

The multilevel governance of the ecological transition

19th Annual Meeting of the Network of Fiscal
Relations across Levels of Government

*Strengthening Fiscal Relations for Future
Challenges*

20th April 2023, Paris





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Aligning subnational policy
agendas with inter/national
environmental commitments is key
for ecological transition to succeed

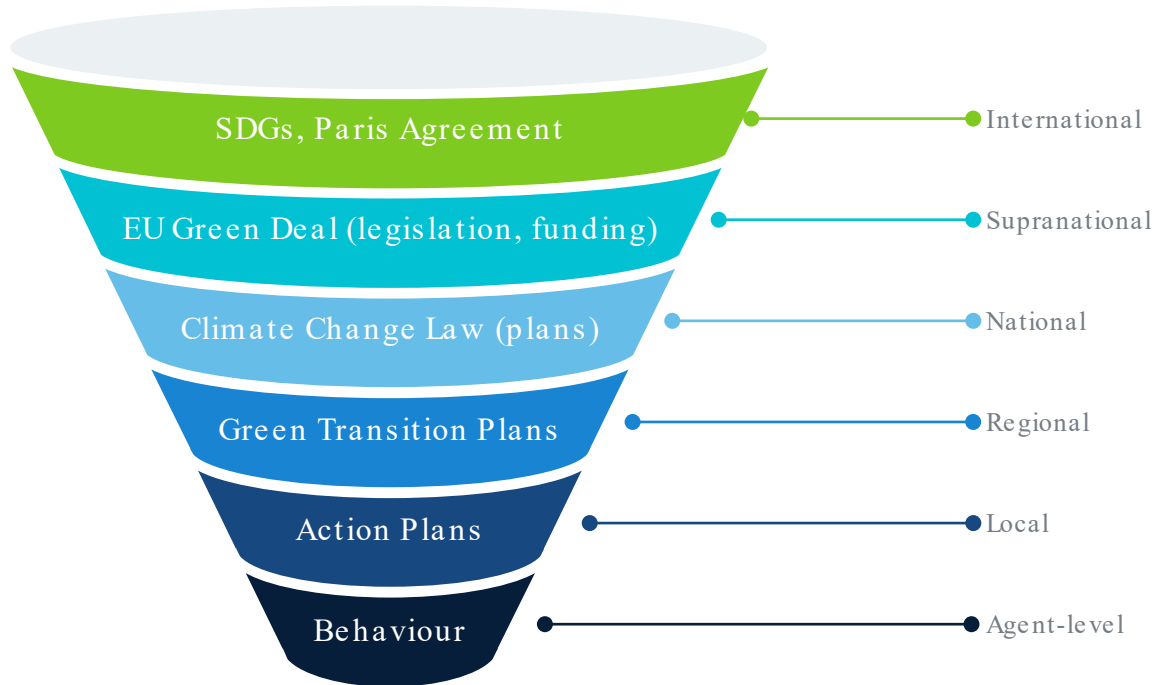
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Main Findings

