



CASE STUDY

Climate Budgeting in Oslo

Climate Ready City

Built Environment

Issue: Climate Resilience

- Globally, cities contribute up to 80% of greenhouse gas (GHG) emissions from a complex array of sectors, industries, and sources.
- In Oslo, the vast majority of emissions come from transportation, heavy-duty vehicles, and waste incineration. These sectors require deep, sustained intervention for emissions reduction.
- After the 2015 Paris Agreement, Oslo set a target to reduce its emissions by 95% by 2030 compared to 2009 levels.
- Meeting this ambitious target was not feasible under existing governance structures, which could not ensure accountability.

Political, Institutional, and Social Triggers

- As one of the fastest-growing cities in Europe, Oslo faced a heightened need to offset its emissions and pursue sustainable development.
- Oslo's government recognized that in order to achieve its ambitious climate target it needed strong mechanisms for implementation across all sectors.
- City leaders also understood that the municipality lacked the necessary tools to comprehensively track its emissions.
- This new understanding, coupled with the pressures of population growth and increased climate risks, such as flooding, led to the adoption of a new climate strategy.
- In 2016, Oslo's Climate Agency helped the city launch its first citywide Climate Budget.

Oslo's Climate Budget integrates climate targets directly into the municipal budgeting process to mainstream climate action.

This allows the city to systematically assign and assess the impact of GHG emissions reductions across departments.

As a result of the Climate Budget, Oslo has reduced its citywide emissions by 30% since 2009, with cascading benefits in quality of life for its growing population.

Data-Driven Process

The Climate Budget is an intensely data-driven effort with a strong emphasis on understanding and measuring the city's primary emissions sources.

- The Climate Budget process uses consistent dialogue with market actors to incentivize early adoption of sustainable technology and create a roadmap for wider change.
- The Climate Agency has targeted engagement with early adopters of electric delivery vehicles. This has shaped investments in citywide electric charging stations, paving the way for widespread adoption of this technology.
- Through consultation with residents, Oslo has designed emission reduction policies that strengthen affordable transportation options for the city's most vulnerable.
- The city has built 100 kilometers of cycling lanes and nearly 100% of public transit is electric.
- Oslo's approach of targeting early market adopters and popular policy measures has enabled widespread buy-in of the city's mission and steep emissions reductions.

Enabling Factors

Oslo's strong governance systems and history of institutional trust have helped make the Climate Budget effective. The Climate Budget leverages coordination across city agencies and the private sector to ensure rapid change.

- Oslo's ambitious emissions reduction target solidified the political will needed to restructure its climate action plan.
- The Climate Agency offers technical support to all city agencies in drafting and executing their climate measures.
- Since the Climate Budget sits directly in the Treasury, climate measures are integrated into the yearly budgeting cycle. This builds accountability for achieving high targets.
- City agencies leverage their procurement power with municipal projects to drive wider sustainable change. For instance, the city has mandated that by 2025 all municipal construction sites be emissions-free.
- The city has partnered with 150 diverse businesses through the "Business for Climate" network. This group ensures private sector input in the design of climate measures.

The Climate Budget was a 2023-2024 finalist for the WRI Ross Center Prize for Cities, a global award celebrating and spotlighting transformative urban change. Information was self-reported by finalists. Learn more at klimaoslo.no/oslos-new-climate-strategy/, prizeforcities.org and wri.org/cities.



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Ongoing Barriers to Success

Political will

- The success of the Climate Budget is reliant on the quality of data used to inform target emissions reductions. Oslo relies on national emissions data, which is published every two years and may not capture local emissions reductions. This may weaken political support for climate initiatives.
- Sustaining political will is necessary to implement the Climate Budget. Financial resources throughout the city must be aligned to overcome the inertia of past policies.

Cultural and behavioral norms

- By investing in initiatives that improve people's lives while reducing emissions, Oslo has built a climate action narrative of hope. This has inspired residents to envision their own sustainable lifestyle changes and back the city's mission.
- However, to sustain the project, long-term economy-wide engagement is necessary.
- Currently, 63% of Oslo's businesses support increased environmental regulations. This represents a positive trend, but is not yet complete community support.
- Based on recent youth polls, Oslo's government plans to expand climate education to build population-wide support for its reforms.

Sustaining & Scaling:

For Global North countries that are the largest emitters of GHGs, Oslo's Climate Budget offers significant pathways for reaching planetary emission reduction goals. The project scope has been sustained and scaled up by:

Gaining public buy-in

- Conducting annual polls to gauge support among residents.
- Improving cheap sustainable transportation options that improve quality of life for low-income residents.
- Collaborating with companies to design climate measures.

Withstanding administrative turnover

- Integrating the Climate Budget into the city's regular fiscal budget cycles for long-term viability and accountability.
- Assigning city agencies specific indicators for each climate measure, building cross-sectoral structures for action.

Scaling up, out, and across

- Expanding the Climate Budget to include indirect emissions
- Providing a flexible tool that can be adapted to any urban context and used to build support for national policies
- Partnering with C40 Cities Climate Leadership Group to help hundreds of cities develop their own climate budgets.

IN A NUTSHELL

- In Oslo, heightened climate risks and rapid population growth prompted a new approach to climate action.
- Oslo's Climate Budget integrates the city's climate goals directly into the municipal budgeting process. This data-driven approach allows the government to assign and assess emission reductions across sectors.
- In designing climate measures, city agencies engage early adopters of sustainable technology to enable wider buy-in.
- City departments also leverage their procurement power with municipal projects to drive market-wide change.
- The project has allowed Oslo to guide national policy and created a model for hundreds of cities to follow.

WHAT CAN YOUR CITY DO?

INTEGRATE climate goals directly into the municipal budgeting process to mainstream climate action.

LEVERAGE procurement power with municipal construction projects to drive sustainable change in hard-to-abate sectors.

ENGAGE early adopters of sustainable technologies to create a local landscape that encourages wider change.

CONDUCT resident surveys to ensure that local climate strategy enhances local quality of life.

DOCUMENT lessons learned from climate budgeting to allow for collaboration and model uptake in other cities.

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