

Climate Budgeting and Finance in Asia Pacific

Tokyo Fiscal Forum

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UNDP

Countries need to...

- achieve their aspirations on the 2030 Agenda for Sustainable Development by equitable climate finance for desired climate action
- integrate climate change in the development agenda
- address key bottlenecks to successful NDC implementation such as lack of access to finance, limited institutional capacity, limited access to reliable data and lack of political will
- explicitly addresses SDGs # 13 and by increasing government knowledge of and capacity to access climate finance and contribute to addressing signature solutions 1 and 6 (SDG 1 and 5).
- ministries of Finance to articulate fiscal or/and development policies in relation for incentivising the private sector to integrate climate sensitivity into their investments.
- equal attention to adaptation and mitigation



COUNTRIFS

Bangladesh

Cambodia

India

Indonesia

Malaysia

Maldives

Nepal

Pacific (8 Countries)

Philippines

Sri Lanka

Thailand

Vietnam



1. Climate Change Informed Planning and Budgeting



2. Access to

International

Climate Finance

6. Modelling the Impact of Climate Change on Economic Growth & Equity



Climate Finance Network

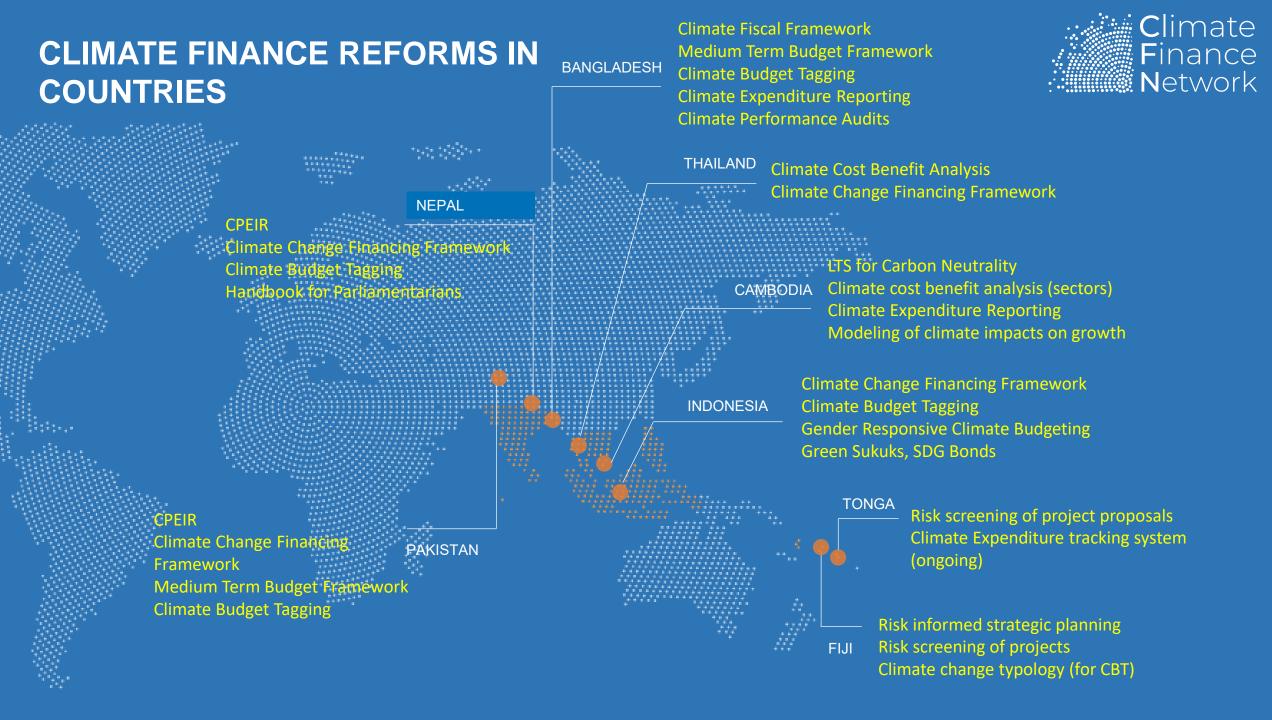


5. Transparency and Accountability of Climate Finance



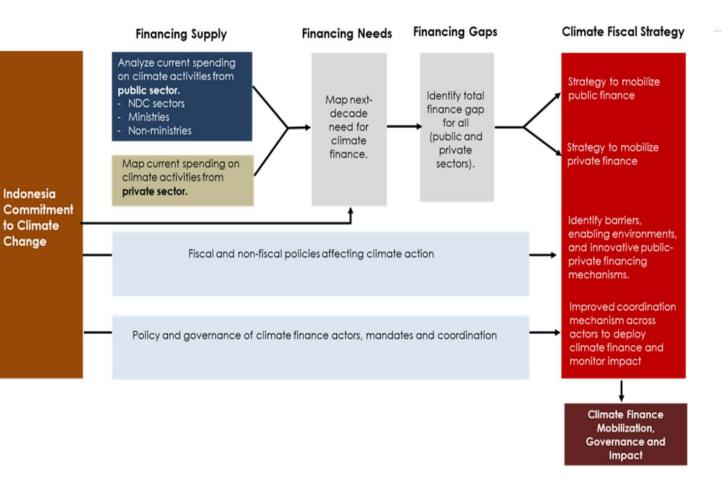
4. Gender and Social Inclusion in Climate Change Finance 3. Tax and Innovative Climate Finance

Climate Public Expenditure & Institutional Reviews (CPEIRs) Climate Change Budget Integration Index (CCBII) **Climate Change Financing** 1. Fiscal Frameworks (CCFFs) Framework Climate Performance Audits (CPAs) Medium Term Budget Frameworks (MTBFs) 5. Control and 2. Budget Climate Finance Handbook **Enabling** Preparation Audit Environment / for Parliaments, CSOs Climate Cost Benefit Analysis Legal (CCBAs) Climate Citizens' Budget Framework **Climate Expenditure Reports** 4. Accounting and 3. Budget Execution Reporting Climate Budget Tagging (CBT) (CERs)



Climate Finance Framework

Indonesia – Climate Change Fiscal Framework

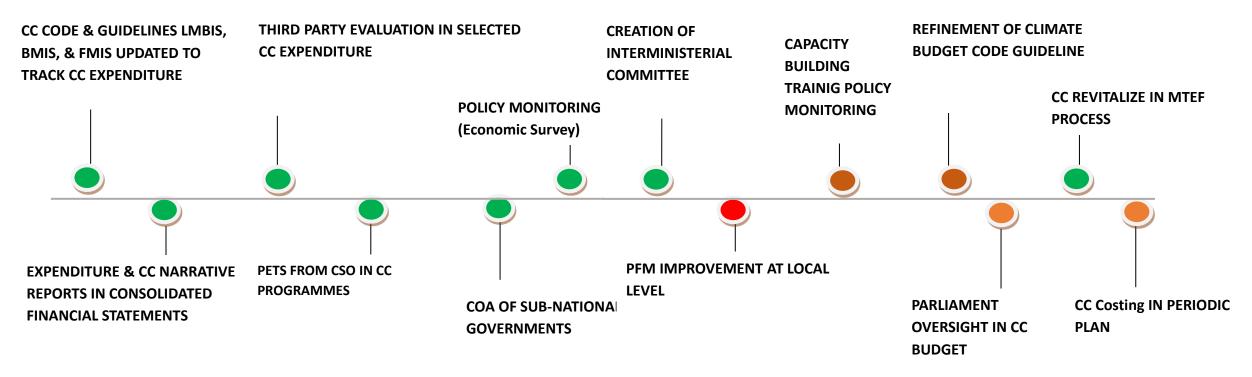


Bangladesh – Climate Fiscal Framework

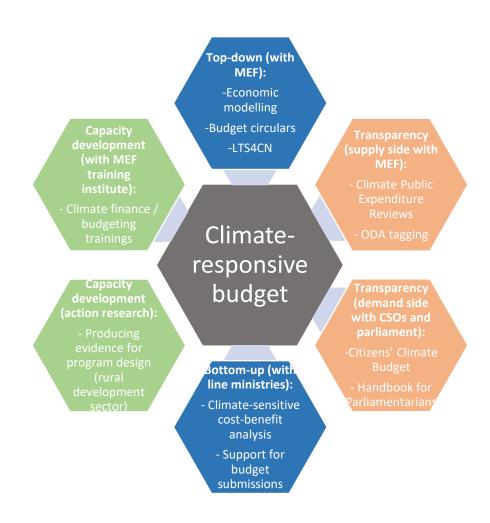


Climate Change Finance Reform Roadmap (Nepal)

