Budgeting for Climate Change
A collaborative approach for effectiveness

Highlights and Key Takeaways from the Regional Exchange

1. Context


The exchange brought together representatives from Government and Civil Society from multiple countries in Asia who are playing a growing role in strengthening planning, budgeting and oversight for development finance in general, and climate change finance in particular. In that process, many are also working towards ensuring that it reaches the most vulnerable groups and is delivered in a gender responsive manner.

One of the main successes of the regional exchange was to demonstrate the increasingly critical roles that can be played both by the government and civil society actors at different stages of the planning and budgeting process to mainstream climate change as a cross cutting issue. The exchange provided rich examples of achievements, the challenges that remain and important lessons learnt for the way forward, and the benefits of working in a collaborative manner.¹

2. Climate Change Responsive Planning and Budgeting- Progresses through a whole-of-government approach

The exchange started with an overall analysis of the progresses made by governments in Asia in establishing national climate change policies, national coordination mechanisms for climate change. It presented an overview of the way in which countries are examine the responsiveness of their budget systems to climate change through the implementation of diagnostic tools such as the Climate Public Expenditure and Institutional Review, Climate Change Budget Tagging, and Climate Fiscal Frameworks. Particular emphasis was put on the need for strong involvement by central agencies (e.g. planning and finance), the urgent need to engage line ministries with social portfolios, essential oversight actors such as auditor generals, parliaments, and national human rights

¹ Please refer to the concept note for the regional exchange, Annex 1.
commissions as well as state related financial institutions such as the Central Bank for a comprehensive response to climate change.²

Given the multiple actors who have a role to play in the mainstreaming of climate change, coordination mechanisms that have been established are facing challenges. They have often limited influence and impact on actual mainstreaming and implementation of CC policies; they can overlap with other coordinating entities; and there is a lack of clarity on role vis a vis those agencies that do have a specific mandate on climate change. Furthermore, high level CC committees are often not meeting regularly due to limited availability or interests from policy makers and lack of adequate technical support. Finally, these mechanisms have limited understanding of climate change finance.

Improved coordination mechanisms, and attempts to move the management of climate change policy from its current “sectoral” approach to a whole-of-government approach, where Ministries of Planning and Finance have a key role to play in climate change planning and finance management given the economic and fiscal impacts of climate change are occurring. Likewise, ministries in charge of social portfolios also have a key role to play in climate change adaptation policy delivery given the social impacts of climate change.

Against this background, civil society organizations, regional platforms, coalitions and knowledge networks have played a multi-faceted role to support climate change mainstreaming throughout the policy cycle, for instance by:

1. Generating and managing climate change knowledge to help Governments and communities better plan and adapt for climate change³;
2. Supporting governments develop climate change action plans at both sectoral⁴ and sub-national⁵ levels ensuring that they are designed gender responsibly⁶;
3. Making important contributions to the budget formulation process to influence key issues such as allocations and expenditures for development and climate change related issues⁷;
4. Monitoring public investments and programs funded through both, domestic budgets and off-stand-alone funds, and evaluating their impacts.⁸

² The role of Central Governments and State in general was covered in particular in the presentations made by UNDP Bangkok Regional Hub under the title "Climate Change Responsive Budgeting in Asia-Challenges and Opportunities" and the South Africa based Public Service Accountability Monitor under the title "What’s in it for us-benefits from cross stakeholder collaboration".
³ The support role to climate change knowledge generation was particularly covered in the presentations made by the global Climate and Development Knowledge Network under the title “Supporting decisions makers for climate compatible development through knowledge” and Practical Action, Nepal under the title “Where are the Gaps in Knowledge on Climate Change”.
⁴ The support role in climate change sectoral planning was covered in the presentation made by the Delhi-Based Climate Action Network for South Asia under the title: “Developing Climate Change Action and Sectoral Plans”.
⁵ The support role in climate change planning at sub-national was covered in the presentation made by the Islamabad based, Lead Pakistan under the title: “Partnership with Provincial Governments” about their experience working with Pakistan’s provincial governments.
⁶ The support role in engendering climate change planning was covered by the New Delhi based Center for Budget and Governance Accountability in “CSOs engagement with Climate Change Financing-Experience from India” about their experience working with State level governments in India developing gender responsive climate change action plans.
⁷ A global perspective on the role played by Civil Society Organizations in the budget formulation process was provided by the International Budget Partnership in “Budget Work for Accountability-Role for CSOs”, and a national examples of such interventions was presented by the Center for Budget and Governance Accountability.
⁸ A global perspective of the role played by Civil Society Organizations on public expenditure monitoring and evaluation issues was presented by the International Budget Partnership. The Kathmandu based Freedom forum presented a national
5. Assessing the overall pro-poor orientation and the gender responsiveness of the climate change planning, institutional and financing architecture.

