Thank you for the opportunity to provide input on the exposure draft on Climate-related Disclosures. I am public financial management practitioner that is a user of IPSAS and regularly engaged by international development partners such as the International Monetary Fund and World Bank to provide technical assistance regarding green public financial management.

Specific Matter for Comment 1 and 2: Public Sector Operations

The reason governments exist is to address those fundamental needs of society which underpin quality of life. Public policy is typically directed at promoting quality of life and addressing perceived risks to it. The risks associated with climate change relate not just to the operations of government and its medium-term fiscal position but also, and more fundamentally, climate change is a risk to the quality of human life. Through its policies government is not simply seeking to protect its own operations from the impacts of climate change but to address the broader quality of life issues.

The exposure draft at times seeks to define risks and opportunities in terms of the governments medium term fiscal position and operations, yet at other times also recognizes these broader risks to quality of life. A fundamental issue for this standard is whether the disclosure relate only to those matters which impact on the financial position of the reporting entity, and/or whether this standard extends to disclosures of broad public policy regarding climate change. Currently the draft appears, in relation to the risks to own operations, to limit the scope to the impacts only on the entity's financial position, whereas the reporting on climate-related Public Policy Programs has a broader focus on elements of public policy which inevitably extend beyond the reporting entity.

In my view the standard should define scope in such a way that climate related risks and opportunities, as well as public policy programs, cover not just those aspects which impact directly on the operations of the public sector reporting entity but also on how that entity interacts with the public policy regarding the climate change. The standard could be drafted in such a way that the impacts, risks and opportunities which directly impact on the entity are distinguished from those broader impacts (the impacts, risks and opportunities in the public policy space).

In this regard, I note that how government interacts with the issue of climate change is fundamentally different to the private sector, which is why there is the challenge of aligning this standard with the equivalent IFRS standard. We should accept that they are different. For this reason, disclosure regarding the risks associated with climate change should not only address the fiscal risks but also identify the broader risks to society and economy (noting for example that Women are typically more exposed to certain climate risks than men).

Specific Matter for Comment 6: Metrics

In my view it is not necessary to require disclosure of detailed GHG emission metrics. It is most informative for the public sector entity to nominate any targets it may have in relation to climate change and describe how it is measured. This may include detailed GHG emissions data, but this should be included at the discretion of the reporting entity. The entity may have other metrics for defining its performance in relation to climate mitigation, adaptation and/or realizing a just transition and the standard should have the flexibility to enable and support the associated broader performance metrics.

Specific Matter for Comment 3 and 4: Defining Public Policy Programs

Defining climate change programs to include only those with a primary purpose of impacting climate change will result in only partial disclosure of policy actions. Many governments are seeking to "mainstream" climate consideration into their policy making and resources allocation (budget) processes. This involves mandating at minimum a discussion (but often more detailed analysis) of how new or existing government interventions (new policy, new spending, changes in revenue policy etc) impact on climate change related goals (including goals related to mitigation, adaptation or transition). This ensures that all policy decisions have regard to potential climate impacts. As an example, the decision to build a new school building is primarily focused on attaining educational outcomes, but the associated decision to relocate the school to higher ground (away from potential inundation), using stronger materials (to resist hurricanes) and utilize an energy efficient design, is highly relevant to attaining the government's climate goals. Information should be captured on both the primary and secondary aspects of policy decision-making that impact on climate.

As traditional budget and accounting systems (chart of accounts) do not capture whether a particular program, policy or project is climate responsive, many countries are now seeking to tag their programs, policies, projects to identify those that are responsive to climate goals. Many of the classification schemes used for such tagging, including the OECD-DAC methodology, which is commonly adapted, seek to identify but distinguish between those interventions which are intended to impact on climate goals as their primary purpose, verses those for which the impact is a secondary consideration. There is therefore often a source of data to support such disclosures.

The standard should therefore have a broader definition of climate-relate public policy programs to including situations where impacting on climate outcomes is either a primary or secondary objective of a program. It may be an option to make disclosures mandatory for programs which have an intended primary focus on climate change but encouraged for other programs where climate change is not the primary goal but there is an identified secondary objective related to climate.

Thanks again for the opportunity to comment on the draft.

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