



# Financing Climate Action in Regions and Cities

## Launch conference

Wednesday 22 June 9.30 – 12.30



# Agenda

- 9:30 – 9:45      **Opening remarks**
- 9:45 – 10:00      **Key findings of the OECD-EC Project**
- 10:00 - 11:20      **Session 1: Making the most of subnational green budgeting**
- 11:20 - 12:20      **Session 2: Mobilising public and private finance for subnational climate action**
- 12:20 - 12:30      **Closing remarks**

# Opening remarks



- **Yoshiaki Takeuchi**, Deputy Secretary General, OECD



- **Marc Lemaître**, Director General, DG Regional and Urban Policy, European Commission

## Financing Climate Action in Regions and Cities: key findings of the OECD-EC Project



- **Nadim Ahmad**, Deputy Director, Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), OECD



Video: <https://youtu.be/0mCnh-168cU>



# OECD-EC project on *Measuring and Enhancing Subnational Government Finance for Environment and Climate action in OECD and EU Countries*

## KEY FINDINGS

Launch Conference – 22 June 2022

**Nadim Ahmad**

Deputy-Director

OECD Centre for Entrepreneurship, SMEs, Regions and Cities



## Project **rationale** and **objectives**

- SNGs play a **key role** in the carbon-neutral transition:
  - responsible for a **large range of policies that have a direct or indirect impact on climate change.**
  - with **significant spending, investment and revenue** powers.
- But also significant data gaps in understanding **the scale** of climate-related **spending, investment and revenue decisions.....** as well as **methodological challenges**



- **Filling data/evidence gaps**
- **Tracking progress**
- **Identifying & mobilising additional sources of climate finance.**



## Three pillars



### Climate Expenditure Tracking

- Online Subnational Government Climate Finance **Database** (climate-significant spending and investment)



### Climate Revenue Tracking

- Online **Compendium** of Financial Instruments that Support Subnational Climate Action

Policy Paper  
"Tracking"



### Subnational Green Budgeting

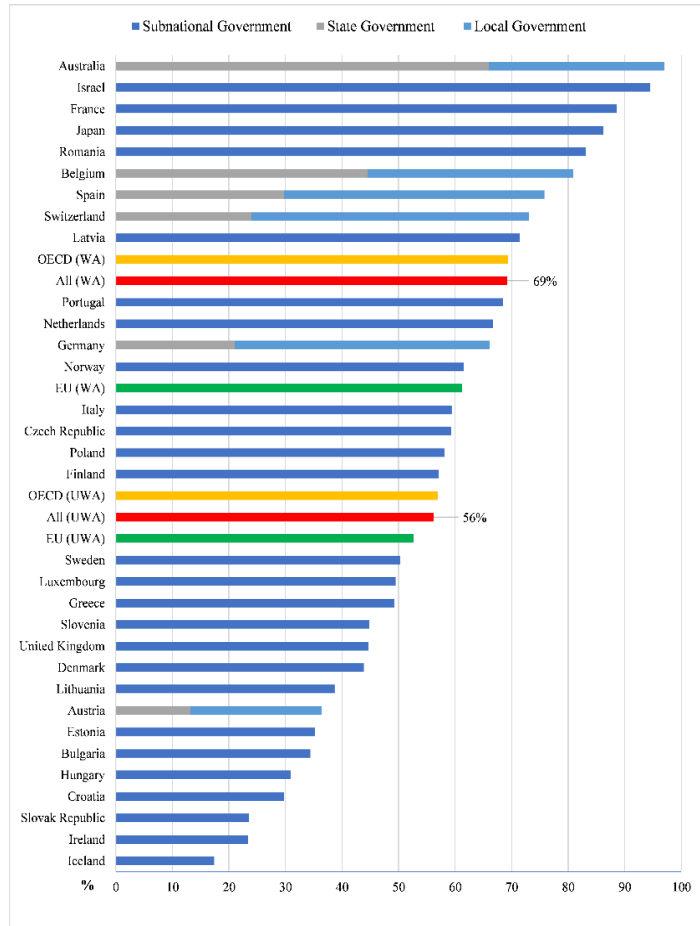
- Subnational Green Budgeting **Guidelines**
- Case study reports: Region of Brittany & City of Venice
- Self-assessment Tool
- **Publication:** *Aligning Regional and Local Budgets with Green Objectives*



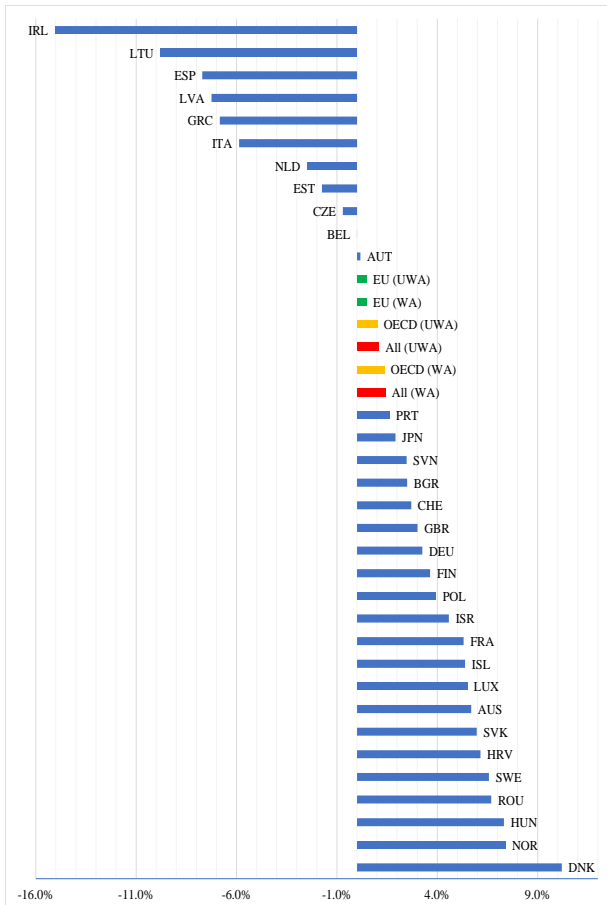
# Subnational climate-significant expenditure and investment

## SNG climate-significant investment

% of total public climate-significant investment, 2019



Annual average real growth 2009-2019



Using EU Taxonomy >> 13 level 2 COFOG categories + proxy coefficients

❖ 63% (69%) of climate-significant public expenditure (investment).