- Global targets, subnational responsibilities

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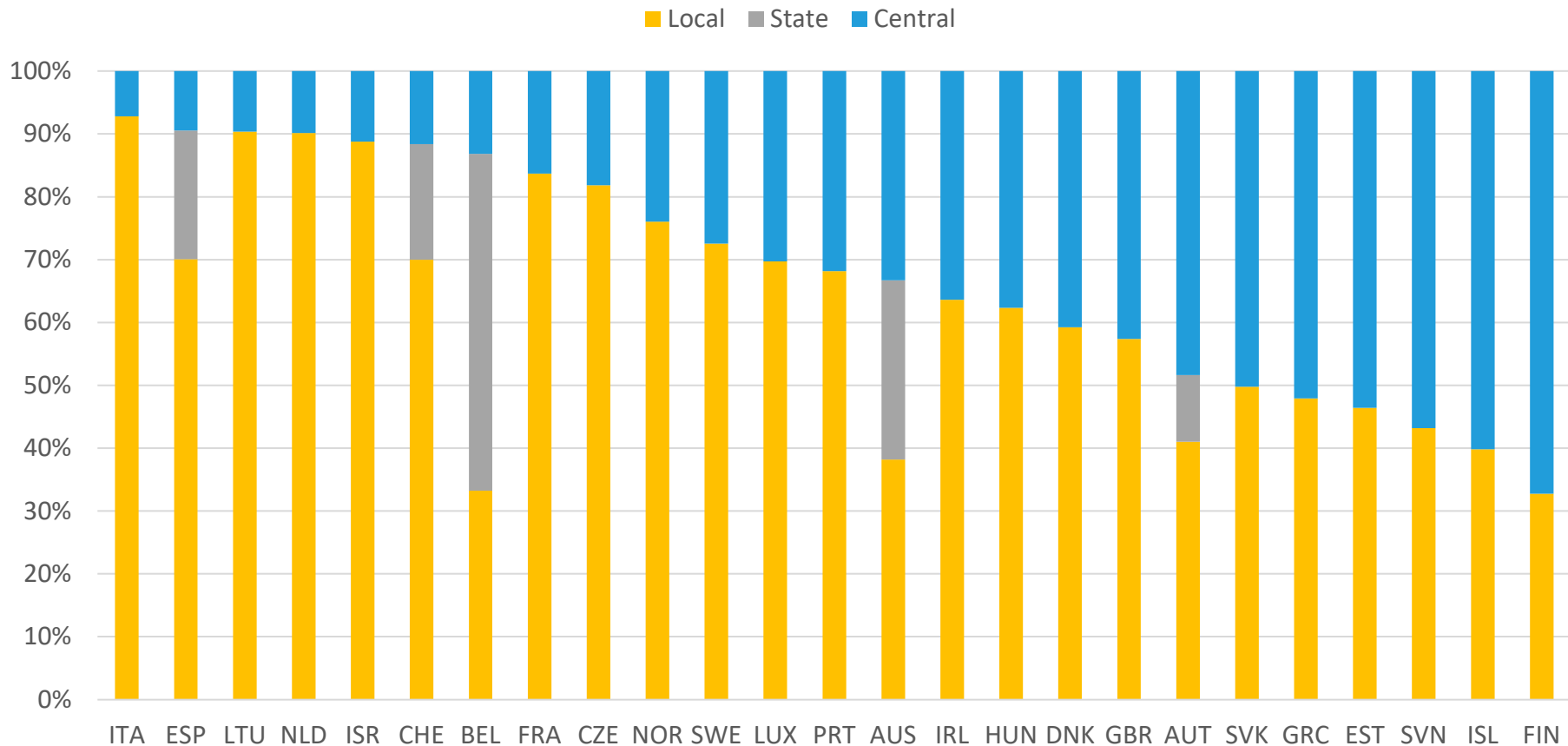
SDG targets with subnational relevance

