

United Kingdom

Guidance on green considerations in appraisal



TYPE OF TOOL
*Methodology/
Guidelines/
Requirements*



MAIN SECTORS
All sectors



THEME
Green



INFRASTRUCTURE GOVERNANCE PILLARS
*Fiscal sustainability, affordability and
value for money;
Evidence-informed decision making*

In a nutshell



OBJECTIVE: The supplementary guidance to the UK Green Book cover environmental and climate considerations in the appraisal of policies, projects and programmes.



Agency in charge

HM Treasury; Department for Business, Energy & Industrial Strategy



Year of implementation
2012



Levels of government
National



Current status
Fully operational

Overview

The UK Green Book is accompanied by supplementary guidance dealing with specific topics. For example, even though some general indications on how to include environmental and climate considerations in the appraisal of policies, projects and programmes are already provided in the Book, more specific guidelines have been published on energy use and greenhouse (GHG) emissions, impacts on air quality, and climate change risks and adaptation. The supplementary guidance on valuation of energy use and GHG emissions provides government analysts with a set of rules for quantifying and valuing energy use and GHG emissions. In particular, it gives practical information about implementation of the carbon valuation methodology for policy and project appraisal. It also outlines the reporting requirements for compliance with carbon budgets and guidance on how to calculate the cost-effectiveness of climate change policies. Moreover, this supplementary guidance covers additional impacts, including impacts on air quality. The guidance is also accompanied by an Excel-based calculation toolkit to convert increases and/or decreases in energy consumption into changes in GHG emissions and values such changes, data tables with the latest published assumptions for carbon values, energy prices, long-run variable energy supply costs, emission factors and air quality damage costs for the 2010-2100 period.

The supplementary guidance on climate change and environmental valuation supports analysts and policymakers in identifying if and how their proposals might be affected by climate risks and challenges. It informs how to design appropriate adaptation measures. More specifically, it defines a step-by-step process to integrate considerations of climate change and climate resilience into the overall appraisal process proposed in the UK Green Book. It defines three key stages for integrating considerations of the effects of climate change: i) developing options – Identifying climate risks and adapting options where necessary; ii) appraisal of options - incorporating climate change risks and impacts into the appraisal process for costs and benefits; and iii) decision making, monitoring and evaluation - valuing flexibility and adapting accordingly.

REFERENCES:

- OECD (2023), "Strengthening environmental considerations in public investment in Ireland: Assessment and recommendations", OECD Public Governance Policy Papers, No. 35, OECD Publishing, Paris, <https://doi.org/10.1787/83b97aca-en>.