❖ 1.1% of GDP – expenditure , 0.4% of GDP - investment





# Revenue: >> **Compendium of Financial Instruments for Subnational Climate Action**

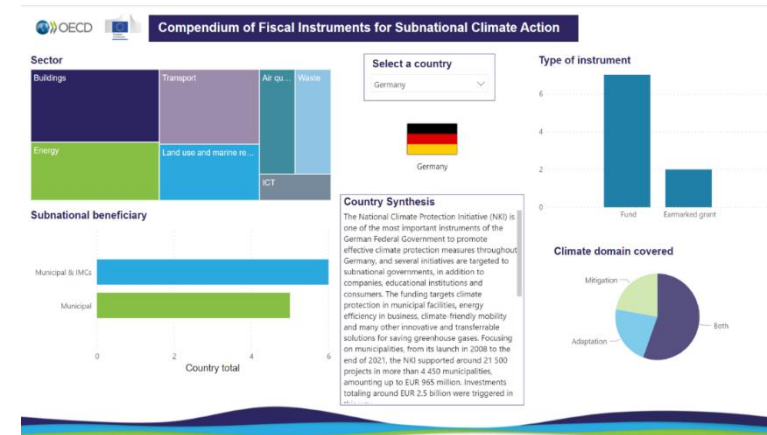
- **A tool to:**
  - ❖ **Identify** potential sources of public funding
  - ❖ **Compare and learn** from other jurisdictions
  - ❖ **Initiate dialogue** between levels of government
- **Includes:**
  - ❖ **300+** financial instruments (grants, loans, loan guarantees, climate funds, etc.) available to SNGs...
    - ❖ Earmarked grants and climate funds most common instruments.
    - ❖ Energy and buildings sectors, most commonly targeted

Instrument Provider	Name of Provider	Instrument Title	Instrument Sub-programme
Intermediate government	Province of Limburg	Waterways and holding basins	Subsidy for work on watercourses and holding basins
National government	Grand Duchy of Luxembourg	Water Management Fund	Water Management Fund
State/regional government	State of New South Wales	Waste Less, Recycle More initiative	Landfill Consolidation and Environmental Improvements
State/regional government	State of New South Wales	Waste Less, Recycle More initiative	Major Resource Recovery Infrastructure (MRR) Grants
State/regional government	Walloon Region	Walloon Recovery Plan	UR2BA Programme
State/regional government	Carton de Vaud	Vaudois Climate Plan	Municipal Energy and Climate Plan (PECC)

**Fund**  
Type of Instrument  
AUD 337 million  
Total amount allocated  
Both  
Mitigation or adaptation  
Hiatus  
Status

**SUPPORT DESCRIPTION:**  
This program funds the construction of new major recycling and waste processing facilities, to increase the amount of material being recovered, reused, recycled and reprocessed. It complements the Resource Recovery Facility Expansion and Enhancement program, which funds capital works for existing facilities. Over eight years, Waste Less, Recycle More will provide AUD 802 million to stimulate new investment and transform waste and recycling in NSW. It includes grant programs for local government, business, industry and the community, delivered by the NSW Environment Protection Authority and the NSW Environmental Trust.

<https://www.epa.nsw.gov.au/working-together/grants/infrastructure-fund/major-resource-recovery-infrastructure>  
<https://www.epa.nsw.gov.au/working-together/grants>





## Subnational green budgeting

- Follows Paris Collaborative definition on Green Budgeting: “using the tools of budgetary policy-making to help achieve environmental and climate goals.”)
- No systematic and comprehensive practices identified at subnational level, yet...
- A **growing body** of emerging practices in OECD and EU, and beyond

<b>France</b> <ul style="list-style-type: none"><li>• Brittany</li><li>• Grand-Est</li><li>• Occitanie</li><li>• Paris</li><li>• Lille</li><li>• Strasbourg</li><li>• Clermont-Ferrand</li><li>• Many more!</li></ul>	<b>Italy</b> <ul style="list-style-type: none"><li>• Sardinia</li><li>• Bologna</li></ul>	<b>Sweden</b> <ul style="list-style-type: none"><li>• Stockholm</li><li>• Växjö</li></ul>
<b>Spain</b> <ul style="list-style-type: none"><li>• Andalusia</li><li>• Catalonia</li></ul>	<b>UK</b> <ul style="list-style-type: none"><li>• Scotland</li></ul>	<b>Outside of Europe:</b> <ul style="list-style-type: none"><li>• India (State of Odisha)</li><li>• Philippines</li><li>• Indonesia</li><li>• Local Climate Finance Framework for subnational entities in Bangladesh, Indonesia, Philippines, Kenya, etc.</li></ul>
	<b>Norway</b> <ul style="list-style-type: none"><li>• Oslo</li><li>• Hamar</li><li>• Trondheim</li><li>• Bergen</li></ul>	

***Not a silver bullet... most effective when combined with other government action (ex. regulation, environmental planning) and aligned with a regional/local climate strategy.***



