

IPSASB SRS Exposure Draft 1, Climate-related Disclosures

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Exposure Draft Group: Individual and Others

IPSAS SRS

Proposed International Public Sector Accounting Standards Board Sustainability Reporting Standard - Climate-related Disclosures

Exposure Draft 1 (ED1) Comments

DISCLAIMER

The views expressed in this document reflect the opinions of the author

1. Definition of Climate-Related Public Policy Program

ED1 Appendix A2: Application Guidance - Climate-related Public Policy Programs / Climate-related public policy programs

“AG2.5. Climate-related public policy programs are those that have a primary objective to achieve climate-related outcomes. (...)”

AG2.6. Many public policy programs may have an effect on climate, even though this may not be their primary objective, and therefore may not meet the definition to be considered a climate-related public policy program.”

This narrow definition of climate-related policy programs not only potentially limits disclosures to the minimum information required but also overlooks the complex yet essential interrelationships between climate and biodiversity as acknowledged by both the Intergovernmental Panel on Climate Change (IPCC) and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) (IPCC and IPBES 2021).

Nature or the environment is both impacted by climate change and performs an essential role in regulating the climate.

“Increased atmospheric greenhouse gas concentrations lead to increased mean temperatures, altered precipitation regimes, increased frequency of extreme weather events, and oxygen depletion and acidification of aquatic environments, most of which adversely affect biodiversity. **Reciprocally, changes in biodiversity affect the climate system, especially through their impacts on the nitrogen, carbon and water cycles.** These interactions can generate complex feedbacks between climate, biodiversity and humans that may produce more pronounced and less predictable outcomes. **Ignoring the inseparable nature of climate, biodiversity, and human quality of life will result in non-optimal solutions to either crisis**” (IPCC and IPBES 2020).

Such a definition may also contribute to deepening the divides between climate and biodiversity rather than bridging them as far as inter alia sustainable development planning and delivery, reporting and finance/investment are concerned.

Efforts are currently underway under the various UN Rio Conventions and other multilateral environmental agreements precisely to align and unite what in reality is One.

2. Fit for Purpose Reporting for Its Audience/Target Groups

ED1 Appendix C: Qualitative Characteristics / Public Sector Approach

*“BC5. Drawing on the Conceptual Framework, the IPSASB agreed that service recipients and resource providers are the primary users of climate-related disclosures. These include **citizens, taxpayers, multilateral or bilateral donor agencies, and lenders that provide resources**, such as investors. In addition, **representatives of these groups** such as the legislature (or a similar body), and **members of parliament** (or a similar representative body) are also the primary users of climate-related disclosures.*

*BC6. The primary users for public sector reports are therefore broader than for private sector reports, where the primary users are **existing and potential investors**.”*

Enshrining a limited concept of climate-related policy programs may very well limit the access to comprehensive information on relevant disclosures thus impacting a holistic understanding of the issues at stake, restricting democratic debate, oversight and concerted action as well as potential investment in key enabling public policy programs with significant multiplier effects.

It could for instance lead to deprioritizing investments in nature-based infrastructure to address sea level rise.

Programs to expand train networks may and likely contribute to greening employee commuting to a not so insignificant extent.

On the other hand, leaving it to entities' judgment to identify climate-related public policy programs may fail to serve as much of a guidance also taking into account their possible resource constraints.

Bibliography

IPBES and IPCC. 2021. IPBES-IPCC Co-Sponsored Workshop Biodiversity and Climate Change Workshop Report. IPBES.