

## SUSTAINABLE BUDGETING FOR NAVIGATING THE CLIMATE, DEBT, AND DEVELOPMENT CRISES

### Run-of-Show for a UNEP-UNECA event at COP28

Date: 04 December 2023 // Time: TBD // Venue: Africa Pavilion, Dubai, United Arab Emirates

**Note to Africa Pavilion team:** while we believe that *Finance Day* is the best option for hosting this event, we would also be open to considering alternatives as required.

#### Organisers:

This event is jointly organized by the United Nations Economic Commission for Africa (UNECA), the United Nations Environment Program, and the University of Oxford, in partnership with the Coalition of Finance Ministers for Climate Action.

#### Background and context:

The panel discussion aims to explore the role of sustainable budgeting in addressing Africa's interlinked challenges of debt, development, and environmental crises (see policy brief [here](#)). It builds on the [endorsement](#) of the Sustainable Budgeting Approach (SBA) by African Ministers of Finance, Economy, and Environment at the 2022 International Cooperation Forum and early discussions for a common position African position at the 11th Conference on Climate Change and Development in Africa.

The challenge of trade-offs in government spending and taxation policy is universal across economies. However, it is particularly pressing for vulnerable nations, for whom there is less margin for error. With limited fiscal space and continuing economic uncertainty, every dollar must be used productively. This is particularly important in the poly-crisis era of COVID-19, the Ukraine war, high inflation and debt vulnerabilities, when social care costs are inflated, taxation revenues dramatically reduced, and pathways to a normalized post-pandemic period are uncertain.

The Sustainable Budgeting Approach (SBA) is a framework for helping finance ministry officials make informed and high-impact budgetary decisions, particularly under constrained fiscal space. It is an easy-to-use, evidence-based, and country-contextualised decision-support tool, designed to help policymakers identify, track, and resource strategic policy opportunities (spending and taxation) that simultaneously bolster national economic development outcomes and address critical environmental and social objectives. The SBA is intended for use by a wide range of stakeholders, with meaningful applications for governments (finance ministries as well as line ministries), parliaments, oversight bodies like supreme auditing institutions, credit rating agencies, investors and businesses (including sovereign creditors), development partners, civil society, and researchers.

#### Objectives:

1. To explore how sustainable budgeting can align public and private finance with integrated development, climate, and environmental objectives.
2. To hear from external stakeholders on the value they see in African nations moving forward on sustainable budgeting.
3. To discuss strategies to incentivize private finance on development and environmental goals.
4. To examine the strategic use of budgeting to lower borrowing costs and enhance growth.
5. To investigate the use of de-risking tools and investment plans.
6. To encourage African nations to commit to implementing the SBA.

#### Draft Agenda and Session Flow (Proposed for 4<sup>th</sup> December 2023):

1. Welcome and introduction by the moderator (3 minutes)

*Mr. Nassim Oulmane (Acting Director of Technology, Climate Change and Natural Resource Management, UN ECA)*

**2. Introduction to the Sustainable Budgeting Approach (5 minutes)**

*Dr. Brian O'Callaghan (Lead Researcher, University of Oxford)*

**3. Interventions on the perceived value of the SBA by different stakeholders**

○ **Country perspective (4 minutes)**

*Mr Uzziel Ndagijimana (Minister of Finance and Economic Planning, Rwanda)*

○ **Development partner perspective (4 minutes)**

*Ms Kristin Tilley (Ambassador for Climate Change, Australia)*

○ **Credit rating agency perspective (4 minutes)**

*Mr Bart Oosterveld (Chief Criteria Officer, Fitch Ratings)*

○ **Philanthropic perspective (4 minutes)**

*Ms Kate Hampton (Chief Executive Officer, Children's Investment Fund)*

○ **UN PAGE perspective (4 minutes)**

*Mr Asad Naqvi (Head of Secretariat, The Partnership for Action on Green Economy)*

○ **UN OSAA perspective (4 minutes)**

*Mr Jean-Paul Adam (Director of Policy, Monitoring and Advocacy, UN Office of the Special Adviser on Africa)*

**4. Brainstorming with the audience on problems to be wary of in mainstreaming SBA in Africa, led by moderator (25 minutes)**

*Note: this conversation will be framed with respect to the upcoming 56<sup>th</sup> Conference of Ministers of the UN Economic Commission for Africa, where the Sustainable Budgeting Approach will be discussed.*

**5. Close (2 minutes)**

**Key messages:**

- The Sustainable Budgeting Approach is an essential tool to support African efforts to promote sustainable fiscal policies, aligned to sovereign priorities on development and climate change. In doing so, it also supports priorities on debt and investing in a more sustainable climate future.
- This approach is considered favourably by key stakeholders, including development partners and credit rating agencies. As such, the approach could structurally support reform priorities.
- There is a need for continental alignment to prioritise the sustainable budgeting approach in upcoming global forums. Enhanced coordination is likely to support country priorities.

**Links to background documentation:**

- Policy brief for the Sustainable Budgeting Approach: <https://recovery.smithschool.ox.ac.uk/wp-content/uploads/2023/10/SBA-Policy-Brief.pdf>
- Communique of the 2022 International Cooperation Forum and Meeting of African Ministers of Finance, Economy and Environment (containing language on the "sustainable budgeting approach"): [https://www.uneca.org/sites/default/files/documents/9th-sept-clean-final-communique\\_egypt-icf-and-meeting-of-african-ministers.pdf](https://www.uneca.org/sites/default/files/documents/9th-sept-clean-final-communique_egypt-icf-and-meeting-of-african-ministers.pdf)

**Contact event organisers:**

- Mr Himanshu Sharma, Sustainable Finance Advisor, United Nations Environment Program ([himanshu.sharma@un.org](mailto:himanshu.sharma@un.org))
- Ms Alexandra Sadler, Research Assistant, University of Oxford ([A.G.Sadler@sms.ed.ac.uk](mailto:A.G.Sadler@sms.ed.ac.uk))