



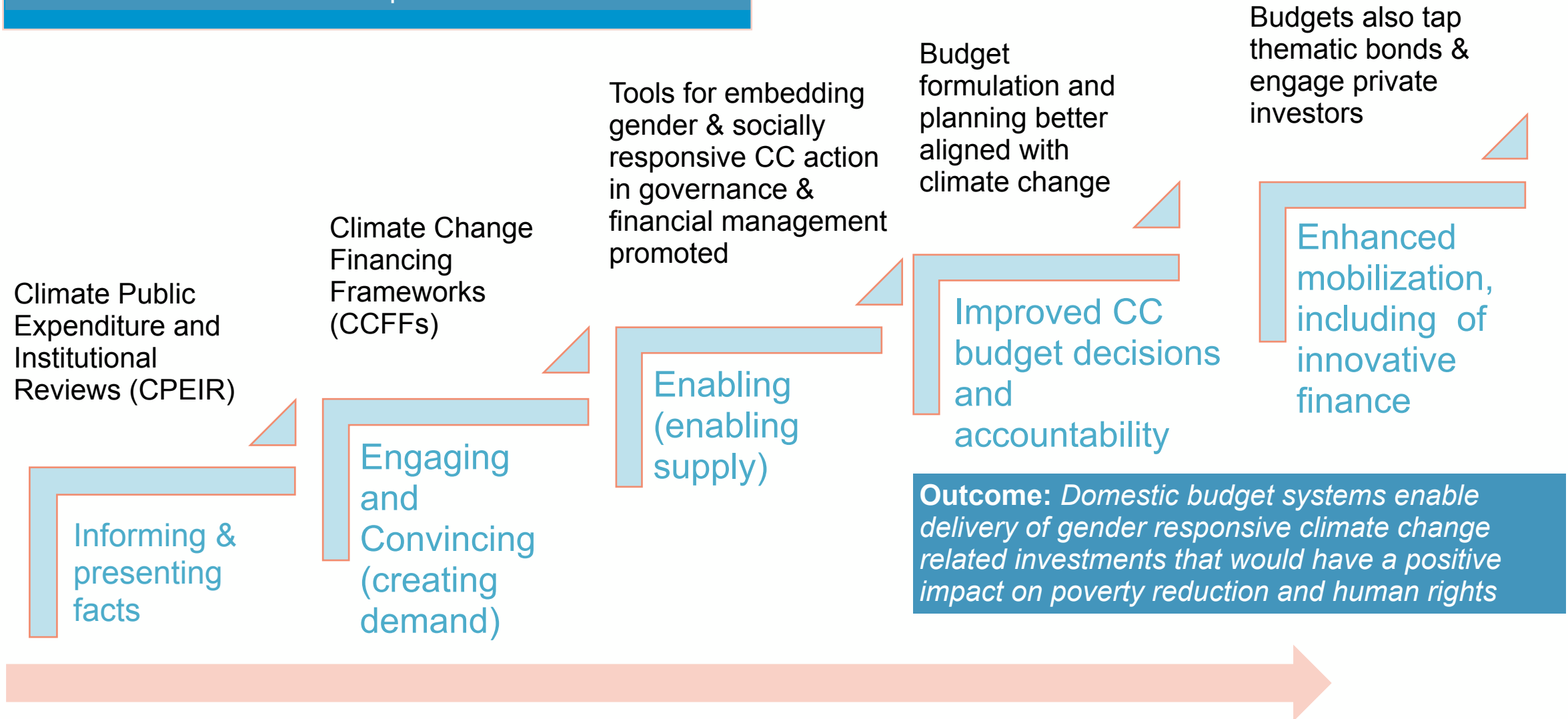
# **Mainstreaming Climate Change: Importance and tools thereof in Planning and Budgeting**

**UNDP  
Asia Pacific Regional Meeting of  
the Coalition of Finance Ministers for Climate Action**

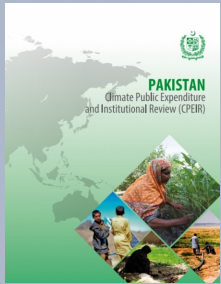
# Why Mainstream

- Mainstreaming **promotes policy coherence** across different sectors and levels of government
- **Informed decision making and alignment with the NDCs and NAPs**
- **Justifying the need for financing climate action** and to prioritize climate change related resource allocations
- Facilitates **more efficient allocation of resources** for initiatives that demonstrate benefits for mitigation and adaptation
- Ensures **transparency and accountability** in the allocation of financial resources, expenditure and outcomes
- Enables **improved access to climate finance** – leveraging, crowding in, fiscal incentives etc.

