

# CLIMATE BUDGET TAGGING

## ‘Knowing What You Spend’

Moving towards comprehensive climate finance reforms

# Governance of Climate Change Finance (Climate Finance Network) has supported in

- Development of methodologies and tools for integrating climate change in PFM
  - Climate Financing Framework
  - Climate Public Expenditure and Institutional Analysis
  - **Climate Budget Tagging- 'Knowing What you Spend'**
  - Climate Budget Integration Index



Budgets also tap thematic bonds & engage private investors

- *Green Sukuk (Indonesia)*

Budget formulation and planning better aligned with climate change

- *Medium Term Budgetary Framework Pakistan*
- *Sectoral ministries budgets in Fiji*

Tools for embedding CC in governance and financial management promoted

- *Climate Change Budget Integration Index*
- *Climate Budget Tagging System*
- *Guidance for parliamentarians and media*

Climate Change Financing Frameworks

Climate Public Expenditure and Institutional Reviews

# What have we achieved?

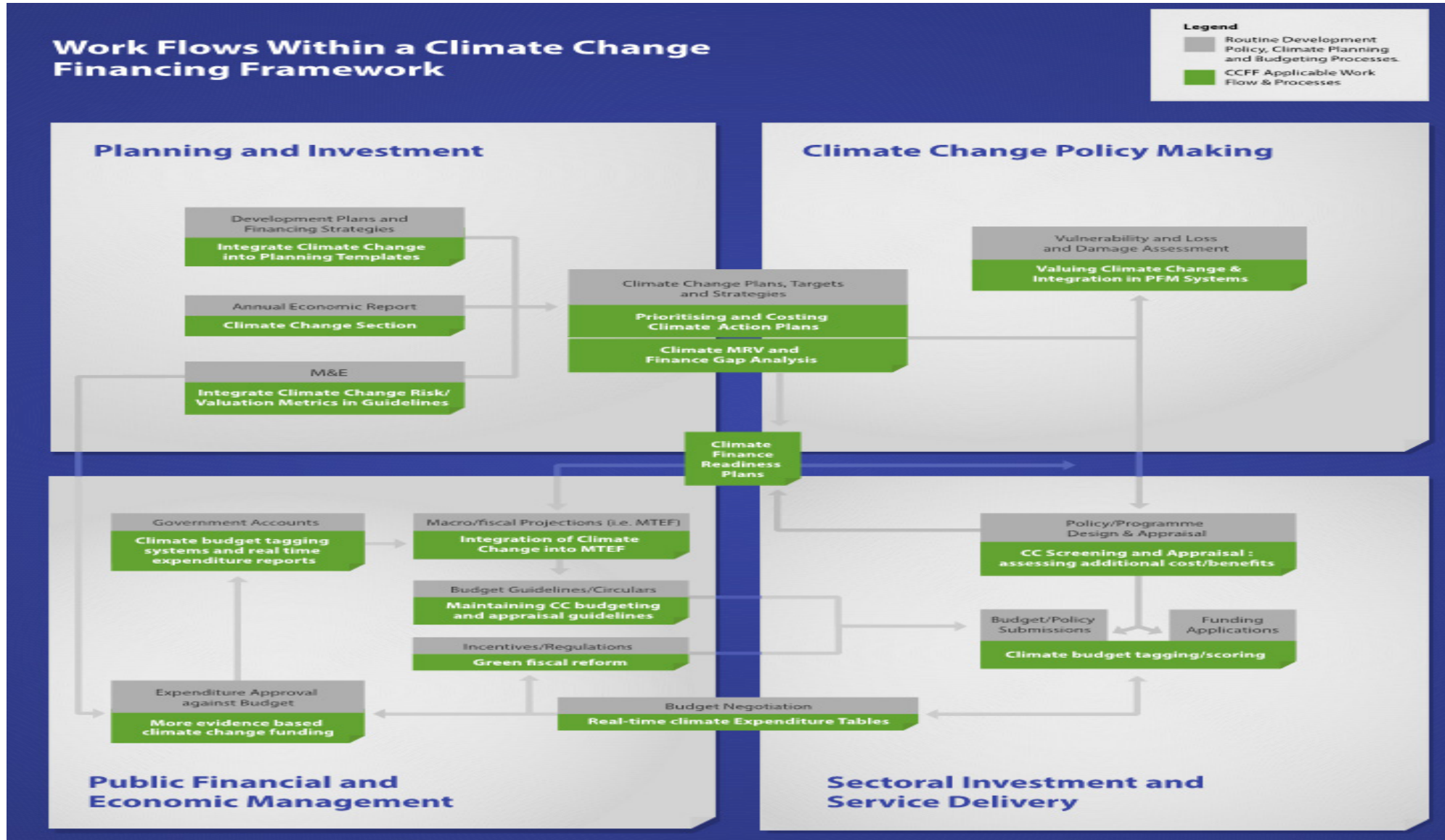
- \* Pioneering UNDP project to actively engage ministries of finance – opens doors for other initiatives
- \* Building blocks established for gender-responsive **green economy**
- \* Inspired work in other regions



# CBT part of wider climate finance agenda



Empowered lives.  
Resilient nations.