80% & 70%

of SNGs haven't reached any SDG yet

73%

prioritise environment

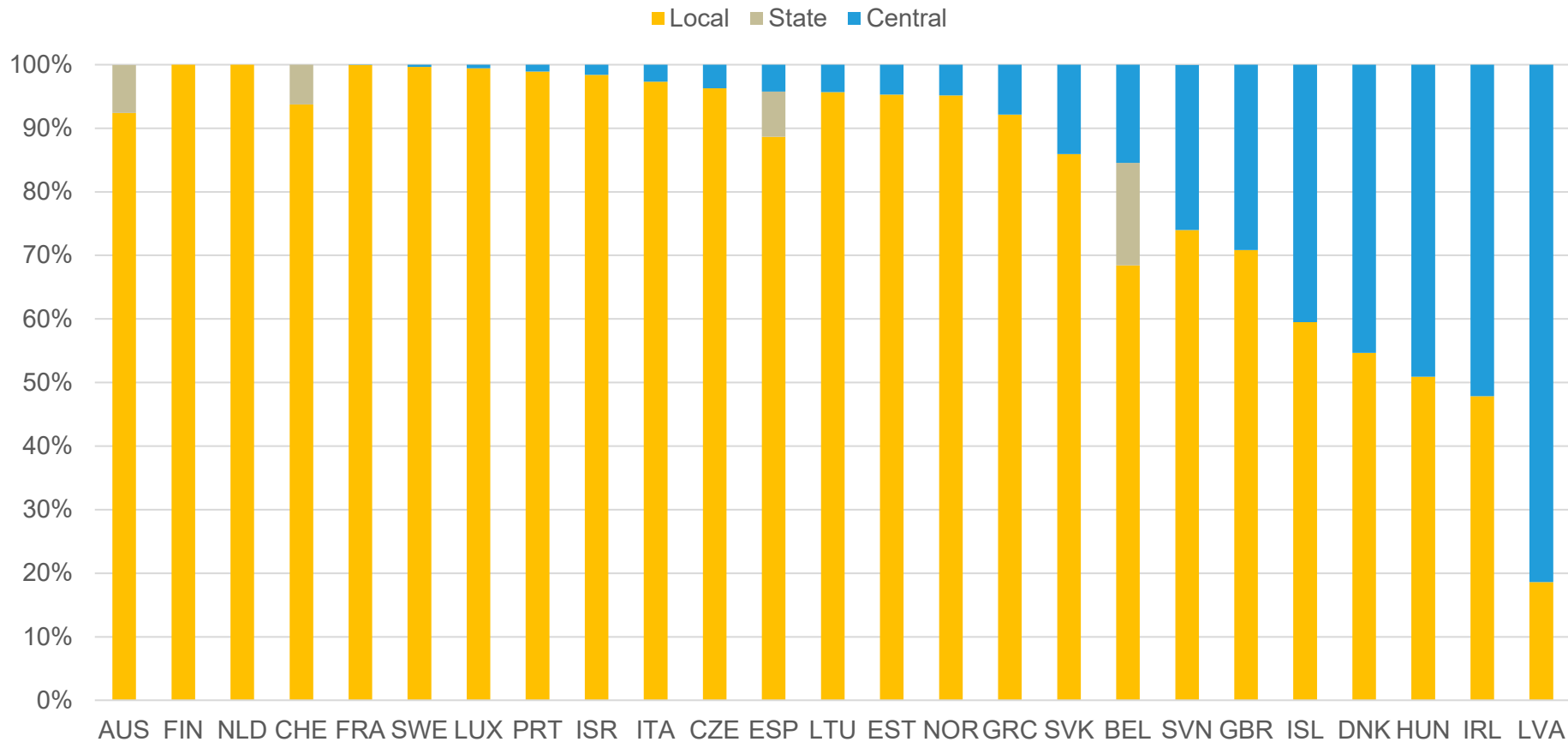


Decentralisation of consolidated public spending on
Environmental Protection (% general gov. spending, 2019)