3. Climate Change knowledge in the budget cycle - challenges

Despite these positive developments, there are challenges that are faced by both state and civil society actors at different stage of the planning and budget process, both in terms of efficient integration, and in ensuring that the climate change finance reaches the poor and vulnerable. This is where the significance of adequate knowledge and information becomes particularly relevant.

3a) Planning and pre-budget

Information and evidence for decision-making about climate change investments is a key part of the planning and pre-budget stage. A key challenge however is related to climate change knowledge generation, dissemination, and use. The capacity of Ministries of Environment (or equivalent) - which are often designated as the lead ministry on Climate Change - to do so remain weak and even when the knowledge is produced by them, or other actors, it is seldom feeding into the policy making, planning and budgeting processes. Sometimes, the knowledge that is generated tends to be undertaken for academic and/or research purposes, and is of little use for public policy and practice. Where CSOs have been developing information and conducting research and analysis, the dissemination of the information is often limited to donors (funders of the study), and/or there is insufficient access to the national decision-makers for it to be used efficiently.

At the local level, the situation is similar, if not worse in certain cases, as there is limited transfer of nationally generated knowledge to the local level. Moreover, exchange of information and knowledge on climate change within district line agencies is often limited, if at all, and therefore communities are relying more on the knowledge products provided by projects or NGOs.

Underlying these challenges is that climate change policies are often not well integrated and aligned with national development strategy processes, sector policies and actions plans, or other cross-cutting issues (Poverty Reduction Strategy Papers, Disaster Risk Reduction, Social Protection, Gender Equality). Nor are they systematically translated into sub-national level plans policies. This weak integration in national systems is an overarching problem that needs to be overcome.

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9 Such assessments were presented by Care Vietnam in their presentation entitled “A Glance of Climate Finance in Vietnam Pro Poor and Gender Dimensions” and by Bangladesh on the work done in country on Adaptive Social Protection.
3b) Budget Formulation

Very closely linked to the challenges around the planning and pre-budget stages is the budget formulation phase. Here too, the insufficient recognition of the potential impact of climate change for economic and social development by policy-makers means that climate change is given low priority in the budget formulation phase. Coupled with this is that line ministries whose mandates touch explicitly or implicitly on climate change are unable to articulate their needs in the formal processes that can determine budget allocation. Other obstacles that were identified during the discussion were related to: restricted access to policymakers, difficulty aligning with other partners as very few CSOs are working on issues of climate change financing, and most importantly, the limited institutional space and inadequate timing for engagement and consultations\(^\text{10}\). While there are legal provisions for participatory planning, at national and particularly sub-national level, their implementation is limited, and where they do happen, the processes were not thought to be genuinely participatory.

3c) Budget Monitoring and Evaluation

The lack of access to relevant disaggregated information on budgets represents a significant constraint for monitoring and evaluation analysis. Paradoxically, there is also a recognizable inclination to tag the majority of activities as climate-related which can lead to additional external funding. However, in terms of presenting a realistic picture of the actual investment on climate, this can be misleading. For example, international data shows that less than 30\% of the adaptation projects funded through external funding have adaptation as a primary intent\(^\text{11}\). In the national budget, measurements do not always work well. Current budget tagging often codifies only proposed budgets and not actual budgets, which means that the impact of expected climate investments cannot be assessed easily. Local tracking results show even more problematic results, where for instance, funds allocated for “solar rice driers” in the Philippines have been used for building basket-ball courts.\(^\text{12}\)

More fundamentally, the providers of financial resources are not always willing to share information and be transparent.\(^\text{13}\)

Governments have nationally embedded systems for monitoring and evaluation, often through ministries of planning, as well as sector ministry-specific reporting. These systems are often stretched in their ability to perform their duties, due to insufficient human resources, inadequate access to relevant information from implementing agencies, as well as competing priorities. Complementary efforts through cooperation with other actors for research and analysis could be beneficial, in terms of the quality and quantity of information that can feed into existing M&E processes. This would then strengthen the evidence base to feed into subsequent cycles of planning and budgeting.

