Tracking Domestic Climate Finance
Some Fundamentals

- Budget > climate funds
- CC secondary to development (except for studies ...)
- CC is ‘slow burn’, unobservable from year to year
- Tracking year by year, not monthly/quarterly
Why bother to track?

• Biggest challenges:
  • Programme design/appraisal with CC
  • Budget negotiations with CC

• So why track?

• Trends to show
  • Change in budget priorities – lobbying/negotiating a rise
  • Demand for CC design/appraisal
Occasional Evaluations
Detailed CC Implications

Output Monitoring
CC related

Government Accounts
CC weighted tables

Implementation

Budget Negotiations
‘Real-time’ CC weighted tables

Mid-long term Plans/Strategies
NDP, NCCP

Budget Circular
Reference to C

Programme Design/Appraisal
CC Benefits

Budget Tagging/Scoring
CC relevance – CC%

Budget Submissions
Referring to CC Impact

3-5 YEARS

ANNUAL
Budget tracking so far?

- Very limited (in Asia, UK ...)
- Tagging
  - Pilots/advanced plans in Nepal and Indonesia
  - Discussions in Cambodia, Thailand ...
- Scoring (easier?)
  - Done in CPEIRs/CCFFs, but not in budget
- CC Weighted Tables
  - Not outside CPEIRs/CCFFs
- Annual CC Progress Report
  - Often proposed, but not yet done – race to be first?
Why is it difficult to define/score?

• Subjective methods - OK to start, but not good enough

• Need to build on existing practices
  • Refer to CC statements in strategy/policy
  • Expert opinion on key issues (criteria)
  • CBA for big investments (occasionally)

• ‘Benefits methods’ in Thailand, Cambodia, Indonesia, Kerala (quantitative or qualitative)

• Getting hard evidence for benefits
<table>
<thead>
<tr>
<th>Area</th>
<th>Sustainable Development</th>
<th>Climate Change CC%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EC%</td>
<td>SO%</td>
</tr>
<tr>
<td>CC Planning, Management, Capacity, Studies</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hydrometeorology, Early Warning</td>
<td>40-50</td>
<td>10-20</td>
</tr>
<tr>
<td>Livelihoods for CC Vulnerable Households</td>
<td>40-50</td>
<td>10-20</td>
</tr>
<tr>
<td>Livelihoods for General Households</td>
<td>50-70</td>
<td>20-30</td>
</tr>
<tr>
<td>Coastal Protection from Sea Level Rise</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Protection from Saline Intrusion</td>
<td>20-50</td>
<td>10-30</td>
</tr>
<tr>
<td>Irrigation and Drainage</td>
<td>50-70</td>
<td>5-20</td>
</tr>
<tr>
<td>Flood Protection/Proofing</td>
<td>40-50</td>
<td>10-20</td>
</tr>
<tr>
<td>General Infrastructure (roads, urban ...)</td>
<td>90-99</td>
<td>0-10</td>
</tr>
<tr>
<td>Sanitation and Waste</td>
<td>20-30</td>
<td>20-30</td>
</tr>
<tr>
<td>Water Quality</td>
<td>50-70</td>
<td>20-30</td>
</tr>
<tr>
<td>Agriculture, Rural Development, Food Security</td>
<td>40-50</td>
<td>10-20</td>
</tr>
<tr>
<td>Forestry Protection</td>
<td>5-10</td>
<td>5-10</td>
</tr>
<tr>
<td>Forest Management</td>
<td>20-50</td>
<td>5-20</td>
</tr>
<tr>
<td>Fisheries, Aquaculture</td>
<td>40-50</td>
<td>10-20</td>
</tr>
<tr>
<td>Biodiversity, Wildlife, Eco-tourism</td>
<td>0-25</td>
<td>0-10</td>
</tr>
<tr>
<td>Public Health for Climate Sensitive Diseases</td>
<td>30-50</td>
<td>30-50</td>
</tr>
<tr>
<td>Disaster Risk Reduction and Management</td>
<td>25-50</td>
<td>25-50</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>70-90</td>
<td>0-10</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>70-90</td>
<td>0-10</td>
</tr>
<tr>
<td>Public Transport</td>
<td>60-80</td>
<td>10-20</td>
</tr>
</tbody>
</table>
Engaging MoF/MoP

- Often sceptical
- Motivate by showing GDP loss (>30% by 2050)
- Interested in evidence-based policy and RBB
- Political statements on targets powerful
- Need to be convinced about defining CC finance
Inferring Impact – Tracking the Adaptation Gap

- Hypothetical: GDP without CC
- Adaptation A: with CC, adaptation at 1.3% GDP
- Mitigation: with CC, some global mitigation
- Worst Case: with CC, no global mitigation
- Adaptation B: with CC, adaptation at 1.8% GDP
Lifetime of Adaptation Finance

- **CC Expenditure Reviews** (MoF/MoP/MoE + LMs)
- **Financing Frameworks**
- **CC Benefits** (MoF/MoP/MoE + LMs)
- **CC Appraisal**
- **CC Scoring in Budget**
- **CC Annual Reports** (Line Ministries + MoF)
- **Integrated CC Planning**

Childhood -> Youth -> Adulthood -----------------------------> Maturity ->

10 years?