Public finance is the mainstay of climate finance and calls for sequenced budget reforms and mainstreaming, multi-stakeholder engagement, and data and tracking of results and impact.

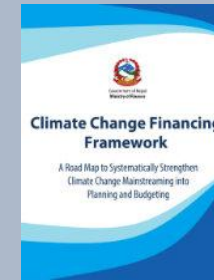


# Self Assessment Tools



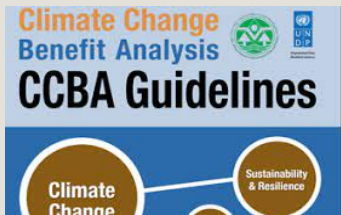
## CPEIRs

Examines the links between the national climate change policy, the institutional structures through which policy is channeled, and the process of resources allocation and expenditure on CC



## CCFFs

Robust framework for prioritizing CC linked to economic cost assessments, the development of financing scenarios, and strategies for accessing and allocating funding, and entry points for institutionalizing CC in the planning and budgeting process



## CCBA

Helps assess the relative importance of adaptation and mitigation benefits and thereby gives an indication of the extent to which climate change should increase the prioritization given to the project.

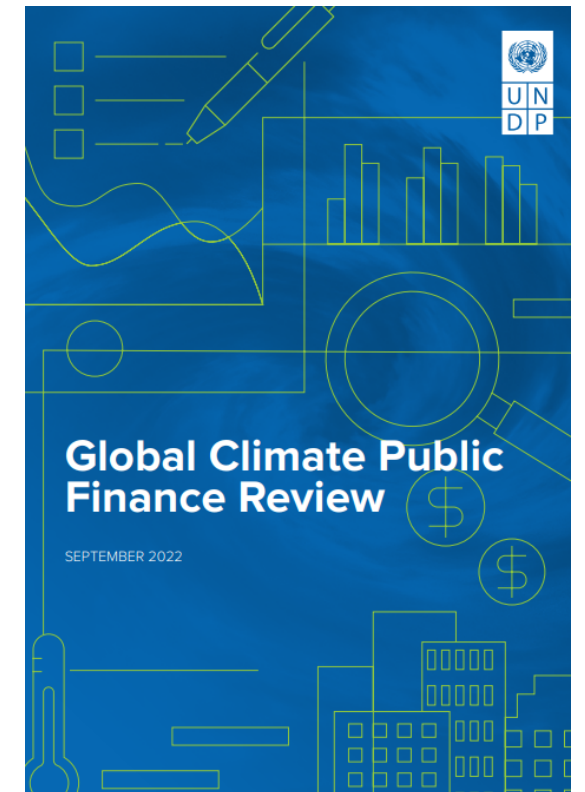
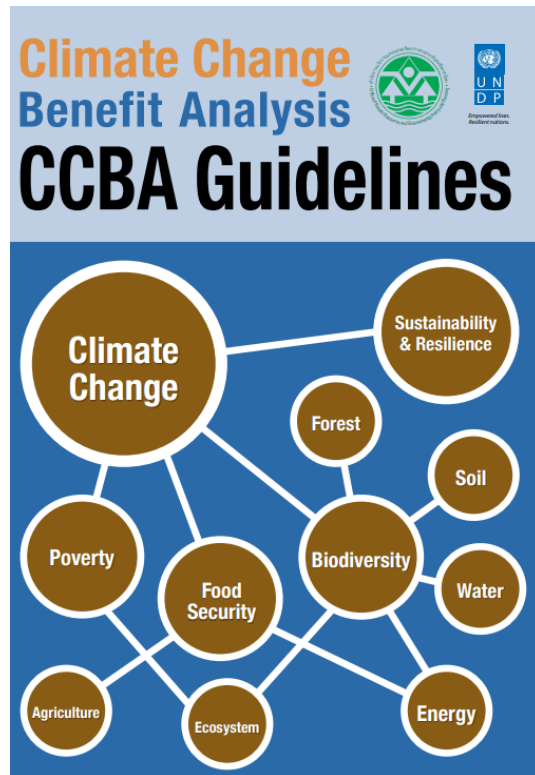
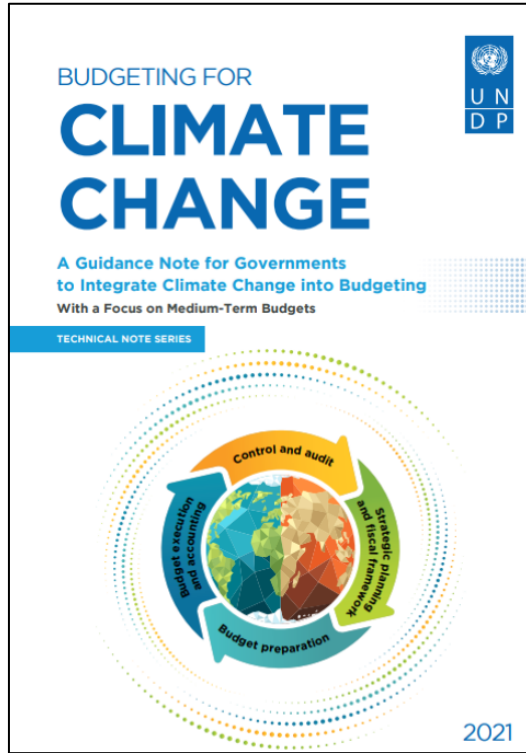