3d) Ensuring Climate Change Finance is Pro-poor and Gender Responsiveness

There is widespread recognition that poor women, and marginalized populations are worse affected by the effects of climate change. The deliberations helped to identify and present the gaps and challenges that are preventing

\(^\text{10}\) The institutional space can even be tighter at sub-national level.
\(^\text{11}\) Based on calculations from OECD data from 2010-2014.
\(^\text{12}\) P. Terpstra, A. Peterson Carvalho, E. Wilkinson, “From Tracking to Action – Promoting Social Accountability in Adaptation Finance”, Oxfam, World Resources Institute, 2015
climate change finance reaching these disproportionately groups. Gaps were identified in both the policy and institutional frameworks, as well as in the design and delivery of climate change finance to vulnerable groups.

In the first instance, some programmes are not specifically mandated to address gender equality. While programmes in climate change adaptation, disaster risk reduction, or specifically mentions in the INDCs refer to poverty reduction and social justice, there is limited reference to gender. Likewise, despite stories that point to the adaptive capacity of women in the face of climate change, women are seen as mere victims of climate change and not active agents who contribute to adaptive solutions. Moreover, there is insufficient collected data to conduct detailed analysis on how much finance has reached the community level poor and the vulnerable.

In general, the budget cycle is inadequate in addressing vulnerability and gender dimensions of climate change finance. There is an absence of poverty reduction and gender equality in the selection criteria of the screening/appraisal processes under Ministries of Planning and in climate change adaptation prioritization frameworks. Furthermore, calls for climate change investment projects often do not require specific gender sensitive objectives, targets, indicators, gender analysis or mainstreaming activities in the proposal guideline, which makes the evaluation of impact from a vulnerability and gendered lens difficult.

4. Climate Change Knowledge – what have we learned so far?

The variety of experiences from different actors has led to a number of lessons learned in integrating climate change finance in core planning and budgeting processes, as well as in targeting it in a way that benefits the poor and vulnerable. Some of the key take-aways include:

Institutionalized Climate Change Knowledge

A systematic identification, generation, management, and use of climate change and specifically, climate change finance, is missing, i.e., an institutionalized response to climate change knowledge. Identification requires that there is a recognized need for certain types of information which impact climate change finance allocation decisions. Importantly, this includes ensuring that knowledge actually reflect the needs of the communities affected most by climate change; and that governments are setting the agenda for the research so that they can subsequently guide climate change investment decisions. Generation requires the right entities to be involved in producing that information. Tailor-made knowledge products that are useful for policy making, planning and budgeting should be developed and produced systematically as opposed to the current “scattered” situation. The management of the information and knowledge – existing or new – requires one coordinating entity to take on the role of consolidating and managing the flow of information. Knowledge should be disseminated and communicated, and as such, the Use of the knowledge is a responsibility for all policy-makers, as well as any other actors who have an interest in climate change decisions, whether local government, Parliamentarians, or the media. In any of the above, strengthened information management systems linking local to the national level planning and execution has strong potential benefits. Working through partnerships with multiple stakeholders from different sectors can also result in more effective outcomes, where actors are working through their comparative advantages, rather than duplicating efforts.
Climate Change Responsive Budgeting should be Integrated, Participatory and Transparent

Public resources that are specifically designated for climate change programmes should be an integral part of the budget to enhance accountability and transparency in the use of funds. Too often, and too much of the current climate finance is off-budget, whether at national or sub-national levels. This means that tracking them becomes more difficult, and therefore, transparency in the allocation, use, and impact of the funds is not feasible.

There are tools such as the Right to Information Act, which exists in a number of countries in Asia-Pacific, which can be used to ask for information related to the public budget, and which can then be used to equip citizens with the right information to enable them to participate more effectively in the planning and budget formulation stages. It can be used as systematic tool to track any public money as demonstrated by the Nepalese experience with Constituency Development Program (CDP) and Constituency Infrastructure Development Special Program (CIDSP). Success from these experiences can be replicated in the context of climate change finance tracking.