## Green budgeting: benefits but challenges

### Benefits

- **Better alignment of** subnational budgets with environmental and climate objectives
  - Prioritise low carbon investment
  - Avoid trade-offs
- **Identifies funding gaps** and helps mobilise additional sources of public and private finance.
- **A transparency and accountability tool**

### Challenges

- **Methodological challenges:** e.g., transparent and robust to changing evidence
- **Resource challenges:** e.g., personnel training.
- **Operational challenges:** e.g. horizontal coordination.
- **Political challenges:** e.g., involving local stakeholders and communicating widely



# Six key **guidelines** for implementing subnational green budgeting and a self-assessment tool

Conduct a diagnostic of local environmental and climate challenges as a pre-requisite to launching a green budgeting practice

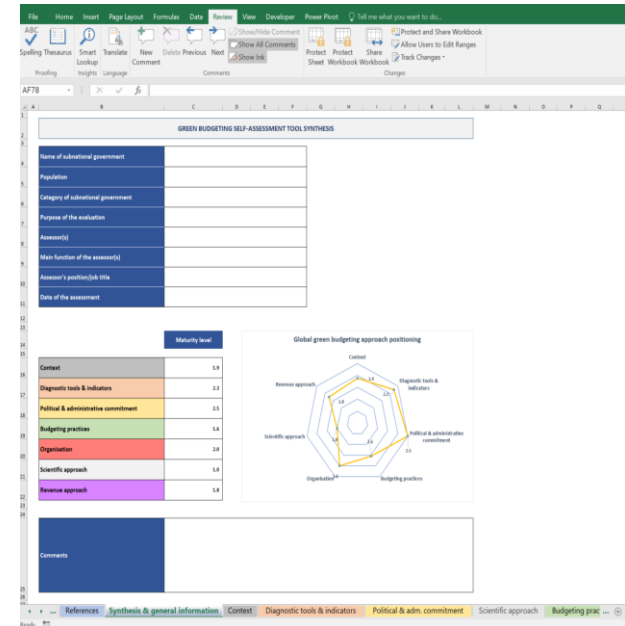
Ensure strong, high-level involvement and support from both the administrative and elected sides of government

Ensure the practice relies on a robust, shared scientific basis to facilitate public trust and ensure the practice can adapt to changing scientific evidence

Adopt a step-wise approach to implementing green budgeting in order to learn from previous steps and reinforce the alignment of the practice with local strategic priorities

Integrate the green budgeting practice into existing public financial management procedures and tools to help ensure the practice endures

Include revenues within the scope of the green budgeting practice to ensure the entire budget aligns with green objectives



The graphic consists of two stylized, overlapping arrow shapes pointing to the right. The top arrow is light green and the bottom arrow is dark grey. They are positioned to the left of the text 'Key take-aways'.

## Key take-aways

- **Long-term:**
  - **Need to invest in better**
    - **Official statistics, and**
    - **Public financial accounting systems**
- **Shorter-term**
  - **SNGs can adopt a green budgeting approach**
  - **Supranational bodies, national governments, and financial institutions** can also act now to help **bridge the funding and financing gaps** for environmental and climate action at the subnational level (.....Session II).



# The Subnational Government Climate Finance Hub

A **one-stop shop** to explore and navigate the various outputs of the project and future subnational climate finance work.

<https://www.oecd.org/regional/sngclimatefinancehub.htm>

**What's the issue?**

Regions and cities play a key financial role in the carbon-neutral transition and the global response to climate change. This is, in large part, due to their jurisdiction over crucial adaptation and mitigation-relevant policy areas such as land-use planning, zoning, waste management, transport, housing development, and more. However, despite this recognition, there is a lot that we do not know about their financial role.

- How much are subnational governments spending and investing on climate change adaptation and mitigation?
- How has their climate-related spending and investment evolved over time?
- What public revenue streams are available to subnational governments to fund and finance their climate action? How can these sources be scaled-up?
- Are the spending, investment, and revenue raising decisions of subnational governments aligned with their green objectives?

Given the urgency of the climate crisis, it is more important than ever to bridge this knowledge gap and improve our understanding of the financial role of subnational governments in the transition. In doing so, this will enhance our ability to track the progress regions and cities are making towards achieving the Paris Agreement commitments, and other green objectives, and to identify areas where further action is needed to align their expenditure and investment with their climate goals and mobilise additional sources of finance.

The Subnational Government Climate Finance Hub brings together the OECD's work on subnational public climate finance to bridge this knowledge gap and provide a centralised resource on the topic for policymakers, academia, climate finance experts, and all those interested in learning more on the subject.

**What can the OECD and CFE offer?**

The OECD supports evidence-based policymaking that will drive the carbon-neutral transition and promote sustainable, resilient, and inclusive regions and cities. We conduct policy analysis and share best practices in order to: i) craft actionable place-based policies; ii) improve coordination across levels of government; iii) amplify subnational governments' significant, yet often overlooked, role in designing and implementing ambitious environmental and climate policies.

Based on the joint OECD and European Commission project *Measuring and Enhancing Subnational Government Finance for Environment and Climate Action in OECD and EU Countries*, the Subnational Government Climate Finance Hub encompasses three pillars of work:

- Climate Expenditure Tracking**  
(Subnational Government Climate Finance Database & Methodology)
- Climate Revenue Tracking**  
(Compendium of Financial Instruments that Support Subnational Government Climate Action)
- Subnational Green Budgeting**  
(Guidelines, case studies, and self-assessment tool)

**Subnational Government Climate Finance Hub**

**What's the issue?**

Supporting subnational government climate action requires having a better understanding of the way they are funded, from both public and private sources. Public sources of revenue include grants, subsidies, user charges and fees, and tax revenues, and external sources include loans, loan guarantees, and bonds, among others. The combination of these revenue sources available to subnational governments influences their room for manoeuvre in implementing their climate plans.

