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.
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.

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

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

2016
04. CCET Orientation Seminar
08. LGU CCET Capacity Building
11. Quality Assurance of CCE

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
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.
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.

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

Lessons Learned from CCET

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.

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.

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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
Thank you.

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