Overall, there is a need to integrate transparency, accountability, and participation mechanisms into Climate finance strategies from the beginning. For this, regulations backed by political will is required; at the technical level, templates should be developed and special budget codes assigned. These need to be complemented by advocacy efforts from the media and other advocacy oriented-groups. For instance, the issue of whether mechanisms like the Open Budget Index could include a question on climate change was raised.\(^4\)

Climate Change Policy, Planning and Finance should be pro-poor and Gender Responsive

The exchange highlighted the need to work on the national systems throughout the climate change policy and budget cycle from vulnerability assessments all the way down to fair, transparent and robust accounting system for climate finance, for both domestic and international sources. This was summarized as follows:

“There is a need for vulnerability assessments to build strong evidence based case for climate change policy and finance that is pro-poor and gender responsive. Poverty reduction and gender equality should be at the heart of all climate strategies and investments. Climate Change strategies, programs and activities should be designed with participation of vulnerable communities, particularly women, and accountability to these groups. The use of gender criteria in prioritization of Climate Change actions should be incentivized. M&E on changes in gender quality and poverty reduction. More attention and finance to the promotion and integration of community based and led interventions. Strategic shifts in the allocation of finance required to build up its resilience. A fair, transparent and robust accounting system for climate finance, for both domestic and international sources.”\(^5\)

Elements of this approach were used in India at the state level to engender the state action plans on climate change, track budgets for addressing gender concerns in adaption and climate change, strengthen gender responsive budgeting and allocate budgets and institutionalize the process. In Bangladesh, the focus was on social protection programmes and analyzing the extent to which social protection, disaster risk reduction, and climate change adaptation approaches are being integrated in initiatives funded by government, development partners,

\(^4\) UNDP BRH has developed and piloted the “Climate Change Budgeting Integration Index” to assess the level at which climate change finance is integrated in the public financial management system. For more information, please click here.

\(^5\) Nguyen Thi Yen (Mrs. Yen), CARE International (Vietnam)
or CSOs. Similarly, it also looked at where integration is occurring and how such programmes and projects are intended to promote resilience amongst the poorest and most vulnerable people, and to what extent the gender dimension of policy, expenditure and outreach to ensure adaptive social protection is inclusive.

5. What is the Rationale for a Collaborative Approach?

Understanding how budgeting for climate change finance can be made more effective was the context of the exchange. Of the different ways effectiveness can be enhanced, working in partnership and collaboration among different stakeholders was the focus of the discussions. Collaboration and cooperation can happen in multiple ways, and for different reasons. Knowledge on how much budget is spent on various climate change initiatives is important to understand. However, assessing whether it was used for its intended purpose, and whether it benefitted those who are neediest is critical. Government, CSOs, parliaments, and development partners all have a role to play in contributing to this analysis and understanding, and doing so in a collaborative manner was thought to be desirable.

While still rare, there are emerging examples of the ways in which collaboration has taken place in the region.

At Global Level

- The Climate and Development Knowledge (CDKN) which is a global network of civil society organizations and think tanks provides a good example of a shared platform for CSOs committed to (i) supporting climate compatible development policies and planning, (ii) improving developing countries’ access to climate change finance, (iii) strengthening resilience though climate related Disaster Risk Management and (iv) supporting climate negotiators from the most vulnerable nations in international negotiations.

At Regional Level

- A successful example is the work of the Climate Action Network for South Asia (CAN-South Asia) which has been working on framing the regional climate agenda, mobilizing diverse stakeholders to implement a climate agenda through participatory approaches; for transparency and accountability towards vulnerable population among others. It has also worked with SAARC on renewable energy.

At National Level

- The People’s Budget Initiative (PBI), for which the Centre for Budget and Governance Accountability provides the secretariat, is a platform for CSOs to engage with the national budget in India at Union Level and has been promoting greater mainstreaming and prioritization of climate change and gender issues.
- Similarly, the Institute for Climate and Inclusive Cities in the Philippines is working with Legislature to prioritize climate investments and allocate better scarce climate finance resources. They leverage their influence with legislators, but also with in-house think-tanks such as the Congressional Policy Budget and Research Department, and Senate Economic Planning Office. It has resulted in joint policy recommendations before the budget cycle that considers international and national fund sources. The influence of partnership has reached other executive offices such as the National Economic Development
Authority (NEDA), Department of Budget and Management DBM), and Department of Finance (DOF). The partnerships resulted in a strong critique of government methodology to measure climate change, the establishment of oversight and special committees on climate change in legislature, improved research agenda, and a commitment to increase funds such as the People’s Survival Fund.

At Sub-national Level

- LEAD Pakistan has worked successfully with the 4 provinces of Pakistan to develop, among others, climate change policy and Multilateral Environment Agreements (MEAs) Action Plans.
- The Centre for Budget and Governance Accountability in India has worked with 4 State government to engender their climate change action plans.