## CBT

Tool for monitoring and tracking of climate-related expenditures in the national budget system

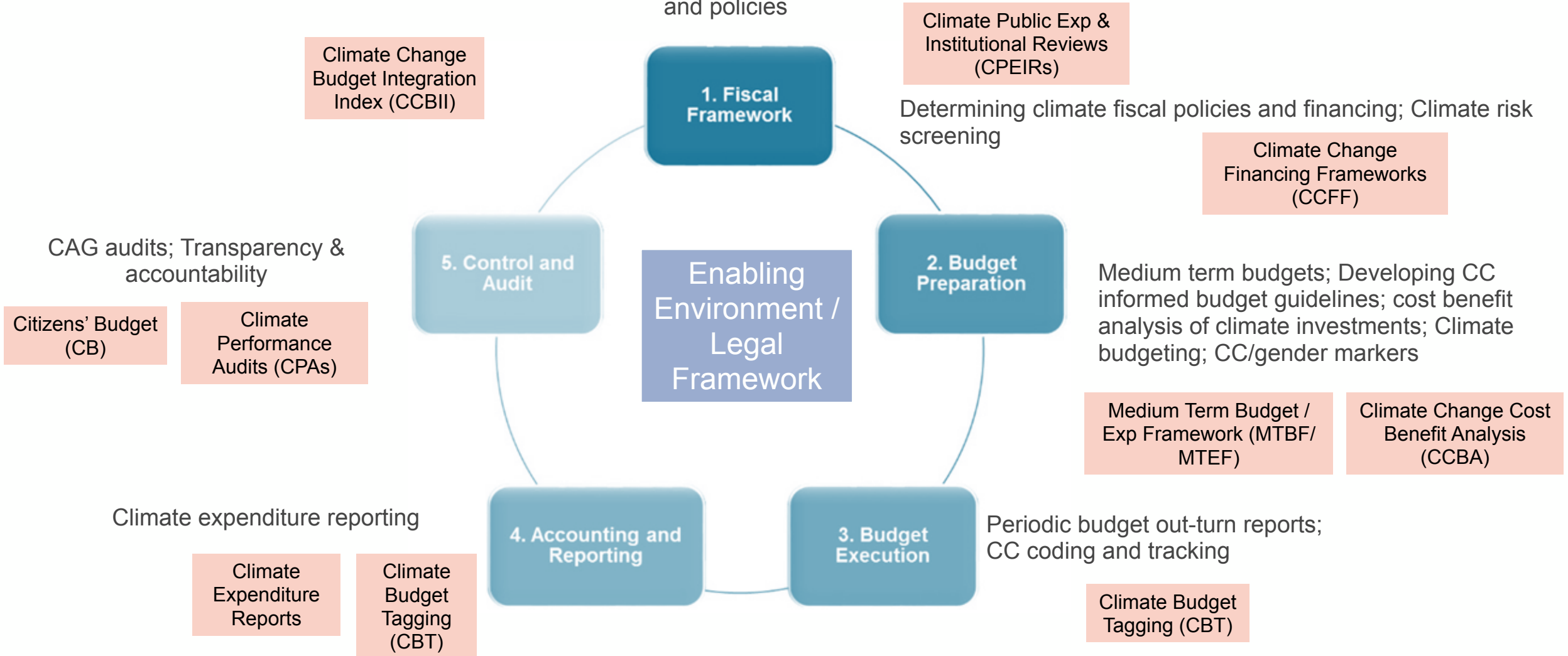
## Diagnostic Tools Climate PEMA, PEFA, CCBII, Capacity Assessment Framework