Source: OECD

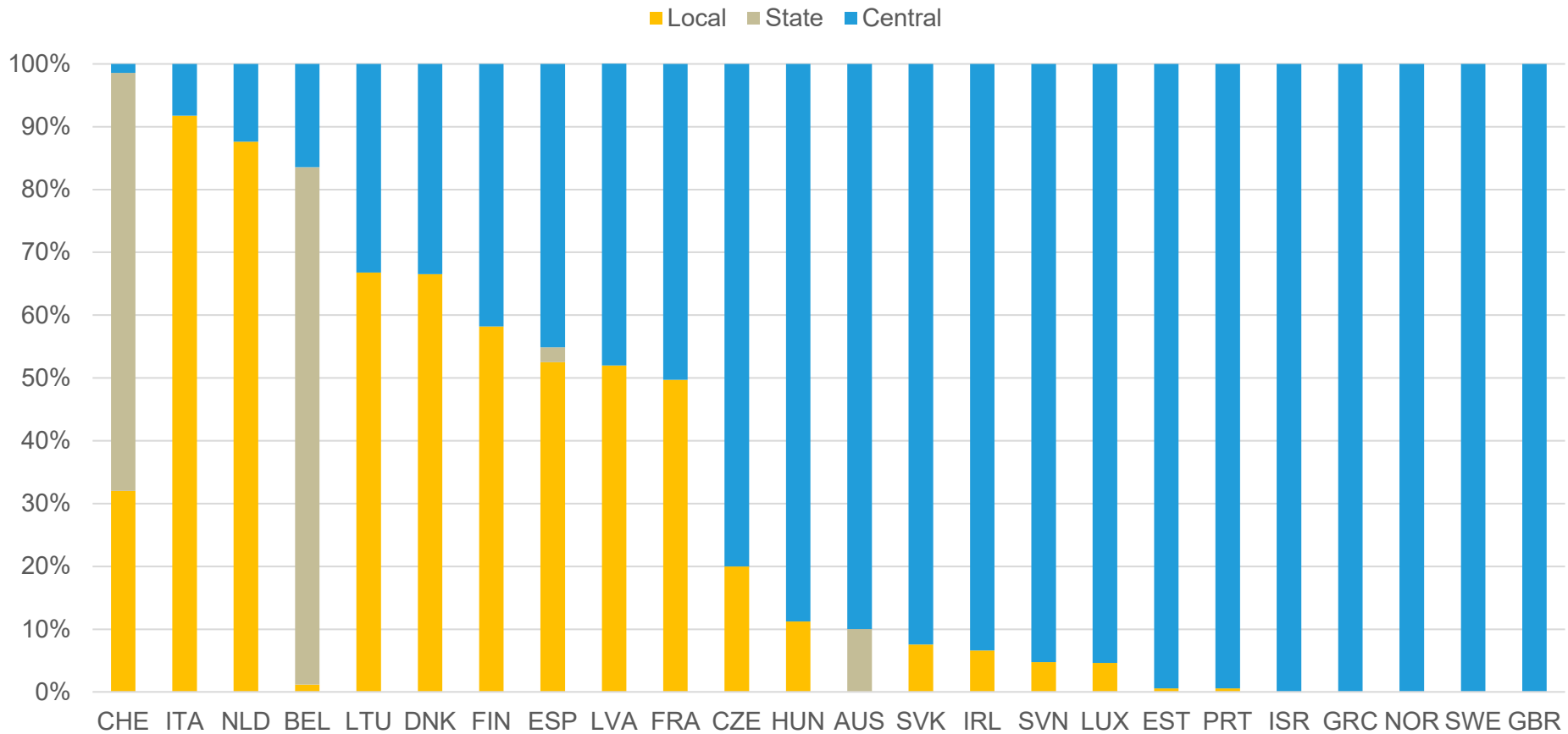
Main Findings

- Global targets, subnational responsibilities
- Heterogeneity across countries and policy areas on the decentralisation level