The benefits of a collaborative approach is that it supports credibility, ownership, and accountability of actions taken based on knowledge that is generated in partnership among different actors. Such cooperation – vertical and horizontal – is critical for changes to be reflected in budget policies and processes. If undertaken efficiently and genuinely, collaboration for climate change budget effectiveness can lead to: a better link between demand and supply of climate change interventions; allow for a better understanding of budget processes and decisions therein; and it can improve accountability and transparency. Importantly, and ultimately, it is about changing the rationale for budget decisions so that resources are targeting the most vulnerable to climate change in an efficient manner. Collaboration enables the generation of the evidence required for this in a way that optimizes the comparative advantage of each actor, and reduce duplication.

6. Working Toward a Collaborative Approach – the Way Forward

The participants discussed the principles that should underlie a collaborative approach, between and across different stakeholders from government, civil society, development partners, media, and the non-executive branch of government. One of the key principle mentioned was to adopt a “constructive input oriented approach and not conflicting approach”. Others included:

**Working with the right entities and individuals:**

- The identification of ‘champions’ within the Legislature and Government as they are key to take things forward

**Institutionalised approach for collaboration**

- Sustained engagement with government and civil society stakeholders
- Formal spaces for engagements

**Evidence-based advocacy for policy-making**

- The sharpening of advocacy towards ‘desired change’
- The production of robust research and science-based climate responses that adds value to policy frameworks to build evidence that is based on data, best practices, and innovations
- Conversion of research into accessible ‘Policy Briefs’
- The rigorous analysis of budget and policy issues to generate evidence, with disaggregated information on budget formulation & implementation
Timely engagements
✓ The provision of policy inputs and knowledge sharing during critical times of public processes

Strengthen capacity
✓ The building of capacity to mainstream climate agenda and institutional framework,
✓ Capacity building, training and technical assistance to governments, CSOs, and other non-executive actors

Sensitising the public
✓ The mobilization of popular opinion on relevant issues through media engagement.
✓ Ownership and demand of research agenda from domestic actors to inform and guide climate change actions

In addition, the following areas will need to be addressed:

a) Understanding the gaps in the budget process that can benefit from a collaborative approach

A first step is to understand where the gaps are with regard to existing systems and processes that could benefit from additional support in the form of knowledge and information. As the workshop highlighted, while one of the challenges is the lack of relevant information related to climate change finance – whether on public funds, or those that are off-budget, there is at the same time insufficient use of the information that does exist. Questions need to be asked about the bottlenecks that are preventing the system and processes to use the available information and work to the best of their potential. Understanding the gaps therefore means understanding the demand for the right kind of information.

Planning/pre-budget
- Information related to vulnerability and other factors are lacking
- Reconciling the priorities of the government with those of communities to make investment decisions responsive and effective.

Budget formulation
- While there are legal provisions that allow for participatory processes, the time allowed for debate to take place is insufficient for meaningful discussions.
- Decision-makers, both elected, as well as civil servants are not always accessible for discussion and engagement. Therefore, platforms to enable such engagement to take place need to be facilitated.

Budget monitoring and evaluation
- Insufficient disaggregated data related to climate change finance, as it related to the different impacts on men and women; sources of funds; vulnerability factors – all of which is information required to evaluate the effectiveness of investments.

b) Capacity of CSOs

CSO are diverse – their mandates are different, and their capacities also vary. They are heterogeneous in terms of their comparative advantages with regard to the types of activities they are best suited for. For instance, think
tanks and research institutes affiliated with universities will have the capacity to undertake large scale research in a sustainable manner. Other think tanks, while capable may not have sustainable availability of financial resources as they may be relying on ad-hoc external grants. On the other hand, smaller CSOs, particularly at local level can be more adequate to assess the needs and priorities of communities, and raise such issues during participatory planning and budgeting processes.

If the budget process is used as the anchor around which collaboration needs to take place, there will be a need to assess and understand the capacity needs of CSOs, and their comparative advantages that can supplement/provide information about climate change and climate change finance to feed into one or more of the phases in the budget cycle, including undertaking impact analyses as part of the monitoring and evaluation phases.