Helps assess the level of CC finance integration into the PFM architecture by objectively looking into policy, systems and accountability



# Using Tools to mainstream across the budget cycle

Linking climate objectives and policies to national plans and policies

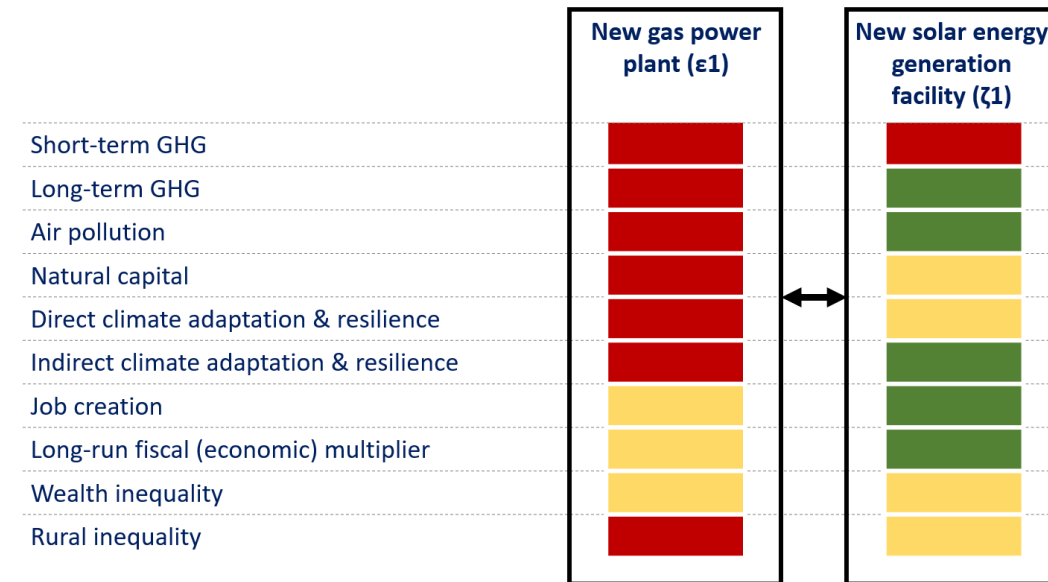


# Budgeting for sustainable, resilient and inclusive growth

## Strengthening budgets to enable scaling up financing for integrated climate change and biodiversity solutions

- Sustainable Budgeting Approach is a practical enabling tool for policymakers, based on leading socio-economic and environmental science, to
  - (i) understand the development (jobs+growth), environmental (GHG emissions, natural capital and pollution), and social consequences (inequality) of budgetary decisions and to
  - (ii) assess the overall characteristics of their budgets and compare this to other nations.
- Can help anchor long-run growth and public finance resilience, and provide a powerful transparency and signalling tool to potential investors
- Piloted in Gabon; global methodology finalised with peer review from EC, IMF, WB, OECD, UNDP and others; potential policy-based lending (PBL) pilots with ADB and CAF as part of the GEF NZNPA IP