The OECD's Centre for Entrepreneurship, SMEs, Regions and Cities launched a joint project with the European Commission to build a Compendium of Fiscal Instruments for Subnational Climate Action in OECD and EU countries. In order to provide an overview and analysis of the climate-related public revenue sources available to subnational governments. The Compendium is a non-exhaustive list of funding sources provided to subnational governments by national governments, and state governments in federal countries. It focuses on grants, climate funds, loans, and also includes information on contractual arrangements as an innovative way to link funding to climate action.

This Compendium is a critical tool for subnational governments to identify sources of funding for their climate action. It is also useful for policymakers to learn more about what other jurisdictions are doing and get inspired to fund subnational climate action. Finally, it is also a tool for the international community to better understand the specificity and the diversity of climate revenue streams available to subnational governments, and initiate dialogue on this topic between levels of governments and between countries.

On this page, you will find our latest research on subnational climate-revenue tracking, our Compendium, and links to other key resources on the topic.

To stay up to date on all our subnational public climate finance work, subscribe to the bi-weekly CPE newsletter.

**Our Compendium**

**Compendium of Fiscal Instruments for Subnational Climate Action**

**Sector**

Land use and marine resources	Water	Transport
Energy	Buildings	ICT

**Subnational beneficiary**

Municipal	100
Municipal & RWA	100
All other	100
Municipal & Counties	100
Municipal & Regions	100

**Country total**

**Country Synthesis**

In Belgium, climate-related public funding for subnational governments is provided by the federal, regional, and provincial governments. There are at least 20 instruments available to subnational governments, with municipalities and inter-municipal cooperation bodies being the most common beneficiaries. These instruments are a mix of earmarked grants and loans, and they generally target the buildings, energy, and land use and marine resources sectors. Within each level of government, funding is provided and managed by a variety of departments or government agencies. Belgium's COVID recovery plan is mainly financed by the EU Recovery and Resilience Facility, which is providing EUR 5 billion. About half of the national recovery plan will be allocated to climate action and 27% to digitalisation. The plan will be implemented and monitored through several levels of governance, including

**Type of instrument**

Earmarked grant	100
Loan	100
Contract	100

**Climate domain covered**

Mitigation	100
Adaptation	100
Both	100

# Thank you!



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Website: [www.oecd.org/cfe](http://www.oecd.org/cfe)





# SESSION 1: Making the most of subnational green budgeting

## Setting the scene: the OECD guidelines on subnational green budgeting

Launch Conference – 22 June 2022

**Isabelle Chatry**

Head of Unit

Decentralisation, Subnational Finance & Infrastructure

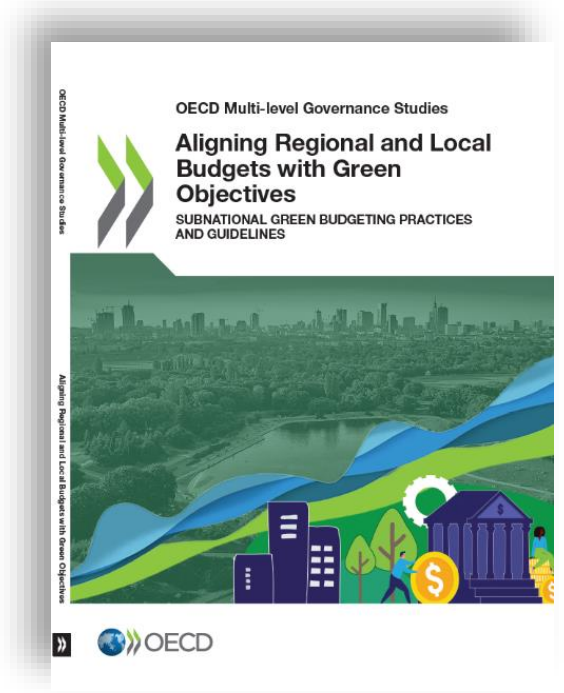
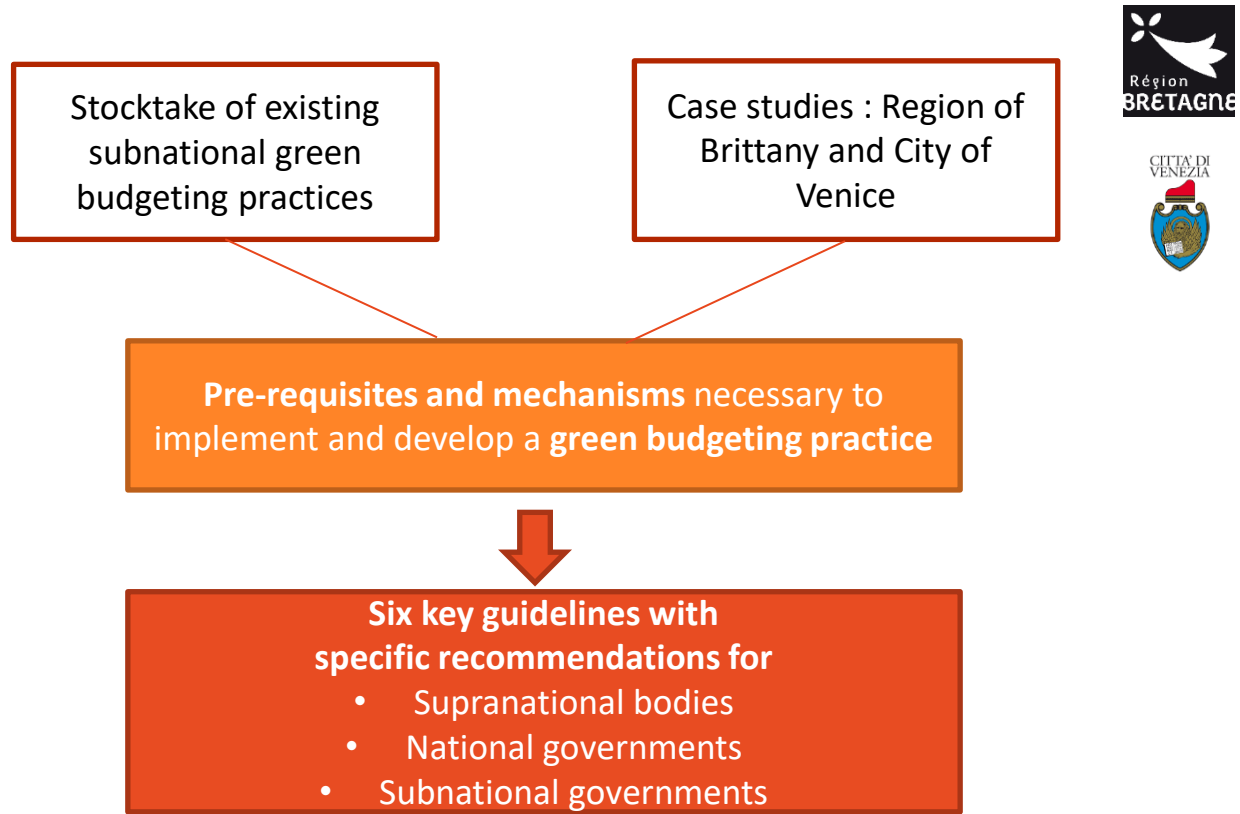
Regional Development and Multi-level Governance Division

