

CLIMATE BUDGET TAGGING IN THE PHILIPPINES

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Principle 6: The Role of Ministries of Finance in NDC Development, Review and Implementation



Climate Change & Disasters Amidst COVID-19

ADDRESSING SIMULTANEOUS ECONOMIC SHOCKS



USD 4.12 Billion

Estimated cost to implement mitigation actions for the energy, forestry, industry, and transport sectors across 2015 to 2030

USD 3.60 billion

Annual losses to public and private assets due to typhoons and earthquakes

As national and local governments address the pandemic, they must also prepare for the incoming monsoon season, further depleting public funds.

Climate Change Expenditure Tagging System

INCREASING TRANSPARENCY MOBILISING NDC FINANCE



Due to the Philippines' vulnerability to disaster risks, public finance prioritises climate change adaptation and creating an enabling environment for the private sector to engage in mitigation.

In 2012, CCC amended the Climate Change Act to develop and implement the CCET System as a strategic tool to support scaling and sustaining the implementation of the Philippines' transformative climate agenda



THE WORLD BANK

In 2013, DBM and CCC jointly sought to develop a climate budgeting system with technical assistance from the World Bank.

Developing a Climate Budgeting System

Climate budgeting can make a lasting impact, by ensuring that we invest in climate change adaptation and mitigation, and ensure that we build risk resilient communities. It helps us assess the alignment and scale of the mobilization of public funds based on national climate policy priorities.



FIVE KEY FEATURES



Planning and
Prioritisation



Analysis



Transparency and
Accountability



Quality



Dialogue

Timeline of CCET Development



2013

- 01. CCC-DBM Initial work on CCET
- 06. CPEIR launched
- 12. DBM-CCC 2013-01 issued



2014

- 08. CCC-DBM-DILG JMC 2014-01 issued
- 10. DBM issued circular to tag NEP and GAA
- 11. Y1 review and JMC updated



2016

- 04. CCET Orientation Seminar
- 08. LGU CCET Capacity Building
- 11. Quality Assurance of CCE



2015

- 01. Amended DBM-CCC JMC 2015-01 issued
- 07. Revised CCC-DBM-DILG JMC issued



2017

- 02. Revised CCET typologies; Designated CCC as CCET helpdesk; Automation of NEP & GAA Tagging
- 05. Analysis of LGU Submission
- 08. CCE were reported in BESF



2018

- 05. National and Local CCET integrated in NICCDIES



2019

- 02. DBM Budget Memorandum 131 mandated NGAs to secure CCC approval of CCET QAR
- 09. DILG Memorandum on Regional Offices submission of CCET AIPs

2020

- 01. CCC updated Local CCET in NICCDIES
- 04. CCC delivered National CCET orientation to members of CCAM-DRR Cabinet Cluster

CCET Process

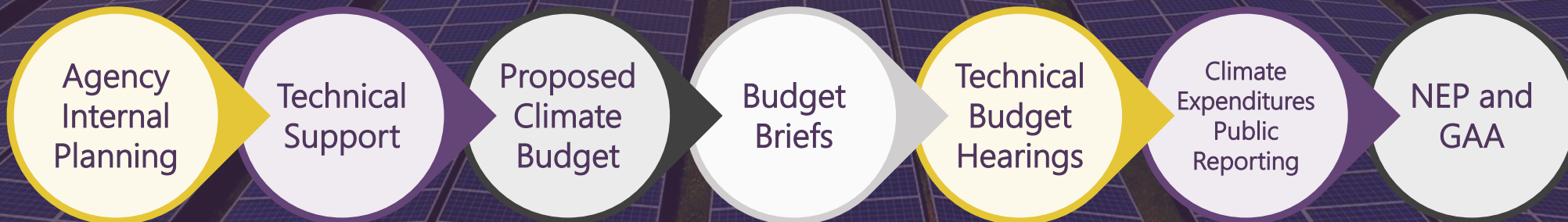
Recognizing that some of the outlined reforms can only be accomplished over the medium- to longer- term, DBM and CCC focus on generating concrete products quickly and to simultaneously engage across the steps of the budget and planning cycles in real time, building upon ongoing existing reform efforts across government.