### Illustrative output of SBA at budget/policy level





**CHINA**  
CPEIR  
Mitigation / carbon pricing  
Sub national

**THAILAND**  
CCBA  
CCFF  
Carbon pricing

**CAMBODIA**  
CCFF, CCBA  
Macroeconomic Research

**PHILIPPINES**  
Climate Budget Tagging

**VIETNAM**  
CPEIR  
Sub national level

**BANGLADESH**  
CCFF, MTEF, CBT

**INDIA**  
Odisha – CBT  
Bihar - Green Budget

**NEPAL**  
CCFF, CBT  
Citizen's Budget Handbook for Parliament

**PAKISTAN**  
CCFF  
MT Budgetary Framework  
Parliamentary Engagement

**INDONESIA**  
Climate Budget Tagging  
Institutionalizing climate reporting  
Green Sukuk

**PACIFIC**  
Climate Informed Risk Screening Guidelines



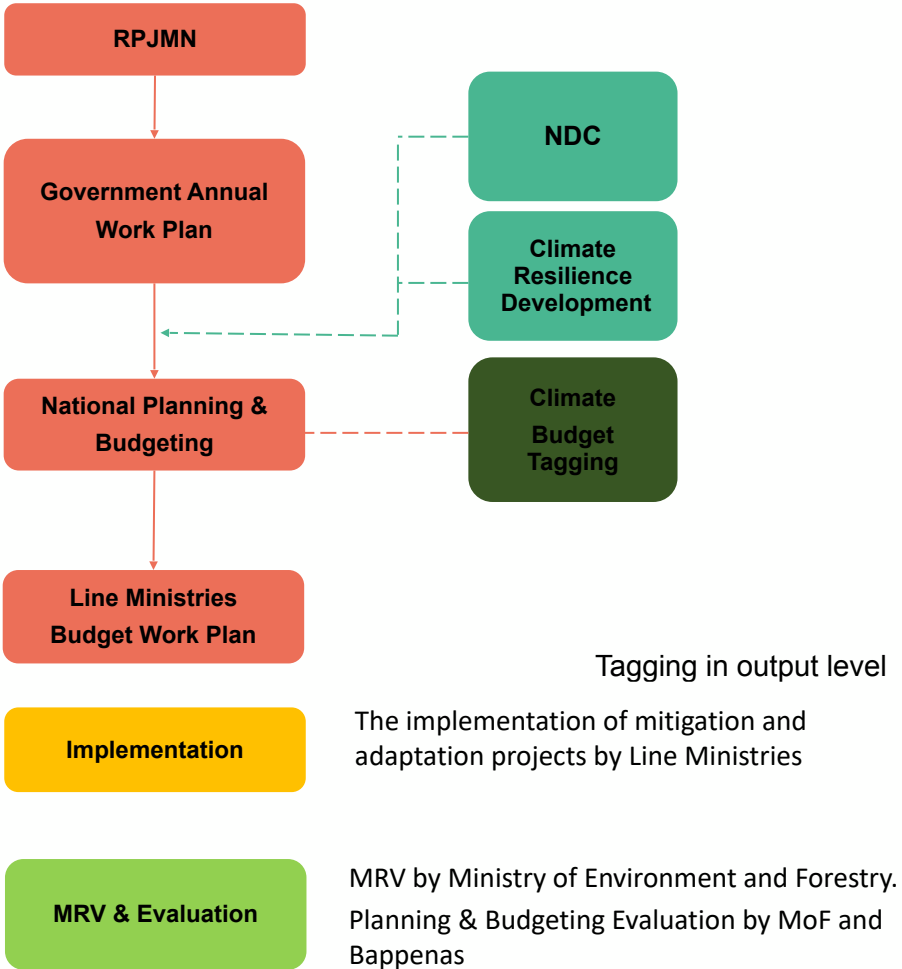
# Self Assessment and Mainstreaming - Indonesia

Since 2014, with support from UNDP, the Ministry of Finance has actively carried out several policy studies in terms of public funding for climate change and was used as the basis for climate change budgeting activities including CPEIR, CCFE.



As an effort to increase the transparency of public funding for climate change in Indonesia, in 2016, the Government of Indonesia c.q. The Ministry of Finance initiates the climate change budgeting (Climate Budget Tagging) system in the state budget.

Climate budget tagging (CBT) is a process of marking, tracking and identifying climate change outputs and budgets in planning and budgeting documents.



## BASELINE

- Country vulnerable to both disasters and climate change: **7<sup>th</sup> rank in 2021 in Global Climate Risk Index**
- [CPEIR 2013](#)
- [CCFF 2018 \(updated 2022\)](#)

## APPROACH

- Plans formulated: **NDC** (2021), **NAP** (2022), Country Investment Plan for Environment, Bangladesh Delta Plan
- **Systemic reforms initiated to mainstream climate planning & budgeting:**
  - Climate focused Budget Circular
  - Climate Budget Tagging
  - Climate Budget Reports

## OUTCOMES

- Climate included in the **Key Performance Indicators** for 25 ministries
- **Budget for Climate Action increased by 1.5 times** (nominal values) in 2024 as compared to 2020.
- (2024): **78% of budget for adaptation**, 12% for mitigation:
  - Food security, social protection & health (42%)
  - Infrastructure (29%)
  - Disaster Management (7%)
- Recognising climate planning and budgeting systemic improvements, **IMF approved \$1.4 billion using Resilience and Sustainability Facility (RSF)**

**THANK YOU!**