OECD/CFE





# Process for elaborating the guidelines on Subnational Green Budgeting



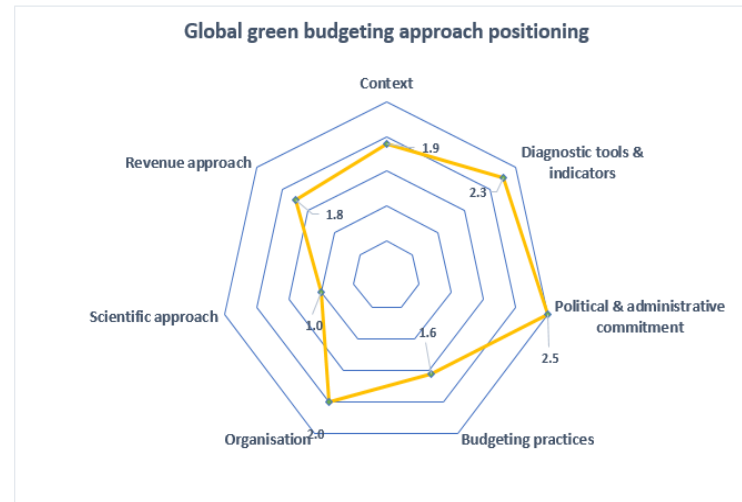
**Objective:** Help regions and cities overcome **methodological, operational, financial, and political challenges** to launch a successful green budgeting practice that **endures over time**.



## Self-Assessment Tool: Putting the guidelines into practice

- Assists any region or city in **identifying their strengths and their potential gaps** for starting a green budgeting practice or improving an existing one.
- Enables users to evaluate where they stand across **seven green budgeting dimensions**, each divided into a series of sub-criteria, against which they can rank their level of experience (or “**maturity level**”).

	Maturity level
Context	1.9
Diagnostic tools & indicators	2.3
Political & administrative commitment	2.5
Budgeting practices	1.6
Organisation	2.0
Scientific approach	1.0
Revenue approach	1.8





## Guideline 1

# Conduct a diagnostic of local environmental and climate challenges as a pre-requisite to launching a green budgeting practice

- Prepare a **transversal territorial diagnostic** that is **consistent across government levels** and in line with national and regional planning schemes.
- Use the diagnostic to **define specific objectives** for the territory as well as **associated performance indicators**.
- **Include all stakeholders in the process** of defining green objectives and performance indicators.

DIAGNOSTIC TOOLS & INDICATORS			
DOMAIN	EVIDENCE OF GOOD PRACTICES	REFERENCES	LEVEL
Receiving national methodological support	Does the State provide <b>methodological support</b> to subnational governments for the definition of territorial climate and environmental diagnoses? N/A None: no support is available Low: such support is probably available but the SNG has not yet identified the right resources Moderate: such support is being available and the SNG is in the process of setting up a collaboration Advanced: methodological support is available and a collaboration is in place		Moderate
	Is territorialised <b>climate and environmental data</b> easily available and updated at local level? N/A None: no information is available at subnational level or the SNG has not identified the adequate information providers Low: fragmented information or information whose updates are rare is available at subnational level Moderate: information is available and updated but not covering all the parameters monitored by the SNG Advanced: all necessary territorial information is available and regularly updated		Low
Developing subnational climate and environmental diagnosis and plans	Does the SNG regularly produce a territorial <b>climate and/or environmental diagnosis</b> assorted with quantified territorial indicators and adapted to its own challenges? N/A None: the SNG does not produce any territorial climate and / or environmental diagnosis Low: the framework of the diagnosis is under development Moderate: the production of a diagnosis assorted with quantified territorial indicators is under development Advanced: there an internal process including a methodology to produce the diagnosis and its regular updating.		None
	Does the SNG provide a territorial <b>climate and/or environmental plan</b> linked to the diagnosis? N/A None: the SNG has no climate or environmental plan Low: the framework of a climate or environmental plan is under construction Moderate: a climate or environmental plan is under construction Advanced: a plan has been constructed, including quantified climate and environmental targets, a trajectory and milestones to be reached during the electoral mandate, actions to be implemented during the electoral mandate and the corresponding financing, and an identification of responsibilities within the SNG	Oslo climate budget goals	Advanced
	Is there <b>coordination between all levels of government</b> to carry out the climate and environmental diagnosis and subsequently prepare an action plan? N/A None: the subnational government has conducted its diagnosis and developed its action plan without coordination or support from higher levels of government Low: work has started with other levels of government to identify possible areas of collaboration in the realisation of climate and environmental diagnoses and action plans Moderate: the subnational government's diagnosis and action plan is coordinated with all levels of government but some work remains redundant between the different levels of SNG and some inconsistencies in the policies might remain Advanced: the SNG diagnosis and action plan is coordinated with all levels of administration		



## Guideline 2

Ensure strong, high-level involvement and support from both the administrative and elected sides of government

- Support green budgeting practices through **strong political involvement and support**.
- Ensure the implementation of the necessary means thanks to **high-level administrative management**.

