

**PUBLIC GOVERNANCE DIRECTORATE  
COMMITTEE OF SENIOR BUDGET OFFICIALS**

**Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions**

**Special Workshop: Integrating Climate into Long-Term Fiscal Sustainability Analysis**  
Draft Agenda

21-22 January 2025  
Rome, Italy

This workshop will present a new analytical tool in development at the OECD. It aims to provide a common framework for calculating the long-term fiscal sustainability impacts of climate change.

The draft tool includes identifying relevant spending and revenue items, quantifying climate-related risks, and projecting their long-term fiscal consequences.

Feedback from the workshop will help further refine the tool.

*This workshop is being kindly hosted by the Italian PBO in Palazzo San Macuto.*

For further information, please contact:  
Scherie Nicol ([scherie.nicol@oecd.org](mailto:scherie.nicol@oecd.org))

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**Tuesday 21 January 2025**

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9:30      **WELCOME REMARKS**

- **Mr. Jon Blondal**, Head of Public Management and Budgeting Division, Public Governance Directorate, OECD
- **Ms. Lilia Cavallari**, President, Parliamentary Budget Office, Italy
- **Ms. Daria Perrotta**, State Accountant General, Italy

**DELEGATES INTRODUCTIONS**

9:50      **SCENE SETTER**

- **Ms. Scherie Nicol**, Lead – Independent Fiscal Institutions, Public Management and Budgeting Division, Public Governance Directorate, OECD
- **Mr. Eddie Casey**, Chief Economist, Irish Fiscal Advisory Council, Ireland

10:00     **MACRO AND DAMAGE COSTS**

This session will go over the macro and climate assumptions that frame the context of the model. It highlights the range of climate scenarios typically considered and their assumed impact on growth. It will also look at simple ways to estimate damage costs that might arise due to more frequent and severe extreme weather events.

- **Mr. Eddie Casey**, Chief Economist, Irish Fiscal Advisory Council, Ireland

10:45     **EMISSIONS**

This session focusses on the assumptions around emissions that need to be inputted into the model based on the most likely transition pathway to Net Zero. It goes on to look at how to estimate economy-wide fuel and energy consumption consistent with this transition pathway.

- **Ms. Alison Todd**, Senior Analyst – Climate Change, Office for Budget Responsibility, United Kingdom

11:30     **COFFEE**

12:00     **TAX REVENUES**

This session begins to look at how revenues are likely to adjust over the course of the green transition. As part of this it will cover how to input appropriate effective tax rates on carbon, fuels and electricity, based on present and future legislation.

- **Mr. Eddie Casey**, Chief Economist, Irish Fiscal Advisory Council, Ireland

**12:30 REFLECTIONS**

Reflections on progress thus far.

**12:45 LUNCH****14:15 A SPECIFIC LOOK AT VEHICLE TAX REVENUES**

This session looks at how to project changes to vehicle tax revenues as the automotive industry decarbonises. It highlights what kind of data is needed to develop a set of revenue projections, and where that might be sourced from.

- **Mr. Eddie Casey**, Chief Economist, Irish Fiscal Advisory Council, Ireland

**14:45 COFFEE****15:15 BUILDING UPGRADES**

Building upgrades will likely be a major area of public investment required to transition to Net Zero. This session looks at the steps needed to calculate the total level of investment required to drive building upgrades and discusses how to identify realistic estimates around the share of costs that might be borne by the government.

- **Ms. Alison Todd**, Senior Analyst – Climate Change, Office for Budget Responsibility, United Kingdom

**16:00 SECTORAL IMPACTS AND OTHER COSTS**

A second key area of public investment associated with the transition to Net Zero is state intervention to support the decarbonisation of key sectors. This session will look at how to identify the key sectors that might need support and what approach to use when calculating expenditures resulting from government supports. Other costs include incentives that might be introduced by a government to enable the transition to Net Zero. This session also looks at how to identify what additional investments and subsidies might be needed and how they can be quantified.

- **Ms. Alison Todd**, Senior Analyst – Climate Change, Office for Budget Responsibility, United Kingdom

**16:45 WRAP-UP**

Reflections from day 1.

**Wednesday 22 January 2025**

9:30 **WELCOME BACK, AND RECAP**

9:35 **ADAPTATION COSTS**

This session looks at the range of adaptation costs that need to be inputted into the model and how to quantify them, including aspects such as flood and coastal protection.

- **Ms. Alison Todd**, Senior Analyst – Climate Change, Office for Budget Responsibility, United Kingdom

10:00 **NON-COMPLIANCE COSTS**

This session looks at how to input non-compliance costs to the model.

- **Mr. Eddie Casey**, Chief Economist, Irish Fiscal Advisory Council, Ireland

10:30 **COFFEE**

11:00 **RESULTS**

This session looks at how results are presented in the model to give an overall sense of how growth, tax revenues and public spending will be affected by climate change.

- **Mr. Eddie Casey**, Chief Economist, Irish Fiscal Advisory Council, Ireland

11:30 **COUNTRY-SPECIFIC EXERCISES**

This time will be used for Delegates to further apply the tool in their specific country context.

12:30 **LUNCH**

14:00 **SCENARIOS AND COMMUNICATIONS**

This session will look at the types of scenarios that users will most likely want to consider presenting and how the choice of scenarios can help to communicate the results more effectively.

- **Mr. Eddie Casey**, Chief Economist, Irish Fiscal Advisory Council, Ireland

15:00 **CLOSE**

- **Mr. Jon Blondal**, Head of Public Management and Budgeting Division, Public Governance Directorate, OECD