis for Conclusions was updated to: <ul style="list-style-type: none"> Clarify the objective of the standard. Explain that the electromagnetic spectrum is an intangible asset as it does not have physical substance. Explain the other revisions to the final IPSAS as summarized above.
11	IG26-IG28	Stewardship Arrangements	<ul style="list-style-type: none"> As instructed in June 2025, guidance on stewardship arrangements was added.
12	IE11-IE18	Determination of Current Operational Value (COV)	<ul style="list-style-type: none"> As decided in July 2025, examples on the determination of COV using the market approach and the cost approach were added. The example regarding the use of an appraisal was based on live examples received from an IPSASB Member and Technical Advisor.

Decision Required

6. Does the IPSASB agree with the staff [recommendation](#)?

Supporting Documentation 1 – [Draft] IPSAS [X], *Tangible Natural Resources Held for Conservation* (with Tracked Changes)

1. [Draft] IPSAS [X], *Tangible Natural Resources Held for Conservation*, is posted separately for easier readability. The attached version of the document shows the revisions from Exposure Draft 92, *Tangible Natural Resources*. New text is underlined and deleted text is struck through. For easier readability, formatting changes and minor editorial corrections are not shown. A clean version of the document is available for IPSASB Members and Technical Advisors upon request.