### POLITICAL AND ADMINISTRATIVE COMMITMENT

DOMAIN	EVIDENCE OF GOOD PRACTICES	REFERENCES	LEVEL
Joining national and international initiatives	Has your institution taken <b>part in international initiatives</b> (covenant of Mayors, C40s, EIT Climate KIC...) promoting green budgeting for national or subnational governments? N/A None: no participation in any of the previous initiatives (or similar) Low: participation in one of the previous initiatives (or similar) Moderate: participation in more than one of the previous initiatives (or similar) Advanced: participation, as an active leader or a driving force, in one or more of the previous initiatives	Covenant of mayors initiative	Moderate
	Has your institution taken <b>part in any national initiative</b> promoting green budgeting, within SNG associations of elected representative, universities, think tanks for instance? N/A None: no initiative has ever been initiated Low: an initiative which is more than 3 years old was undertaken but did not result in any follow-up Moderate: the SNG is participating in a current initiative as an observer Advanced: the SNG is an active leader or a driving force in a current initiative		None
Training and informing elected officials	Have <b>green budgeting information and training sessions</b> been organised for <b>elected officials</b> within the SNG? N/A None: no information or training has been organised within the SNG for elected officials Low: internal information papers on green budgeting have been sent to elected official Moderate: internal information papers on green budgeting have been sent to elected official and presentations have been made to the deliberative assembly Advanced: internal information papers on green budgeting have been sent to elected official and presentations have been made to the deliberative assembly ; all or part of the elected officials have followed-up training sessions on green budgeting		Advanced
Training and informing administrative staff	Have <b>green budgeting information and training sessions</b> been organised for the <b>administration</b> within the SNG? N/A None: no information or training has been organised within the SNG for the administrative staff Low: the administrative head of project has sent information papers to the staffs involved in the budget process Moderate: the administrative head of project has sent information papers to the staffs involved in the budget process and organised presentations of the approach for them Advanced: the administrative head of project has sent information papers to the staffs involved in the budget process and organised presentations of the approach for them; regular training sessions on green budgeting are planned	14CE-European Commission green budget assessment training	Moderate
Validating and positioning the project	If a green budgeting project has been launched, has there been a <b>high political validation level</b> ? N/A None: there has been no formal validation of the project by the elected bodies or officials of the SNG Low: the project is supported by one or several elected officials but no formal validation or information of the deliberative assembly has been organised Moderate: the project has been formally validated through a deliberation of the elected assembly but there is no process for a regular information of the assembly on the work progress Advanced: a formal validation has been realised through a deliberation of the elected assembly which is regularly informed of the progress of the project		N/A



## Guideline 3

Ensure the practice relies on a robust, shared scientific basis to facilitate public trust and ensure the practice can adapt to changing scientific evidence

- Develop **shared repositories** of climate and environmental science and assessment **methodologies**.

SCIENTIFIC APPROACH			
DOMAIN	EVIDENCE OF GOOD PRACTICES	REFERENCES	LEVEL
Developing and sharing scientific knowledge	<p>Are climate and environmental assessment of expenditure and projects (including the use of green or transitional taxonomies) incorporated into the SNG's training plans?</p> <p>N/A</p> <p>None: the staff is generally not trained in the techniques of climate and environmental assessment of projects and expenditure and the SNG does not have the necessary surface to set up the necessary training</p> <p>Low: the staff is poorly trained in the techniques of climate and environmental assessment of projects and expenditure, but the subject is being studied and external advice can be sought if necessary</p> <p>Advanced: the climate and environmental assessment of projects and expenditure is integrated into the SNG's annual training plans and all staff involved in expenses and project management can access to training</p>		Moderate
	<p>Is your institution taking part in any network of territorial staff and experts to share scientific knowledge and hypothesis?</p> <p>N/A</p> <p>None: no initiative has ever been initiated</p> <p>Low: an initiative which is more than 3 years old was undertaken but did not result in any follow-up</p> <p>Moderate: the SNG is participating in a current initiative as an observer</p> <p>Advanced: the SNG is an active leader or a driving force in a current initiative</p>	C40 knowledge hub	Advanced
	<p>Are free-access methodological guides adapted to subnational governments competences and organisation available at national level?</p> <p>N/A</p> <p>None: there are no methodological guides are available at national level</p> <p>Low: methodological guides are available but they are not totally adapted to subnational specificities</p> <p>Moderate: methodological guides adapted to subnational governments are under development</p> <p>Advanced: methodological guides adapted to subnational governments are available</p>	I4CE's methodological guides	Advanced
	<p>Does the SNG coordinate its scientific hypothesis on climate and environment with public and private scientific partners?</p> <p>N/A</p> <p>None: the SNG has developed internally its own methodologies and scientific assumption to assess its projects, expenditure and revenue impacts on climate and environment</p> <p>Low: the SNG is organising partnerships to challenge its methodologies and scientific hypothesis and ensure they are widely shared at national and subnational level</p> <p>Moderate: the SNG has organised partnerships and is currently reviewing its methodologies and scientific hypothesis and ensure they are widely shared at national and subnational level and that update processes are satisfactory</p> <p>Advanced: the SNG has organised various partnerships (with universities, think tanks, associations of subnational governments...) to develop and update methodologies and scientific assumptions that are adapted to its situation but widely shared at national and subnational level</p>		Low



## Guideline 4

Adopt a step-wise approach to implementing green budgeting in order to learn from previous steps and reinforce the alignment of the practice with local strategic priorities

- Gradually **widening the scope** of green budgeting helps get the process started.
- **Cross green budgeting with the government's other priority budgeting** approaches and green initiatives.