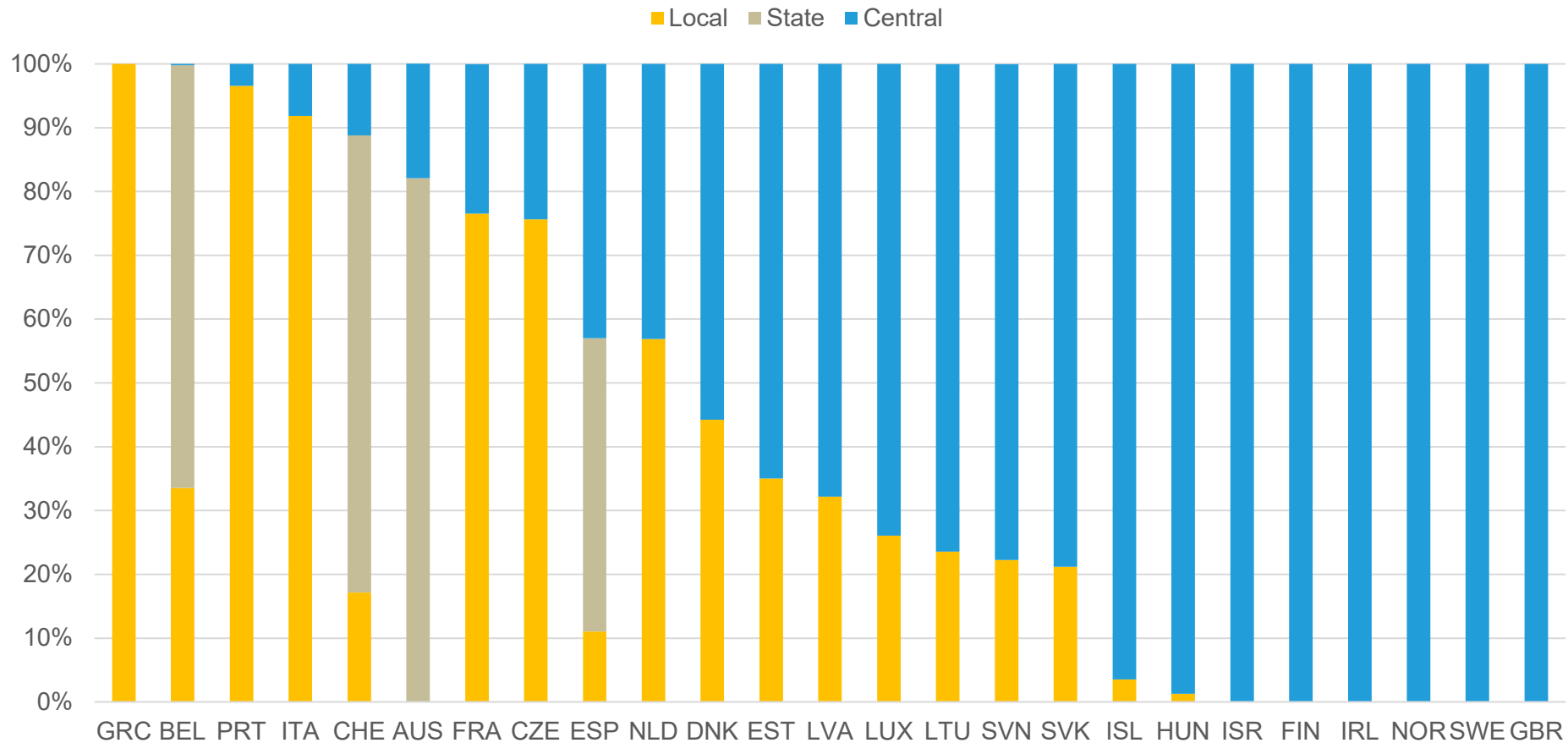
**Decentralisation of consolidated public spending on
Waste Management (% general gov. spending, 2019)**

Source: OECD



Decentralisation of consolidated public spending on
Pollution Abatement (% general gov. spending, 2019)