# What is CBT aiming at!



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## CBT Evidence and Analysis

Spending  
Efficiency and  
Accountability

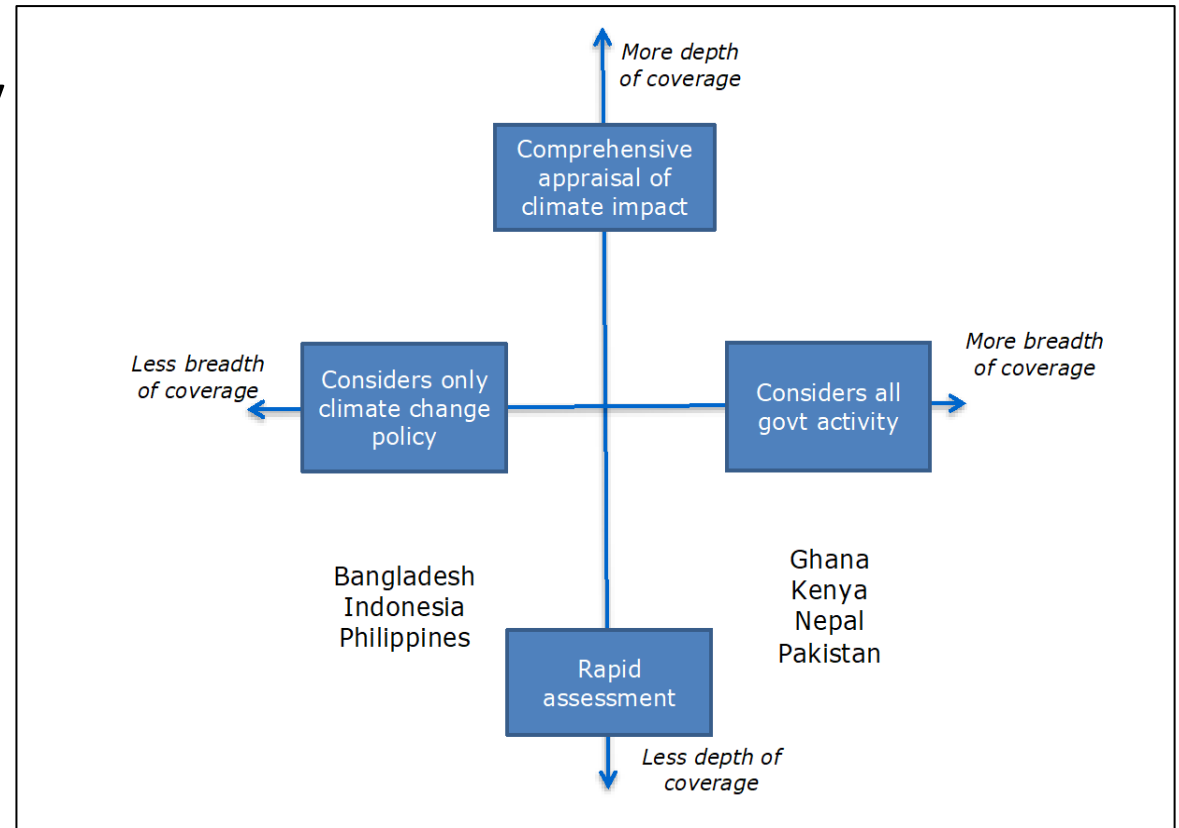
Influence Budget  
Allocation leading  
to increased CC  
share in the  
Budgetary  
Allocation

Improved CC  
Investment Design

Policy Impact

# Scope of CBT

- **Objective-** Information or influencing budgeting and policy
- **Coverage**
  - Breadth of coverage- whether priority areas or wider range
  - Depth of coverage- a rapid assessment based on project documents or an in-depth climate screening appraisal





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# Policy Application of CBT

- Indonesia Green Sukuk and Climate Public Finance Report 2019
- Pakistan Medium Term Budgetary Framework
- Philippines- tagging information from line ministries is used to produce budget briefs to inform budget hearings
- Citizen Budgets- Cambodia, Nepal, KPK (Pakistan)
- Bangladesh- advocacy for additional international finance

# Demand for CBT is Growing



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	CPEIR	CBT completed but refinement in process	CBT in pipeline/ Requests
Countries	Nepal, Bangladesh, Cambodia, Philippine, Indonesia, Pakistan, Uganda, Thailand, Tanzania, Samoa, Vietnam, Vanuatu, Marshall Island, Morocco, China (Hubei), Benin, Kenya, Bhutan, Philippines, Chile, Columbia, Costa Rica (planned), Ecuador, Elsalvador, Honduras, Peru (planned), Nauru, Kirbati	Nepal Philippine Bangladesh Ghana Kenya Indonesia Pakistan	Cambodia Tonga Chile Fiji Grenada Guatemala Rwanda Ecuador Armenia



# Challenges

- Negative investments/ expenditures are not considered
- Capacity and institutional constraints
- Intergovernmental linkages- sub national governments
- Data Analytics- CBT is not an end in itself
- Broader PFM reforms



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# THANK YOU