BUDGETING PRACTICES			
DOMAIN	EVIDENCE OF GOOD PRACTICES	REFERENCES	LEVEL
Using green budgeting tools	Does the SNG realise climate and environment budget <b>tagging</b> (ex ante, ex post or both)? N/A None: no tagging exercise has ever been realised by the SNG Low: one tagging exercise has been realised by the SNG but has not been renewed during at least the two preceding years Moderate: one tagging exercise has been realised by the SNG during the two preceding years Advanced: tagging exercises have been realised by the SNG on the accounts of at least the two preceding years		Moderate
	Does the SNG realise <b>carbon budgets</b> ? N/A None: no carbon budget has ever been realised by the SNG Low: one carbon budget has been realised by the SNG but has not been renewed during at least the two preceding years Moderate: one carbon budget has been realised by the SNG during the two preceding years Advanced: carbon budgets have been realised by the SNG at least during the two preceding years		Low
	Does the SNG realise regular reviews of <b>environmentally harmful taxes</b> ? N/A None: no review of environmentally harmful taxes has ever been realised by the SNG Low: one review of environmentally harmful taxes has been realised by the SNG but there is no adopted plan to reduce/suppress them Moderate: one environmentally harmful taxes has been realised by the SNG and a plan to reduce/suppress them is under development Advanced: one environmentally harmful taxes has been realised by the SNG and a plan to reduce/suppress them is currently in progress		None
Developing a green budgeting methodology	Is the SNG presently <b>constructing its own internal green budgeting methodology</b> ? N/A None: the SNG has not yet started designing its green budgeting project Low: the SNG has documented on the existing national and international green budgeting methodologies but has not yet started drawing its own project. Moderate: the SNG has started a green budgeting experience ; the first project expectations have been defined but the scope, the methodology and the schedule need to be refined for the following steps. Advanced: the SNG has drawn and validated a step-by-step approach, including the first steps of the projects and the perimeter extension schedule ; the local issues, the financial means and the engineering capacity of the subnational government has been taken into account. The SNG has communicated widely on the perimeter and the forthcoming steps of the green budgeting project.		Moderate
Crossing green budgeting with other priority budgeting approaches	Has the SNG defined tools to <b>cross budget priorities</b> (environmental, social, gender...)? N/A None: no tool has been defined in order to cross budget priorities Low: the SNG has documented on the existing national and international experiences crossing various types of priority budgeting Moderate: the SNG is working on a budget procedure crossing its various priorities but the procedure is not yet implemented Advanced: the SNG has implemented a budget procedure crossing its various priorities	Clermont-Ferrand socio-environmental rating	Moderate





## Guideline 5

Integrate the green budgeting practice into existing public financial management procedures and tools to help ensure the practice endures

- **Budget procedures and tools must be adjusted** to integrate the green budgeting approach
- Integrate green budgeting into **internal and external audit procedures**

ORGANISATION			
DOMAIN	EVIDENCE OF GOOD PRACTICES	REFERENCES	LEVEL
Mobilising financial means	Are there <b>potential financial resources</b> to start or to pursue a green budgeting experience within the SNG? N/A None: no available complementary financial resources are available Low: available financial resources are available for staff training only Moderate: financial resources are available for staff training and for new human resources (trainees, apprentices) or external consultants Advanced: financial resources are available for training, for new human resources (trainees, apprentices) and external consultants, and for IT systems adaptation and communication		Low
Mobilising human resources	What is or what would be the <b>size of the potential team</b> for green budgeting implementation (on a full time equivalent)? N/A None: the SNG would exclusively rely on external consultant(s) Low: less than 2 people Moderate: 2 to 5 people Advanced: > 5 people		Moderate
Implementing cross-functionality projects	Does the SNG organisation promote <b>cross-functionality</b> in project management: - some projects are already managed within project teams set up cross-functionally between the different departments of the SNG, - the tools in place facilitate collaboration (online shared tools, shared storage spaces...). N/A None: there is no experience of cross functionality Low: there is no large experience of cross functionality but the SNG is reflecting on how to deepen cooperation within cross functional teams for key transversal projects Moderate: a first experience has already been successfully conducted with the SNG for a large project Advanced: numerous projects are managed within project teams set up cross-functionally between the SNG's departments: resources can easily be attributed to a cross functional team; there is no internal obstacle to give the team autonomy and a decision-making authority; the existing IT tools facilitate collaboration (online shared tools, shared storage spaces...).		Advanced
Putting new governance tools in place with stakeholders	Have new <b>governance tools</b> been defined on the territory to associate stakeholders to the achievement of the climate and environmental objectives? N/A None: no cooperation tools have been developed so far in the climate and environmental field Low: the SNG is currently studying new governance tools to be developed in order to associate stakeholders to the achievement of the climate and environmental objectives Moderate: new governance tools are being tested to associate stakeholders to the achievement of the climate and environmental objectives Advanced: cooperation and conflict resolution tools are in place to collaborate efficiently with stakeholders and to capitalise on private and public initiatives (stakeholders workshops or working groups, multistakeholders task forces, questionnaires and surveys ...) in order to achieve the SNG's climate and environmental objectives		Advanced



## Guideline 6

Include revenues within the scope of the green budgeting practice to ensure the entire budget aligns with green objectives

- Ensure **sufficient permanent funding** and the mobilisation of **all available green revenue sources** for climate and environmental action.
- Analyse the **environmental and climate impact** of revenue sources.

