THE PARIS COLLABORATIVE ON GREEN BUDGETING

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Action needed to implement our sustainable development agenda

• Range of co-ordinated actions in many areas, including long-term finance for climate and biodiversity, resilient infrastructure, targets for renewable energy, ...

→ Systematic approach to the range of existing policies needed to:
  – aid monitoring process
  – mainstream an environmentally informed approach across all policy domains
  – highlight linkages between budget, fiscal and environmental issues, interdependencies, externalities and co-benefits
“Green Budgeting”

....using the tools and processes of budgetary policy-making

- by evaluating and improving the environmental impact (such as on climate, biodiversity, water and air quality) of budgetary policies

- assessing their coherence with national and international commitments

→ help achieve environmental goals
The Paris Collaborative on Green Budgeting

- launched at One Planet Summit, 12 Dec 2017 in Paris
- convened by OECD, working in close partnership with governments, OECD working groups and experts

An open research platform to:
- advance the analytical and methodological groundwork
- propose, develop and test potential tools needed to support green budgeting
- support peer learning and exchange good practices
- targeted assistance for developing a Green Budget strategy
Milestones of the Paris Collaborative

Launch at One Planet Summit, 12 Dec 2017 in Paris

May/June OECD Senior Expert Workshops

16 July HLPF side event

26 Sept One Planet Summit follow-up meeting

24 October OECD Senior Expert Workshop

Achievements:

• Scoping paper on objectives, definitions, including a first set of examples of greening public finance

• Building towards a Green Budgeting Senior Expert Group

• Statement of the French Chair of the 2018 OECD Ministerial Council Meeting highlighted the importance of the Paris Collaborative on Green Budgeting and call member countries to support this work
Building on existing OECD work streams

- Budgeting for inclusive and sustainable growth
- Long-term fiscal sustainability
- Environmental cost-benefit analysis
- Environmental fiscal reform
- Carbon pricing and reform of potentially harmful subsidies
Envisaged future work streams

Core analytical and research work

• Refinement of definitions and sharing of existing good practice
• Indicator development

Optional work programmes

1. Designing and applying a “Green Budget Statement”
2. Designing and applying a “Green Budget Baseline Analysis”
3. Guidance to adopt environmental cost-benefit analysis in support of green budgeting
4. Investigating the tax revenue effects of environmentally-oriented tax policy and of environment-related structural economic change, including decarbonisation

Countries free to adopt tools and methodologies – or not
Thank you

http://www.oecd.org/environment/green-budgeting/

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