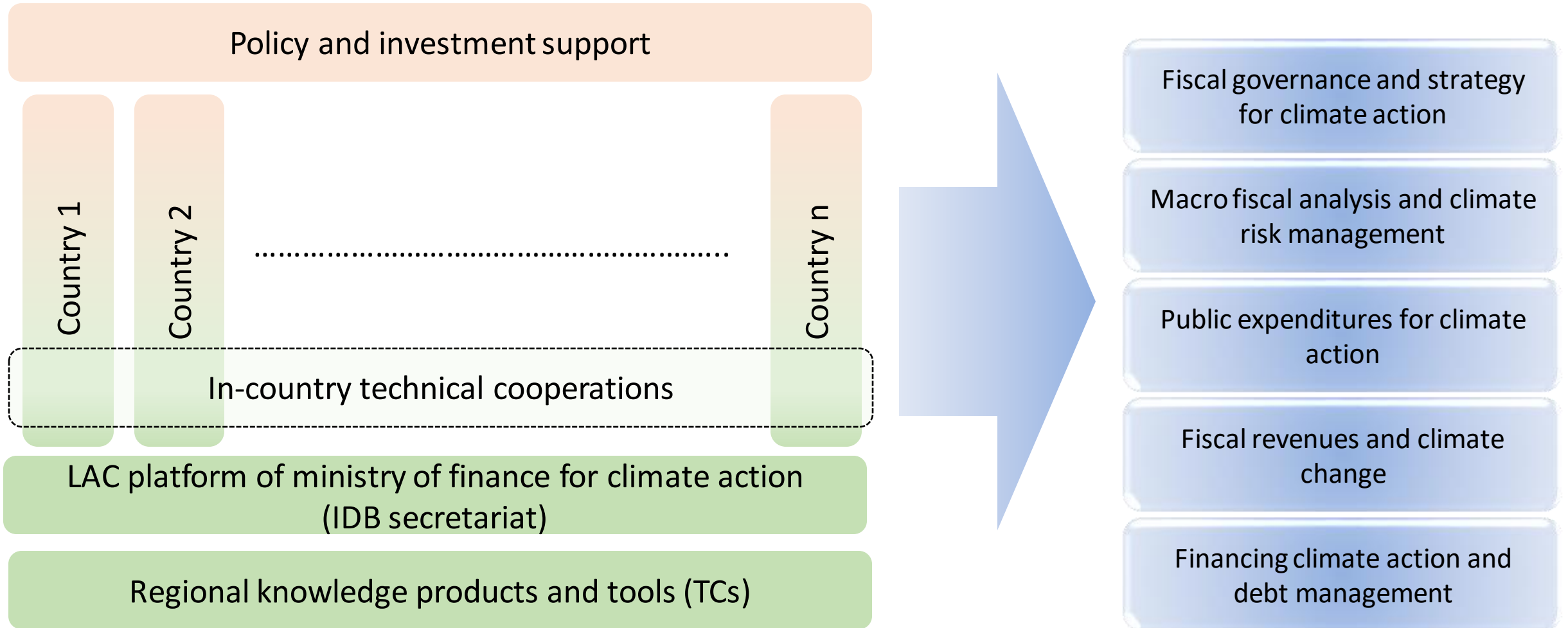


# **Fiscal Policy and Management for Climate Action IDB's approach**

2050 Pathways Platform - 2023 Annual Meeting Series

Operationalizing LT-LEDS: approaches to integrate long-term strategies  
into public finance planning

# IDB's approach



# LTSs inform all work areas

---

Fiscal governance and strategies for climate action

- 'All government' governance models to develop and implement integrated climate and development strategies

Macro Fiscal analysis and climate risk management

- Models for long term decarbonization inclusive of fiscal modules
- Fiscal sustainability analysis to include physical climate risk and transition risk

Public expenditures for climate action

- Metrics for public expenditure performance derived from LTS goals
- LTS pathways integrated with investment planning and instruments
- Green public procurement with LTS-derived criteria