Source: OECD

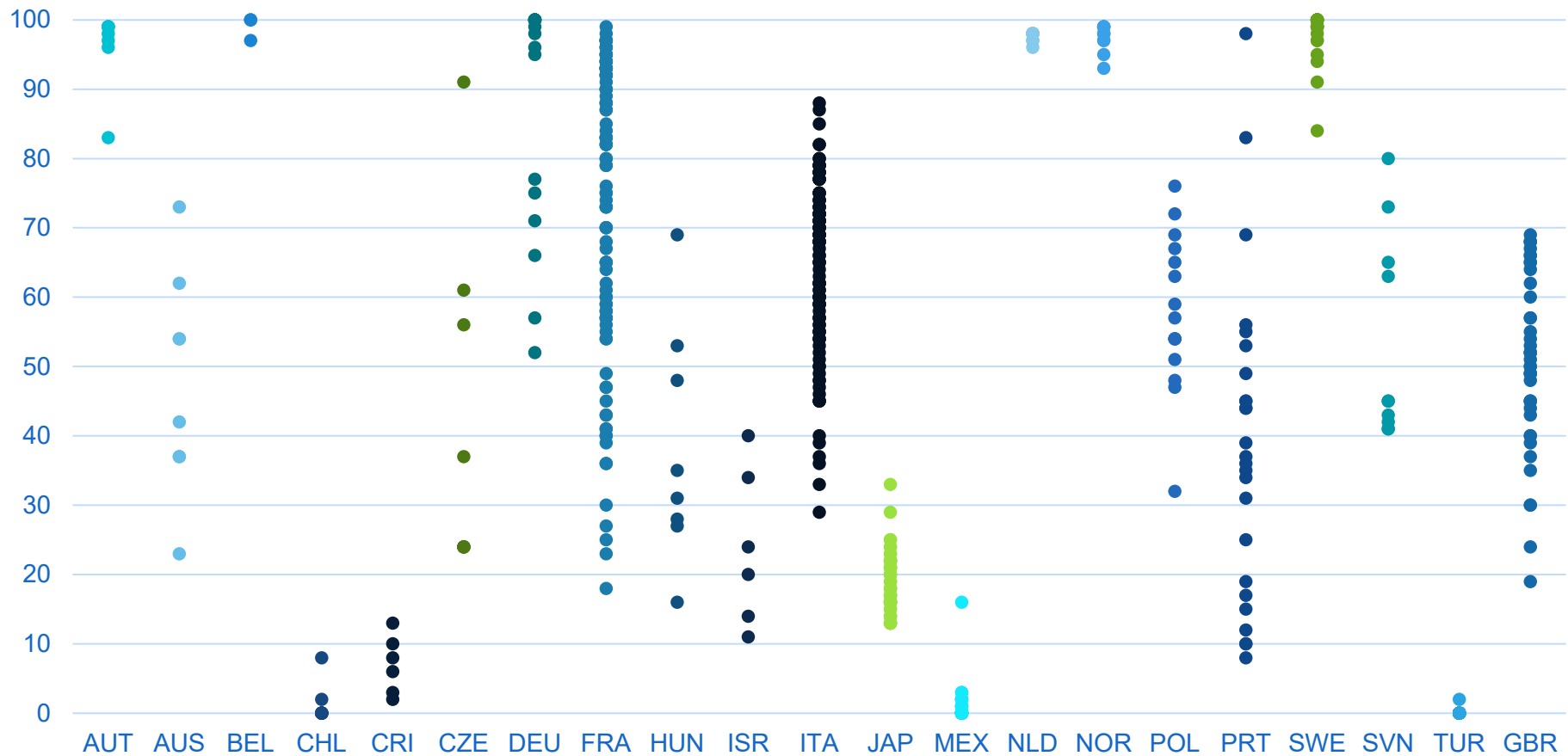


Decentralisation of consolidated public spending on
Biodiversity and Landscape (% general gov. spending, 2019)