c) Formal and institutionalized platforms for dissemination and dialogue

While there are mechanisms and processes mandated by law to enable interaction between government and the citizenry, these were deemed insufficient, and inadequate for the type of engagement required to foster partnership, trust, and collaboration. Regular interactions, with focused discussions against the background of shared objectives are required. For instance, elected representatives can benefit from interactions with larger CSOs that can provide an overarching perspective and analysis about climate change investments during various part of the parliamentary schedule, particularly before the budget hearing, or when the budget is presented to parliament. Likewise, entry points to engage with parliamentary staff – in particular those who are involved in research and analysis – need to be explored so that the sustainability of efforts with the parliament is retained beyond one election cycle. Establishing institutionalized processes that would enable CSOs to engage with parliamentarians and parliamentary staff – including the research arms of parliaments, where they exist - to present findings, and discuss the implication of findings on budget discussions can be useful. Likewise, while many local governance legislation requires the participation of civil society, the implementation of the requirements is weak. This can lead to missed opportunities during the planning and budgeting processes, which could benefit highly from the inputs of CSOs who can have relevant information about community needs and others.

d) Need for a shift in political perspective to prioritise climate investments

While information, analysis, and research can support decision-making at various stages of the budget process, and across different actors in government, unless there is a political imperative to address and prioritise climate change investments, decisions are unlikely to be affected positively. In this regard, sensitisation of elected representatives (MPs, local representatives) about the potential risks posed by climate change in the wider economic and social development, and the benefits that can be accrued by investing in climate resilience is an issue that needs to be addressed. Advocacy and lobbying could be undertaken to include a climate change angle in political manifestos for longer-term success. This can in turn help them fulfill their role in assessing the adequacy of the budget in addressing climate change, and raising the right questions to the executive on the appropriateness of the budget. In essence, the additional information and knowledge supplied by CSOs or government should be accompanied by a change in political attitudes towards climate change.

e) Exchanges of experience from different countries
Collaborative approaches between different actors at the country level is not a new phenomenon, but neither is it something that has been used to the full extent of its potential. This is particularly true in the case of climate change finance. In this regard, the opportunities to hear from other countries on successful experiences was deemed important, as it can help to facilitate the replication and/or adaptation of experiences for a particular context.

In most instance, the role of CSOs and governments are portrayed to be antagonistic, though there are exceptions, as illustrated during the regional exchange. Such examples should become the rule, rather than the exception. The idea that a collaborative approach for budget effectiveness is possible, and desirable for all parties concerned was acknowledge to a certain extent. However much remains to be done to internalize this recognition of mutual benefits. Constant advocacy, through practical and concrete results will be necessary to showcase the benefits of partnership, in this case, to increase the effectiveness of the budget on climate finance.

In the long-term, and with the bigger picture in mind, budget effectiveness can be improved with an improved basis for decision-making, which includes more and better evidence on specific topics.

7. Conclusions

Improving climate change budget effectiveness and impact was a common objective of the stakeholders at the regional exchange. Working toward effectiveness through a collaborative approach across stakeholders was also recognized as a having potential for increasing effectiveness—although not always easy to design and deliver. As a trusted partner across Asia-Pacific, UNDP has considered a range of options for supporting this approach through the Governance of Climate Change Finance to Benefit the Poor and Vulnerable programme:

- **Support governments and interested CSOs to identify specific areas of research and analysis on the impact of climate change finance which can strengthen the budget formulation process.** For instance, UNDP is working with many countries to implement reform agendas to integrate climate change finance in the budgeting process. There is a realization in many country contexts that information on impact and effectiveness of climate related investments is not always comprehensive. Working together, research oriented civil society organisations, together with government line ministries, as well as central ministries might be able to address these information gaps and enable more climate response budget proposals to be developed in key sectors. UNDP can support this collaboration, facilitating the identification of specific areas for research, together with government and civil society organisations; it can further help to ensure that the findings of such research initiatives are timed in such a way as to feed the relevant policy and budgeting discussions. An underlying principle in these efforts will be to strengthen the confidence and trust between and among the different actors.

- **Support the capacity building of relevant CSOs to undertake climate change related research and analysis,** as it relates to the budget cycle. As identified during the discussions, the capacity of CSOs – regardless of their scope and geographical location – can benefit from more customized capacity building on what it means to be generating supplemental information to improve climate change budget effectiveness. Therefore, targeted support, according to the size and mandates of CSOs will be facilitated with other partners. UNDP is already in the process of conducting a mapping in several countries to understand the type of work being undertaken by CSOs on climate change finance.
- **Support dissemination, advocacy, and use of the information.** Information and knowledge is important only to the extent that it is used. Here, the role of the media and advocacy oriented CSOs become important to disseminate relevant findings and outcomes of research. They have an important role in “translating” very technical and jargon-heavy financial and budget information in a language that can be understood by the public, but also, critically, by policy-makers across government and beyond. In this regard for instance, UNDP has commissioned work to translate the current climate change budget information in Nepal into a Citizen Climate Budget.

