

# CARBON BUDGET

An idea for which the time has come

January 2022

**SSG**

# THE PROBLEM

1

*Most cities- and other levels of government- are not achieving their GHG targets*

# THE PROBLEM

2

*The GHG targets are insufficient*

## THE PROBLEM

3

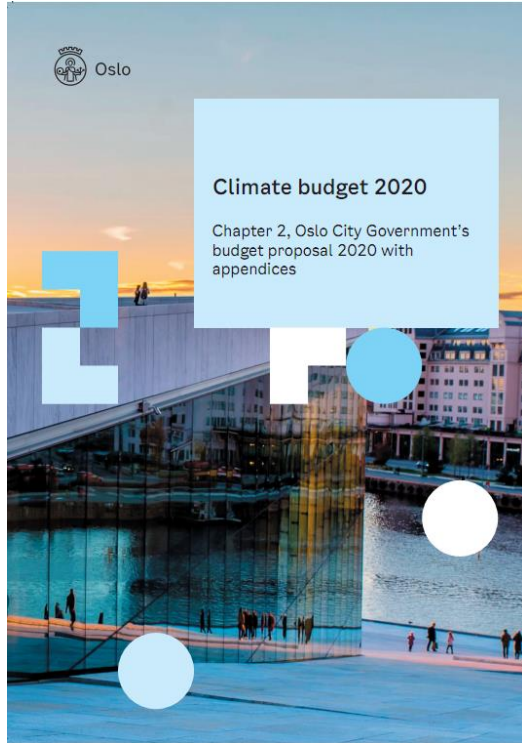
*Most cities- and other levels of government- are continuing to make investments that make it harder to reduce emissions*

# THE PROBLEM

4

*Every tonne matters*

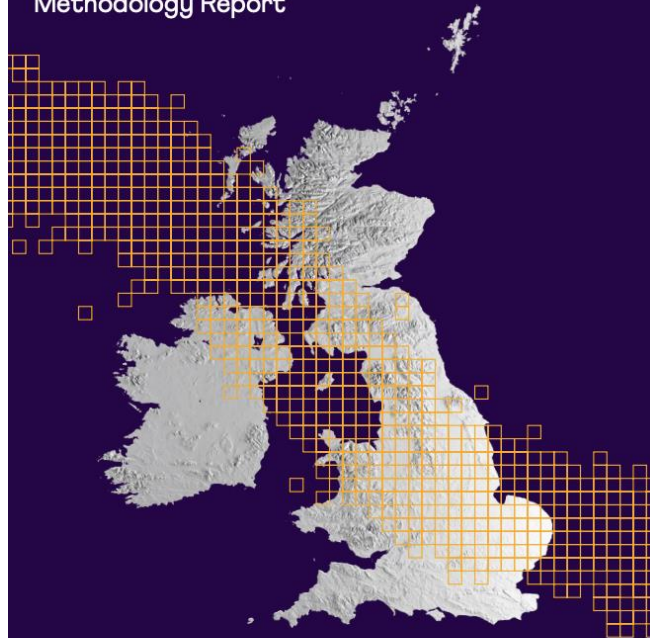
# INSPIRATION



December 2020

# The Sixth Carbon Budget

## Methodology Report



# TWO COMPONENTS

## TARGET

- Annual
- Cumulative
- Aligns with the science

## MANAGEMENT SYSTEM

- Implementation approach



# OBJECTIVES

- **Alignment:** Ensure future service plans and budgets (operating and capital) and policies align with a fair share carbon budget.
- **Accountability:** Highlight trade-offs and synergies for financial and GHG decisions at all levels of the organisation.
- **Recognise community efforts:** Track community initiatives, actions and policies in the context of the carbon budget.
- **Ensure transparency:** Provide a transparent accountability framework.
- **Build capacity and leadership:** Disseminate climate change literacy across the organisation.

DEVELOPMENT

# INGREDIENTS

Policy		
Management/Governance		
Quantification	Tracking	Reporting
Engagement		

# SCOPING

1. What are the steps in developing the financial budget?
2. Who is responsible for those steps?
3. How are projects identified?
4. How is the financial impact of a project evaluated?
5. How are projects prioritised?

> Requires an organisation-wide effort

# IMPLEMENTATION

Phased-in approach

Enabling policy

Project lead (in finance)

Budget

Procurement policy

On-going evaluation

# UNANTICIPATED DIVIDENDS

There are champions everywhere  
People want to be empowered to take action

# SUCCESS FACTORS

Champion(s) in the finance department

Expertise in GHG quantification

Community involvement

Support from Council

Transparency

# NOT JUST ABOUT LEADERSHIP!

Risk management  
(energy transition,  
stranded  
investments)

Prudent financial  
management (the  
cost of carbon is  
increasing)

Liability (cases  
against government  
are increasing  
rapidly)