OVERSIGHT AGENCIES



IMPLEMENTING AGENCIES

National Government Agencies
Local Government Units

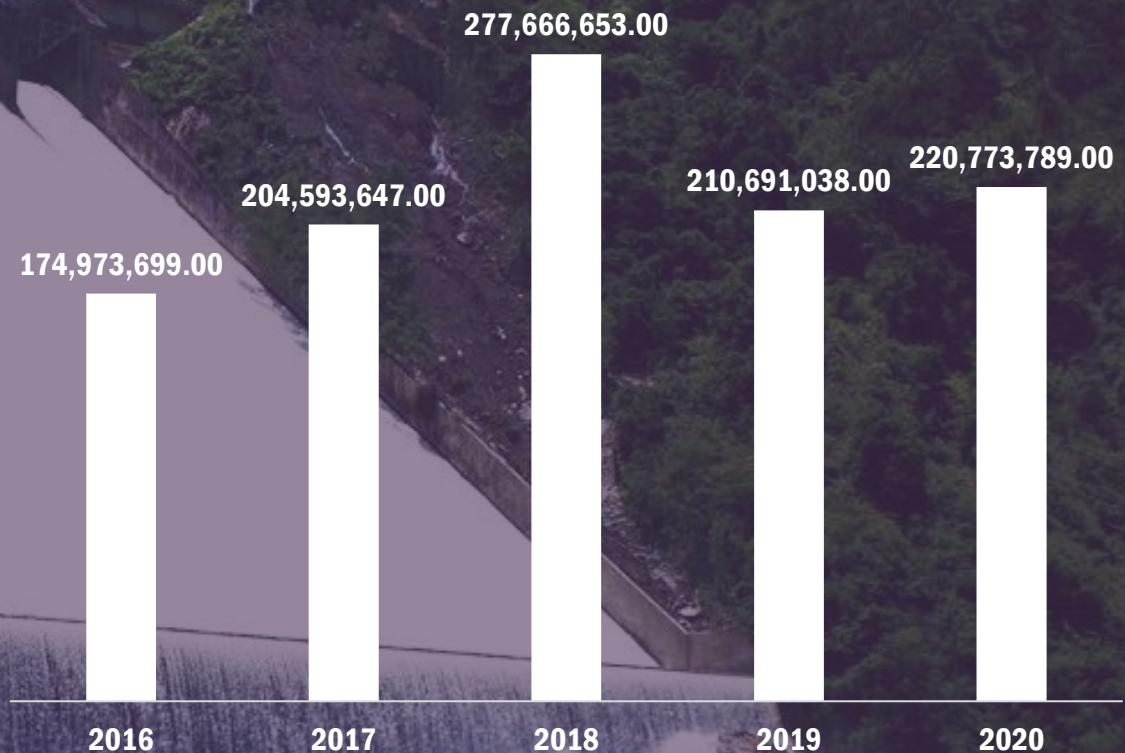


Total Climate Expenditures FY 2016-2020

IN THOUSAND PESOS

Overall, the experience in the Philippines has shown the feasibility and relevance of the climate budgeting system for informing national and local governments' climate responses.

CCET put the PH in a strong position to better understand, assess, and adjust how much of its climate budget is allocated to what and to whom, in alignment with the NCCAP's priorities.



APPROPRIATED CLIMATE EXPENDITURES

Climate expenditures steadily rise, with the drop in FY 2019 due to the shift from obligation-based budgeting system to cash budgeting system



Lessons Learned from CCET

INFORMS THE GOVERNMENT & CREATES POLICY DIALOGUE

The implementation of CCET over the years enhanced government's capacity to implement the system. This process has begun to transform climate policy and programming decisions at the NGA, inter-agency, LGU and national oversight agency levels

PROMOTES CONVERGENCE

High-level government leadership, design flexibility, capacity building, stakeholder engagement, and technical assistance and advisory services from the World Bank were instrumental in the success of the Philippines' CCET System

FACILITATES COUNTRY'S READINESS

Climate budgeting is recognized in the Philippines' Nationally Determined Contribution as a means of implementation to enhance resilience and promote mitigation efforts.



Other Initiatives on NDC Implementation

READINESS FOR CARBON PRICING INSTRUMENTS

The Philippines' NDC targets to reduce carbon emissions can be further accelerated with a Carbon Pricing Instrument in place.



The World Bank-funded PMR is providing technical assistance to the Philippines in identifying effective and feasible CPIs that could help achieve the country's NDC mitigation goals. It aims to incentivise the deployment of priority mitigation options that support the transition toward low carbon development.

The TA also includes support for the Department of Energy and the Department of Transportation in the development of their agencies' NDC options.

The Way Forward

CONTINUOUS PARTICIPATION IN INTERNATIONAL COOPERATION



United Nations
Climate Change



British Embassy
Manila



Asia-Pacific
Economic Cooperation



The Coalition
of Finance Ministers
for Climate Action





Thank you.

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