REVENUE APPROACH			
DOMAIN	EVIDENCE OF GOOD PRACTICES	REFERENCES	LEVEL
Managing revenues to adjust them to climate and environmental objectives	Do subnational governments have a large flexibility to adjust the structure of their revenues to their climate and environment objectives, using environmental taxation on their territories for instance. N/A None: subnational governments have strictly no leeway on the revenues Low: subnational governments have moderate leeway on their revenues that include very limited possibilities to adjust them to better fit to their targets in terms of climate and environment Moderate: subnational governments have leeway on their revenues that include moderate possibilities to adjust them to better fit to their targets in terms of climate and environment Advanced: subnational governments have large abilities to adjust the structure of their revenues to better fit to their targets in terms of climate and environment		Moderate
	Do subnational governments generally have easy access to climate and environmental funding? N/A None: SNGs encounters considerable issues to access to funding whatever the field of intervention Low: SNGs have no major issues to access to funding in general but do not access to specific climate and environment funds (for instance because of an overall lack of technical or follow-up capacity) Moderate: SNGs have no major issues to obtain long term financing and the State is studying the possibilities to develop the use of specific funds linked to climate and environment at subnational level Advanced: SNGs have easy access to climate and environment funds in particular thanks to national mechanisms that facilitate their access to financing and project engineering opportunities, through for instance one-stop shop for access to funding	Aides-Territoires, a French public start-up to facilitate the search for aid	Advanced
Accessing to climate and environmental financing	Have the multi-annual financial resources needed to achieve the SNG's climate and environmental objectives been quantified, both for current and capital expenditure? N/A None: the needs to achieve the SNG climate and environmental objectives have not been quantified Low: the SNG has just started the quantification of its financial needs Moderate: financial needs have been defined but the elements are not yet included into the SNG's annual and multi-year budget planning Advanced: Needed resources have been measured and the corresponding financing plans defined and these elements are integrated into the SNG's annual and multi-year budget planning		None
	Has the SNG mobilised or created specific funding for climate and environmental projects and expenditure? N/A None: the SNG encounters global issues to access to funding, whatever the field of intervention Low: the SNG has no major issues to access to funding in general but does not access to specific climate and environment funds (for instance because of a global lack of engineering or follow-up capacity) Moderate: the SNG has no major issues to obtain long term financing and is analysing the possibilities to develop the use of specific funds linked to climate and environment Advanced: the SNG has a large use of specific funds in particular thanks to national mechanisms to facilitate access to financing and project engineering opportunities, and to its own policy (engineering pooling, staff training to innovative solutions...)	Andalusia's Green Budget Fund	Moderate
Auditing the revenues	Has the SNG audited the contribution of its revenues to its environmental and climate strategy and adjusted them consequently? N/A None: the SNG has limited leeway and has not started revenue analysis as a way to reach its climate and environment targets Low: the SNG has decided to analyse its revenue structure but the work is not completed yet Moderate: the revenue structure has been analysed but no action plan has been adopted to adapt it to the government's targets in terms of climate and environment Advanced: the revenue structure has been analysed and an action plan has been adopted to adapt it to the government's targets in terms of climate and environment, to the extent of its capacity to act; the SNG is committed in lobbying actions aiming to align the structure of subnational revenues with climate and environmental objectives		Advanced



# Thank you!



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## Session 1 : Making the most of subnational green budgeting



**Moderated by** Kate Power, Policy Analyst, OECD/CFE



**Setting the scene:** Isabelle Chatry, Head of Unit, Regional Development and Multi-level Governance Division, OECD/CFE



- **Margaux Lelong**, Policy Analyst, Budgeting and Public Management Division, Directorate for Public Governance, OECD



- **Trude Rauken**, Special Advisor, Department of Environment and Transport, City of Oslo (Norway)



- **Gildas Lebreton**, Deputy General Manager of Resources, Brittany Regional Government (France)



- **Vincent Chauvet**, Mayor of Autun (France) & Rapporteur of the European Committee of the Regions draft opinion on "The implementation of green budgets at local and regional levels"



- **Massimiliano De Martin**, Counsellor for Urban Planning and Environment, City of Venice (Italy)



- **Catrin Robertsen**, Head of Climate Budgeting, C40 Cities



- **Morgane Nicol**, Director of the Territory Programme, Institute for Climate Economics - I4CE (France)

## Session 2: Mobilising public and private finance for subnational climate action



Moderated by **Courtenay Wheeler**, Policy Analyst, OECD/CFE



- **Catherine Wendt**, Head of Unit for Smart and Sustainable Growth, DG Regional and Urban Policy, European Commission



- **Dr Carel Cronenberg**, Senior Technical Adviser Climate Change, Council of Europe Development Bank



- **D. Ignacio Méndez Cortegano**, Secretary General of Finance, Regional Government of Andalusia (Spain)



- **Priscilla Negreiros**, Manager, Cities Climate Finance Leadership Alliance



- **Björn Bergstrand**, Head of Sustainability, Kommuninvest (Sweden)



- **Riikka Torppa**, Deputy Head of Unit for Revenue Administration and Public Financial Management, DG Structural Reform Support (DG REFORM), European Commission

# Closing remarks



- **Catherine Wendt**, Head of Unit for Smart and Sustainable Growth, DG Regional and Urban Policy, European Commission



- **Dorothee Allain-Dupré**, Head of Regional Development and Multi-level Governance Division, OECD/CFE

# Thank you !

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Video: <https://youtu.be/0mCnh-168cU>

