

Dec 2012



*Empowered lives.  
Resilient nations.*

# Climate Public Expenditure and Institutional Reviews (CPEIRs)

## Approaches and Lessons Learned





*Empowered lives.  
Resilient nations.*

# Climate finance for development effectiveness

---

Getting money **efficiently** to where it is most needed

In doing so, promoting **coherence**, transparency,  
predictability

Linking climate policy, institutions and **expenditures**

CPEIRs completed: Bangladesh, Cambodia, Nepal, Morocco,  
Philippines, Samoa, Thailand

CPEIRs underway: Indonesia, Vietnam



*Empowered lives.  
Resilient nations.*

# The CPEIR Methodology

---

Cross government **steering group** led by Finance & Planning

Based on Public Expenditure Reviews (of World Bank)

Includes review of policies and institutions

Both **quantity and quality** of climate expenditure:

- Review whole budget

- Expert assessment of climate “relevance”

- Expert assessment of climate “impact”

Leads to **action plans** for implementation



Empowered lives.  
Resilient nations.

# An increasing profile

---

## The Economic Times of India:

*“As weather patterns get unpredictable, nations must start budgeting for natural disasters” – November 2012*

## The Japan Times:

*“National budgets must take climate into account” – October 2012*

## South China Morning Post:

*“Leaders should budget for climate adaptation” – October 2012*

# Some recent highlights

---

**Nov 2012**, Govt of Indonesia applies CPEIR in defining its first climate mitigation fiscal framework

**Jul 2012**, Govt of Bangladesh establishes department order (DO) on a climate budget code

**May 2012**, Government of Nepal establishes climate budget code

**Mar 2012**, Government of Thailand establishes committee on climate finance

**Nov 2011**, Helen Clark chairs discussion on climate finance at the Busan HLF

**Oct 2011**, First CPEIR studies launched in Nepal and Bangladesh

**April 2011**, Government of Philippines establishes cross government climate finance coordination group

**Oct 2010**, The Bangkok Call for Action: Making the most of climate change finance

**Feb 2010**, Seoul meeting on climate finance and aid effectiveness

# Policy and institutional recommendations

---

Link **budget to climate policy**, so climate is part of budget framework and performance measures

Link **climate policy to budget**, so climate strategies are prioritised and costed

Coordination by **finance & planning** ministries with technical input from environment ministries

**Large development projects** should be made climate resilient

**Local government also** a key channel for climate finance

# Expenditure recommendations

---

**The budget is key** since much climate expenditure is already in budget

**Sectoral focus:** local government (Bangladesh, Nepal); transport (Cambodia and Samoa); irrigation (Thailand)

**Adaptation** funded more than mitigation

**Too much focus on ‘climate funds’** while local government and social protection expenditures much more significant

Climate budgeting systems should review “**dirty expenditures**”

# Conclusions

---

CPEIRs important tool in public expenditure management

Help to set a **baseline** against which future expenditures can be measured and monitored – links to NAPs/NAMAs

Budget process led by **finance & planning** ministries

Local Government, Social Protection, Infrastructure are key expenditure areas

Governments should use climate budgeting to review and redirect **dirty expenditures**

# Thank you

---



*Empowered lives.  
Resilient nations.*

UNDP helps empower lives and build resilient nations.

