

European Commission **IMF** **OECD**

Green Budgeting: Towards Common Principles

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Background

European Commission, IMF and OECD joining efforts for a bigger impact

Focus on European experience with green budgeting => as a possible example for other countries



What is Green Budgeting?

Green budgeting means using the tools of budgetary policymaking to help achieve climate and environmental goals.

These tools are part of a country's annual and multiannual budgetary processes.



Key common components of green budgeting

- *Strategic framework:* Use national climate change and environmental plans and strategies to orient fiscal, budgetary and policy planning.
- *Tools and methods:* Use green budgeting tools to contribute to informed and evidence-based decision-making, at all stages of the budget cycle.
- *Institutional design:* Clearly defined responsibilities and timeline for actions, supported by strong leadership.
- *Reporting, transparency and accountability:* Reliable, regular and transparent reporting, with independent expert oversight.



Key green budgeting tools

Countries are:

- ‘Greening’ medium-term fiscal and budgetary frameworks;
- Including green dimensions in fiscal risk assessments;
- Identifying and tagging budgetary items that contribute to (or harm) green objectives;
- Including green criteria in performance frameworks, policy evaluations and spending reviews;
- Developing green budget publications, e.g., green budget statements.



Panel discussion

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