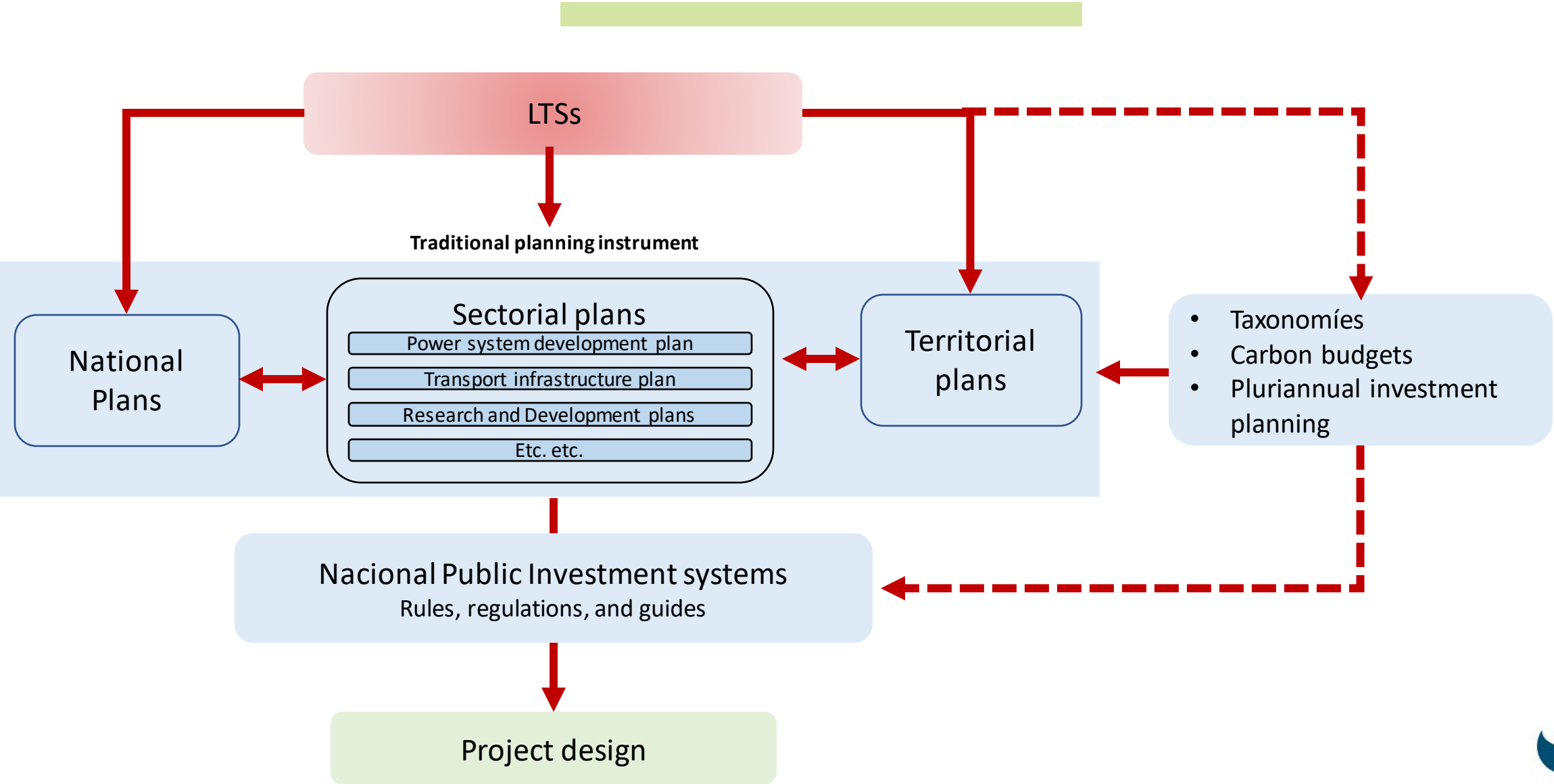
Fiscal revenues and climate change

- LTS pathways or LTSs specific goals inform subsidies reform, green taxation measures selection and fiscal incentives