- **Provide international experiences and opportunities for South-South Exchange.** As an agency with presence across the region, as well as globally, UNDP has the benefit of having access to experiences from many different countries. Exchange opportunities similar to this first regional exchange will continue to be a regular part of the support in building a collaborative approach at national and regional levels.

Taken together, these efforts will lead to the sustainable generation of evidence to inform policy, planning and budgeting processes around climate change finance.
 Annex 1

Budgeting for Climate Change

A collaborative approach for effectiveness

Regional Exchange

Kathmandu April 4-5, 2016

Context

Over the last few years, many governments in Asia-Pacific have been addressing climate change, through specific interventions and initiatives, as well as by being implicitly integrated in development plans and sectoral work. Efforts are currently underway in many governments in Asia-Pacific to integrate climate finance – both domestic and international – in core country systems, such as the planning and budgeting cycles. This, however, is a relatively new area, particularly when it is being discussed vis a vis the budget cycle.

For actors beyond the executive branch of government, such as CSOs, media, parliaments, there may be even less clarity as to how the link between climate finance and the budget can be made. While there are those who know about climate change, or about the budget, few have brought the two together, especially when it concerns domestic climate change finance. At the same time, while governments have been spearheading efforts on the delivery of climate finance through existing country systems, they continue to face certain obstacles, such as insufficient information flows about domestic climate finance expenditures and their impact, for instance. These are pieces of information that would be helpful in improving the decisions around policy-making and budgeting, especially to improve the effect of climate finance on those who are poor and most susceptible to the consequences of climate change.

Civil Society Organisations refer to non-governmental organisations, think tanks, research institutes, foundations, and other entities not associated with government.

16 These include: Bangladesh, Cambodia, Indonesia, Nepal, Pakistan and Thailand. Please refer to UNDP’s regional programme ‘Governance of Climate Change Finance to Benefit the Poor and Vulnerable” for additional information.
These gaps can be addressed through existing accountability mechanisms, such as expenditure surveys, or budget analyses. However, unless the information generated from those analyses are fed back into a system where it will be used by policy-makers, the impact of the work can remain limited. Therefore, creating an environment with adequate mechanisms that enables a collaborative knowledge sharing approach among different actors is necessary. Engagement through collaboration can be built on the comparative advantages of different actors, A collaborative approach among these different actors, working on the strengths and value-added of each, can be mutually beneficial in addressing specific gaps as they relate to the budget and climate change finance.

It is within this context that a regional exchange will be organized in Kathmandu on April 4 and 5, 2016.

Objective of the regional exchange

The objective of the regional exchange is two-fold. Firstly, it will expose participants to climate change finance and the budget process. It will then present case studies of how CSO actors, and parliamentarians have engaged on the budget process and/or climate change finance. Finally, meeting will facilitate the identification of the scope of collaboration among these different actors for the implementation of specific initiatives to take this agenda forward both at the regional and country levels.

Expected Outputs

1) Introduction to climate change finance and the budget process
2) Sharing of comparative experiences of the roles of CSOs and Parliaments in working with government on specific sectors/themes
3) Identification of gaps in the budget process and systems that hinder climate-responsive budgeting which CSOs, Parliamentarians, and governments can work together to address.
4) Initial action plan for initiatives at regional and country level

Target Participants

The participants will be a mixed group of selected government representatives – particularly from the Ministry of Finance, Planning ministries, line ministries, CSOs, elected members of Parliament, as well as parliamentary staff, who have worked on, or are interested in the issue of climate finance and/or the budget process.
## Agenda