Source: OECD

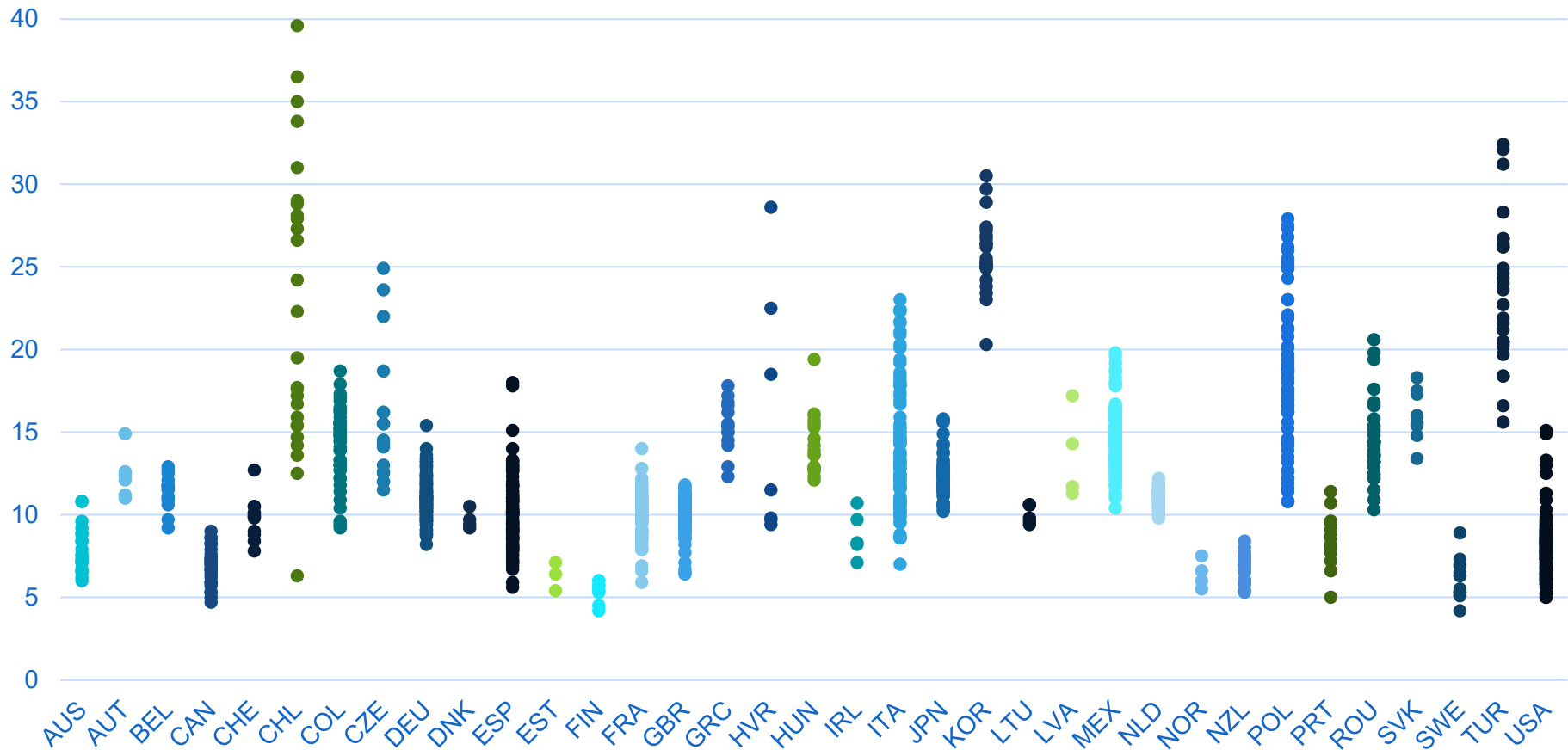
Main Findings

- Global targets, subnational responsibilities
- Heterogeneity across countries and policy areas on the decentralisation level
- Higher decentralisation, uncorrelated with larger outcome disparities



Urban waste **recycling rate** at regional or local level
(%, 2020)

Source: OECD



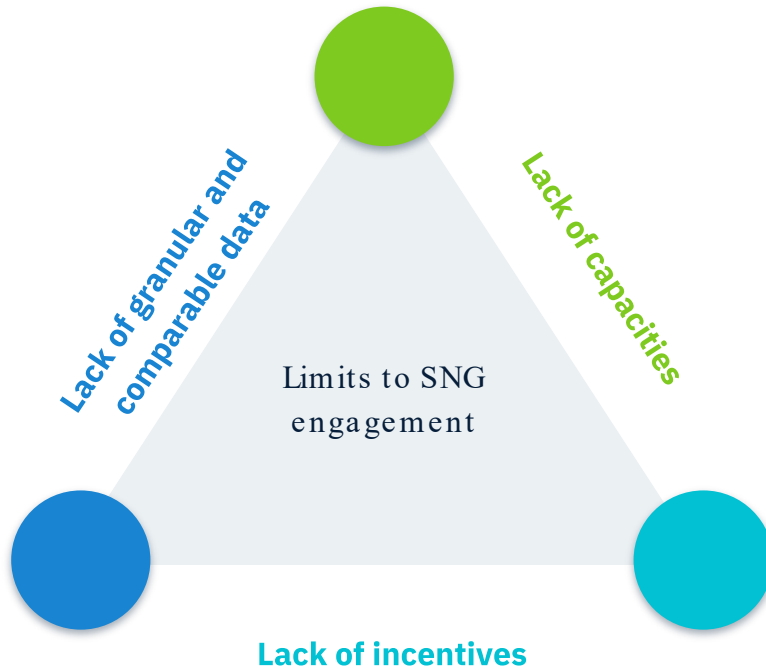
Mean population exposure to PM2.5 air pollution in cities
(in micrograms per cubic metre, 2020)

