

# How The City Of Oslo Manages Carbon Like It Manages Money

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Too often, climate pledges are made with a target date set far into the future, requiring someone else to be responsible for the meeting of that target. With our climate budget for the City of Oslo, Norway's capital, we do the opposite. Just like a financial budget has a ceiling on how much money the city can spend, our climate budget sets a ceiling on the volume of carbon dioxide that can be emitted in the city in the same year. It's not a separate document that collects dust on office shelves, but fully integrated into the most important document of any city, or nation for that matter: the fiscal budget.

## Here's How We Did It – and What Happened as a Result

We first introduced it in 2016, the world's first at the time. Since then, the climate budget has energised climate action throughout our entire municipality. Yes, climate change was already high on Oslo's political agenda, but this new governance instrument transported the issue from the periphery of environmental departments to the centre of attention, and mainstreamed it into daily operations and decision making.

## Key Ingredients That Made This Possible

First, we made it completely in accordance with the most aggressive temperature targets in the Paris agreement, which limits warming to 1.5 degrees above pre-industrial levels. To do this, you need to know your baseline (from what year you're measuring), and your target (where you're headed). In Oslo, our ambition is to become a virtually zero-emitting city in just 11 years. Our baseline is 2009, so that means we need to reduce greenhouse gas emission by 95% by 2030. So, that was our starting point.

Second, we mapped out the annual carbon math for each year. We identified what a realistic emission ceiling would look like for the forthcoming budget year and here's what we came up with. For the year 2019, for example, this ceiling was set at 932,000 CO<sub>2</sub>-equivalents. In comparison, our 2016 ceiling was 1,085,000 CO<sub>2</sub>-equivalents. The recent proposal for 2020 is 809,000 CO<sub>2</sub>-equivalents. This aggressive annual agenda ensures that climate action is not postponed and that action is taken now.

Third, we created a list of emissions-reducing actions that we'll take each year, the estimated impacts each action is projected to have, how much more will be spent that year on each action, and which government entity is responsible for implementation. This is the critical part. If you do this thoroughly, it'll stimulate public awareness and discussion and support for climate-action planning, evaluation, and adjustment. In Oslo, we identified more than 40 measures and instruments at different scales: national, regional and local. We expect some to directly reduce emissions, while others are softer instruments, such as communication and engagement.

Fourth, we created a feedback system to monitor and evaluate if our climate budget is working properly. To inform us whether we are on/off track in delivering expected reductions in real-time,



we developed “a climate barometer”. Our barometer has 14 indicators that are updated three times a year. It tracks any changes in activity – for example, the number and type of vehicles passing through the toll-ring, delivery of fuel for consumption in the city, bicycle traffic and number of passengers using public transport.

The barometer has proven useful in identifying any need for increased

action. It helped us identify a not-insignificant gap in how we measure carbon, for example – a gap that represented 100,000 tonnes of CO<sub>2</sub>-equivalents. This illustrates just one of the many benefits of our climate budget. When a gap is identified, the system triggers the need to take immediate action.

Fifth, we made sure the climate budget communicates quality-of-life benefits to city residents. Our budget describes how climate actions contribute to making Oslo a better city in which to live. And we make it easy for city residents to follow the progress in decarbonizing the city and to understand what it will take to achieve deep reductions in the long term.

Sixth, and finally, we made sure the climate budget sits in the right city office. By allocating responsibility for the climate budget process to the Vice Mayor of Finance, Oslo managed to create cross-municipal ownership of the climate agenda. Every agency or unit needs to report on progress, as they would need to under a financial budget. The climate budget defines who’s responsible to act and at what cost.

## A Flexible and Adaptable Tool

In sum, we can’t think of a better tool for cities to adopt; it’s extremely flexible and adaptable and can accommodate any policy instrument, at any scale. For us, the climate budget is now efficiently managing our mitigation measures, ensuring that they are identified, prioritised, and costed, and that effects are measured and reported. And it’s pushing our city government to show how it will deliver, year-by-year, on our longer-term climate strategy.

No more punting of targets to future leaders, allowing frivolous carbon spending in the short term. The time to start budgeting is now.