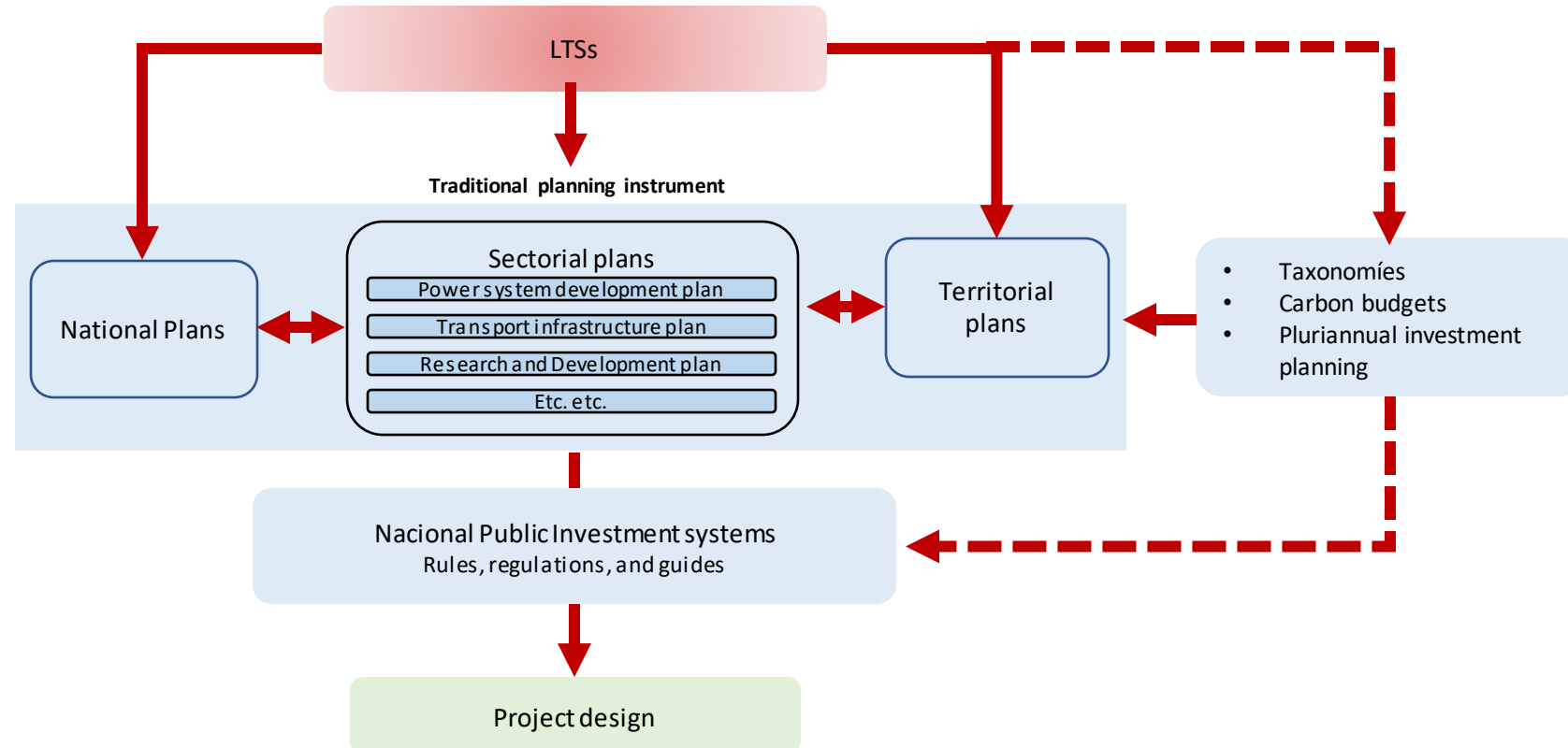
Financing climate action and managing debt

- Financing needs/gaps measured against LTSs pathways and goals
- Financial instruments link to the achievement of pathways/goals

# Example: Integrating LTSs and public investment



# Example: Integrating LTSs and public investment



## Enabling Environment

- Involvement and buy-in from critical stakeholders
- Clear leadership structure
- Strength of legal grounding
- Well-functioning administrative systems and processes
- Capabilities of critical personnel

**Thank you!**