Session VI

Expert Group Meeting on
Mainstreaming Climate Action into National Development Planning in the Arab Region

Budget Coding, Tracking and Expenditure Management: Tagging national budgets for climate expenditures in developing countries

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Context

A case of a robust P&B system but climate blind;

Or

a deficient framework

Lack of climate perspective = non determination of fiscal burden = elusive funding gap

Let us consider this;

- Pakistan flash floods (2010) 24 % of GDP
- Drought
- Tropical Cyclone Winston (2016) washed away 31 % of GDP
Point of Departure?

Climate Public Expenditure and Institutional Review (CPEIR)
CPEIR:

Provides deeper understanding;
-Inhibiting factors and opportunities.
-A case of broad-based policy but limited fiscal perspective.

Sets the Context;
-Fiscal federalism?
-Institutional framework? Single to multiple ministries

Identifies entry points;
-Planning or budgeting- Explore PIM regime (project formulation or gate keeping).
-Expenditure tracking.
-Understanding budget nuances.
-IFMIS or parallel. Ex-ante or Ex post legislative scrutiny?

Creates Performance Trajectories;
Baseline and targets
Reform Journey

- MTBF: Project planning and appraisal
- CCFF, Policy briefs
- Frameworks and system development for demand creation
- Training, coaching and toolkits development for enhanced analytical capacity
- Economic Survey, Budget in Brief, Budget Call circular, Coding and classification, MTBF, CC-ETS
- Handbooks and Citizen’s Budget
- Media, Civil Society and Parliament
- Research, Review & Advocacy
- To reflect leadership's commitment and steer operational direction
- MTMIS - Coding & Expenditure tracking
How CC reforms influence budgets?

1. Issue:
Unpredictability in budget allocations!

2. Response:
✓ MTBF targeted - performance orientation and medium-term outlook, but silent w.r.t. Climate Change
✓ Sectoral strategy $\not\in$ MTBF
✓ CC perspective in Outputs, Outcomes and the KPIs – Funding gap

3. Result:
Identification process led to increase in Budget allocations by 90 %

4. Next steps:
✓ Issue of inflated BE and complete picture: Linking budgets to CC-ETS.
✓ Scaling it up to SDGs
CLIMATE CHANGE

KNOWING WHAT YOU SPEND

Bain et al

Designing Climate Budget Coding and Expenditure Tracking System
Benefits and Expectations

*Robust response to CC challenges*

*Efficient allocation of budget resources*

*Enhanced awareness among policy makers and planners*

*Resource mobilization*

*Precedence for other cross cutting issues*

*Fosters transparency and accountability*

*CC mainstreaming efforts complement broader PFM reforms agenda*
Thank you