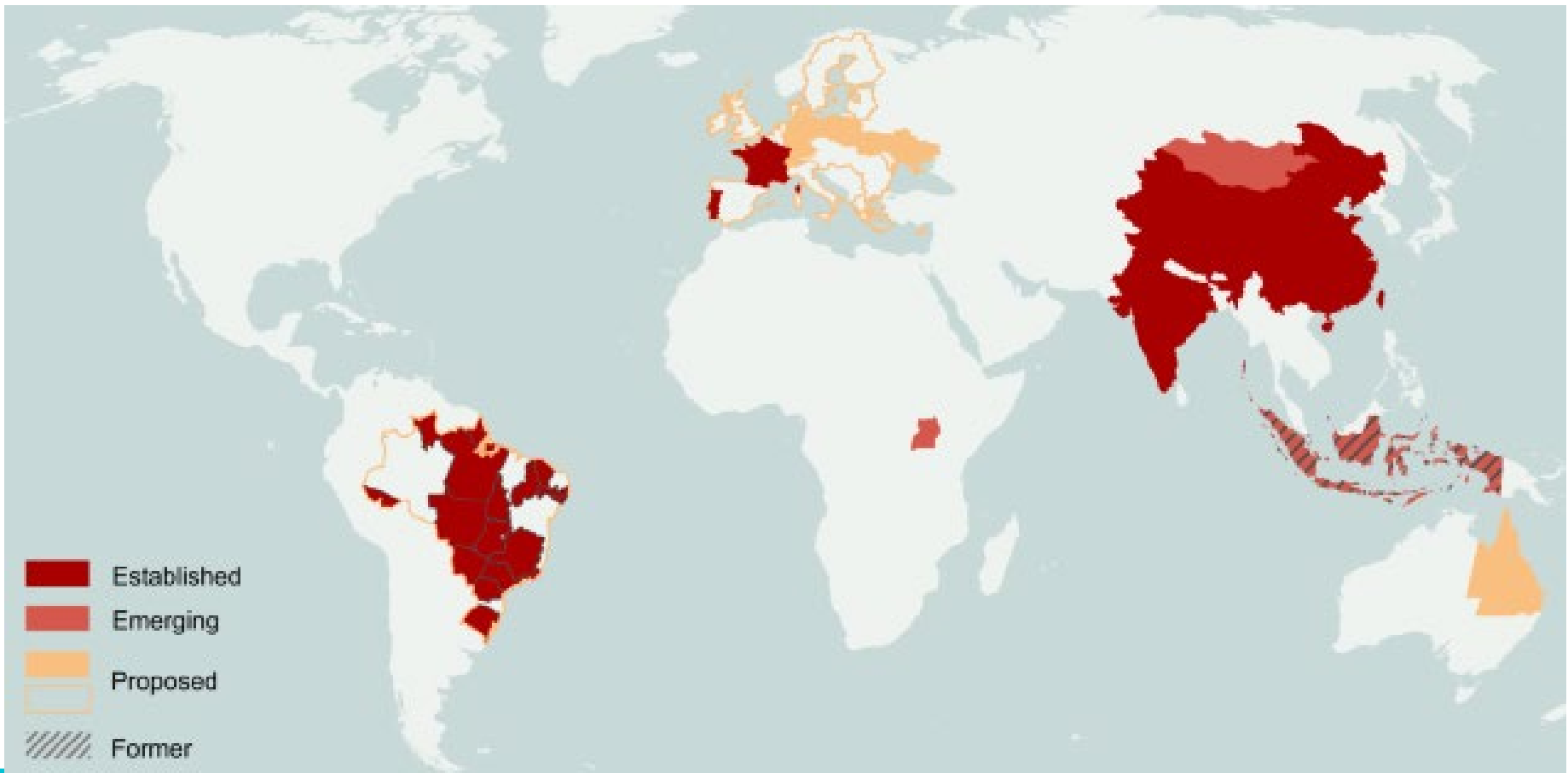
Source: OECD

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- Higher decentralisation, uncorrelated with larger outcome disparities
- Smart incentives are needed for SNG to engage
- Measurement issues

Limits to SNG's engagement





Ecological Fiscal Transfers, a promising tool

Source: Busch et al. (2021)

Food for thought

- How decentralised are Environmental Protection policies in your country?
- Are SNGs governments engaged with the national green agenda?
- Which intergovernmental fiscal tools are used to support and set smart incentives for SNGs?
- How could SNGs help ease popular opposition towards green policies?