



Sustainable Public Budgeting – Evidence-based Fiscal Policy

Concept Note and Agenda

Side event at the 26th UN Climate Change Conference of the Parties 2021 (COP26)

Date: Monday, 8 November 2021

Time: 17h00-18h00 (GMT)

Venue: Africa Pavilion of COP 26, Scottish Event Campus (SEC), Glasgow, Scotland

Virtual option: <https://live-streaming.pl/africa-cop26>

Audio visual notes: the meeting will be recorded and released online at a later date

Background

In the wake of the COVID-19 pandemic, governments have spent almost US\$ 20 trillion to save lives and businesses and, subsequently, to reinvigorate their economies. In this context, significant attention has been given to understanding the highest impact opportunities for fiscal intervention—what policies can simultaneously support economic growth, meet social objectives, and protect the environment?¹ Some nations have understood the overwhelming economic advantages of green investment and acted accordingly.²

But what happens after COVID-19? We explore new methods to incorporate policy impact assessments into budgetary processes. The goal is to ensure that policy makers know the potential development, economic, social, and environmental consequences of their fiscal allocations and tax measures before making any decision.

To do this, experts from the University of Oxford, in collaboration with UNEP, have developed a new practical framework to help policy makers understand the potential impacts of their spending decisions, with a particular focus on environmental and development implications. It is intended that this framework will become a core feature of budgetary assessments and public financial management reviews in years ahead. The framework takes the most advanced academic evidence and turns it into an easy-to-understand framework designed for the world and calibrated to unique national contexts. The first pilot of the project was run in Gabon under a project led by the UNDP Gabon country office in September 2021, with positive results.

With emerging global transparency tools, like the Global Recovery Observatory,³ governments of all descriptions are already being held to greater account on their fiscal decision making. This trend will accelerate strongly in the 2020s.

¹ <https://academic.oup.com/oxrep/advance-article/doi/10.1093/oxrep/graa015/5832003>

² https://www.unep.org/resources/publication/are-we-building-back-better-evidence-2020-and-pathways-inclusive-green?_cf_chl_managed_tk__=pmd_y.RgyV5m7VvcVUCyLQCnMlbJvDIUO_OwtesLHwpbR78-1634738821-0-gqNtZGzNA5CicnBsZQu9

³ <https://data.undp.org/content/global-recovery-observatory/>

Expected Outcomes

Attendees of this dual physical/virtual event will:

- Gain enhanced awareness of what sustainable budgeting is and how it can be used as a tool for making fiscal allocations that maximise future prosperity
- Learn that sustainable budgeting overwhelmingly supports green fiscal investment to boost development outcomes, support social and economic priorities, protect the environment, and give powerful forward guidance to potential investors and financial institutions.
- Learn from Gabon's environmental leadership in Central Africa, including experience introducing the region's first climate law, support of strong forestry protection mechanisms, and interest in green and blue finance. Each of these measures will be discussed with regard to their fiscal relevance.
- Be introduced to the Sustainable Fiscal Policy Framework delivered by the University of Oxford, the Green Fiscal Policy Network, and the United Nations Development Program. The framework takes the most advanced scientific and economic understanding and combines it into an uncomplicated tool suitable for all policy makers of every country.
- Opportunity to network with other leaders and parties interested in sustainable budgeting

Programme

17h00	Opening Remarks and welcome - Brian O'Callaghan , Global Recovery Observatory, Lead Researcher and Project Manager, Oxford University Economic Recovery Project, Research Fellow, Mossavar-Rahmani Center for Business and Government, John F. Kennedy School of Government, Harvard University
17h05	His Excellency, Professor Lee White CBE , Minister of Water, Forests, the Sea, and Environment, République gabonaise
17h15	Brian O'Callaghan , Global Recovery Observatory, Lead Researcher and Project Manager, Oxford University Economic Recovery Project, Research Fellow, Mossavar-Rahmani Center for Business and Government, John F. Kennedy School of Government, Harvard University
17h25	Sonja Gibbs , Managing Director, Head of Sustainable Finance, Institute of International Finance (IIF)
17h35	Mr Jean-Paul Adam, Director for Technology, Climate Change and Natural Resources Management, United Nations Economic Commission for Africa)
17h45	Moderated Discussion Moderator: Brian O'Callaghan
18h15	Closing of Event