CPEIR 2012 CBT 2015 CCBII 2017

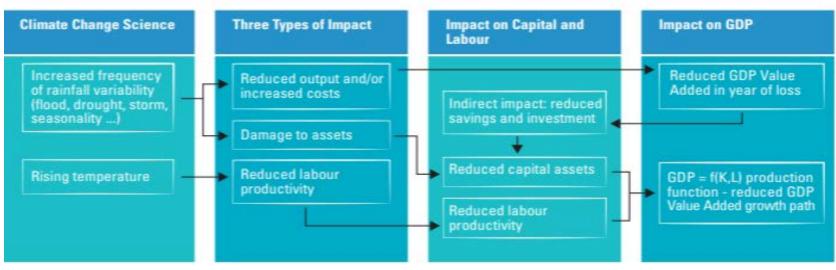


Support to climate-responsive budgeting in Cambodia



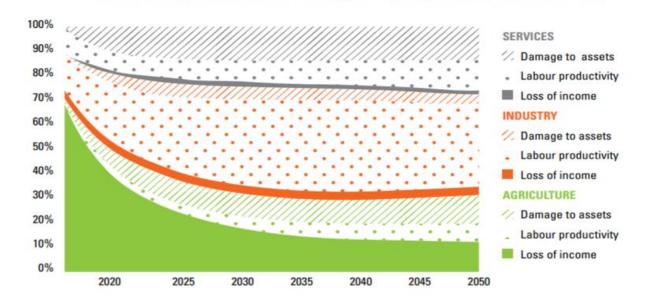
Cambodia - Modelling climate impacts on GDP, sector & type of Impact





"In 2050, reduced labour productivity accounts for 57% of all loss and damage. It affects all sectors but is particularly high in manufacturing and construction"

Economic Impact of CC by Sector and Type of Impact (% drop in absolute GDP 2050)



PACIFIC- top-down approach

TONGA

- CCBI informs the reform agenda.
- Cabinet approval sets CBT mandate
- TWG established with representation from the Prime Minister's Office. MoF and



Risk-Integration in Projects

- Risk screening tool adopted by MoF for all budget proposals.
- Corporate plans adopted to provide performance orientation to budgets



TWG has approved piloting ex-ante budget tagging in 4 sector ministries



Climate Budget Tagging

- •Ministry of climate change is leading the work on the development of climate change typology.
- For Ex-post (expenditure) Tagging MoF has developed options for tagging in FMIS.

FIJI

- CPEIR (2015) identified entry points
- Ministry of Economy (now Finance) develops option paper for reforms (2019)



CC risks being seen in wider development context

' Risk screening for development investments integrated in Fiji's internal M&E system at the Ministry of Rural and Maritime **Development and Disaster** Management



Climate Budget Tagging

Systems Reform – IFMIS

Tagging Climate-related expenditures



-Parliament enacts CC law (2021) and stipulates adoption of CC expenditure monitoring system

Informing top-down decisions with bottom-up evidence generation

Demonstrate

Initially three community level projects were risk informed – Community water tank, farm road and community hall.

Replicate

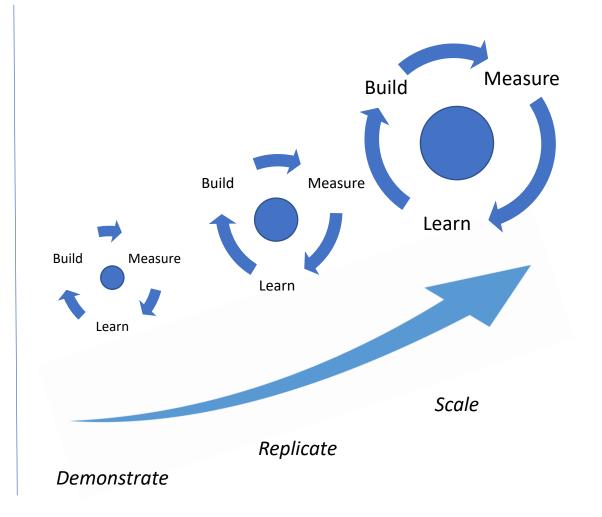
MRMDDM developed risk costing norms and applied it to larger portfolio

Scale

Now all small project proposals incorporate risk costing for resilient infrastructure development

Vision:

Create linkage with MoF to support budget decisions with the development of norms for resilient budgeting



Accountability and Transparency

Parliamentary Engagement

- Nepal, Pakistan- Thailand, Bangladesh, Indonesia
- Guidebook- federal, provincial CC basics, budget scrutiny, sources
- Budget briefs for parliamentarians in Philippines
- Finance and Environment Committees

Climate Citizen Budget

- Cambodia- presentation to parliamentarians
- Nepal
- Pakistan, provincial level- part of the government issued citizen budget
- Bangladesh Citizen Budget

Climate Budget Tagging

- Bangladesh
- Nepal
- Pakistan
- Philippine
- Tonga and Fiji in the pipeline

Making programming more robust!!

- Demonstrate practicality
- Relationship with nationally determined contributors (NDCs)
- Alignment of sectoral policies and outputs
- Evidence for garnering international resourcing for addressing CC
- Linkages with the SDGs and making it part of the larger picture
- Continued engagement and commitment
- Neither CPEIR nor the Expenditure Tracking system helps without analysis

THANKS