



OPERATIONALIZING DEVELOPMENT EFFECTIVENESS

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Managing climate finance: It's a plumbing job

- Get money where it is needed
- Institutions, Delivery and Accountability
- Climate Public Expenditure and Institutional Reviews (CPEIR)



Institutional reforms

- **Budget process:** public expenditures and incentivizing private finance
- Promote **climate finance units** in Ministry of Finance (Indonesia, India)
- Inter-ministry climate finance **groups** (Bangladesh, Thailand, Cambodia)
- **Local government** needs climate expertise



Delivery: Budget execution and implementation

- **Climate Fiscal Framework** (Bangladesh)
- Climate impacts of **capital budget** assessed (VietNam)
- **Climate strategy** costed for budget (Cambodia)
- **Local climate** expenditure **targets** (Nepal)
- **Public financial management** for managing climate finance (Bangladesh)

Accountability and monitoring

- Climate included in **performance based budgeting** (Bangladesh)
- Assessing climate expenditure **quality** ie cost-effectiveness (Indonesia)
- Budget **climate coding/tracking** (US, EC, Nepal, Indonesia)
- **Distributional impacts** of climate finance (Bangladesh)

Climate Public Expenditure and Institutional Review (CPEIR)

- Review of **Policies, Institutions, Expenditure**
- Led by **Ministry of Finance/Planning**
- **8 in Asia Pacific** (Bangladesh, Cambodia, Nepal, Indonesia, Pakistan, Samoa, Thailand, Viet Nam, soon India, China?)
- **Africa, Latin America and Caribbean**
- **Budgets and country systems**
- **Positive and negative expenditures**

CPEIR Results

- Climate expenditure is **significant (3-15% of total)**
- **Domestic** expenditures important
- **Climate funds can be a distraction** as other expenditures more significant (eg Local Government, Social protection)
- **Public Finance Management needed** to manage climate finance
- **Quality** of expenditure key
- **Ministry of Finance to Coordinate**