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<td>Registration</td>
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<tr>
<td>9.00-9.30</td>
<td>Welcome</td>
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<td></td>
<td>1) Ram Sharan Pudasaini, Joint Secretary, Budget Division, Ministry of Finance, Nepal</td>
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<td>2) Sophie Kemkhadze, Deputy Country Director, UNDP Nepal</td>
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<td>3) Annika Olsson, Economic Advisor, Climate Change and Natural Resources Management, DFID Nepal</td>
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<td>9.30-9.45</td>
<td><strong>Objectives of the regional exchange and overview on Climate Change Finance in Asia-Pacific</strong></td>
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<td>1) Introduction, objectives, and regional overview, Sujala Pant, UNDP BRH</td>
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<td>9.45-10.30</td>
<td><strong>Session 1: Knowledge, evidence, and climate change</strong></td>
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<td>The objective of this session is to introduce the topic of climate change from a knowledge perspective, identifying areas that are well-covered through research, as well as gaps in information.</td>
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<td>1) Supporting decision-makers for climate compatible development through knowledge, Hammad Raza, Climate and Development Knowledge Network Asia</td>
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<td>2) Where are the gaps in knowledge on climate change? Apar Paudyal, Practical Action, Nepal</td>
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<tr>
<td>10.30-10.45</td>
<td><strong>Break</strong></td>
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<tr>
<td>10.45-11.45</td>
<td><strong>Session 2: Rationale for engaging with CSOs and Parliamentarians for more effective climate change budgeting.</strong></td>
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<td></td>
<td>The objective of this session is to discuss the role and value-added that CSOs and parliaments can bring in the budget process. A brief introduction to the budget cycle will also be provided.</td>
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<tr>
<td></td>
<td>1) Introduction to the budget cycle, Kevork Baboyan, UNDP BRH</td>
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<td>2) What roles of Parliaments in the budget process? Experience from Indonesia, Satya Yudha, Member of Parliament, Indonesia (TBC)</td>
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<td>3) What roles of civil society in the budget process? Regional and global experiences, Ravvi Duggal, International Budget Partnership</td>
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*Followed by discussion*
<table>
<thead>
<tr>
<th>Time</th>
<th>Session 3: Effective climate change budgeting and targeting the most vulnerable</th>
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<tbody>
<tr>
<td>11.45-13.00</td>
<td>The objective of this session is to examine how the active engagement of stakeholders in the budget process can help to address issues related to the impact of climate finance on the most vulnerable. It will look at both budget formulation (pro-poor targeting), as well as monitoring and reporting (to assess effectiveness of spend).</td>
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<td>1) Challenges in targeting climate response to the poor and women, Nguyen Thi Yen CARE, Viet Nam (via skype)</td>
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<td>2) Adaptive Social Protection, Dr. Mahfuz Kabir, Bangladesh</td>
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<td>Followed by discussion.</td>
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<th>Time</th>
<th>Lunch</th>
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<tr>
<th>Time</th>
<th>Session 4: Lessons learned from experience (part 1)</th>
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<tbody>
<tr>
<td>14.15-15.15</td>
<td>This objective of this session is to hear from different stakeholders on their experiences on climate finance budgeting, or other areas where they have applied the techniques and tools that can be picked up by for climate change finance in the budget process. Discussions will take place about opportunities and obstacles that must be addressed to enable them to fulfill their functions more effectively.</td>
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<td>What are the stages where government can open up the space to CSOs</td>
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<td>1) Strategic planning (pre-budget)</td>
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<td></td>
<td>a. Developing climate change actions and sectoral plans, Sanjay Vashist, CANSA</td>
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<td>b. A partnership with provincial governments, Hasan Rizvi, LEAD Pakistan</td>
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<td>2) Budget formulation</td>
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<td></td>
<td>a. People’s Budget Partnership, Ms. Saumya Shrivastava, Centre for Budget and Governance Accountability, India</td>
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<td>b. Examples and lessons learned from the Constituent Development Fund from Nepal, Krishna Sapkota, Freedom Forum, Nepal</td>
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<td>Followed by discussion</td>
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<th>Time</th>
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<tr>
<th>Time</th>
<th>Session 4: Lessons learned from experience (part 2)</th>
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<tbody>
<tr>
<td>15.30-16.30</td>
<td>3) Budget reporting, monitoring and evaluation</td>
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<tr>
<td>Time</td>
<td>Session 5: Key take-aways and remaining issues to be addressed</td>
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<tr>
<td>9.00-9.15</td>
<td>Recap of Day 1</td>
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<tr>
<td>9.15-11.00</td>
<td>Session 5: What’s in it for us? Benefits of cross-stakeholder collaboration</td>
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<tr>
<td>11.00-11.15</td>
<td>Break</td>
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<tr>
<td>11.15-12.30</td>
<td>Session 6: Reflections and looking forward</td>
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<tr>
<td>12.30-12.45</td>
<td>Closing remarks</td>
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For information on the programme, please contact Sujala Pant – sujala.pant@undp.org
For logistical related information, please contact Sunisa Soodrak – sunisa.soodrak@undp.org and Rubina Shakya – rubina.shakya@undp.org