



*Empowered lives.
Resilient nations.*



Budgeting for a Changing Climate

12th Malaysia Plan 2021-2025

2 July, 2019

Tom Beloe
SDG Finance Advisor



MEA 12MP Kick-Off Conference



TRACKING CLIMATE
SPENDING

2

COUNTRIES

5,986.88

\$US million

CLIMATE SPEND

UNEARTHED

2011 2012 2013 2014 2015 2016 2017 2018

NEPAL

BANGLADESH

MEA 12MP Kick-Off Conference



TRACKING CLIMATE SPENDING

7

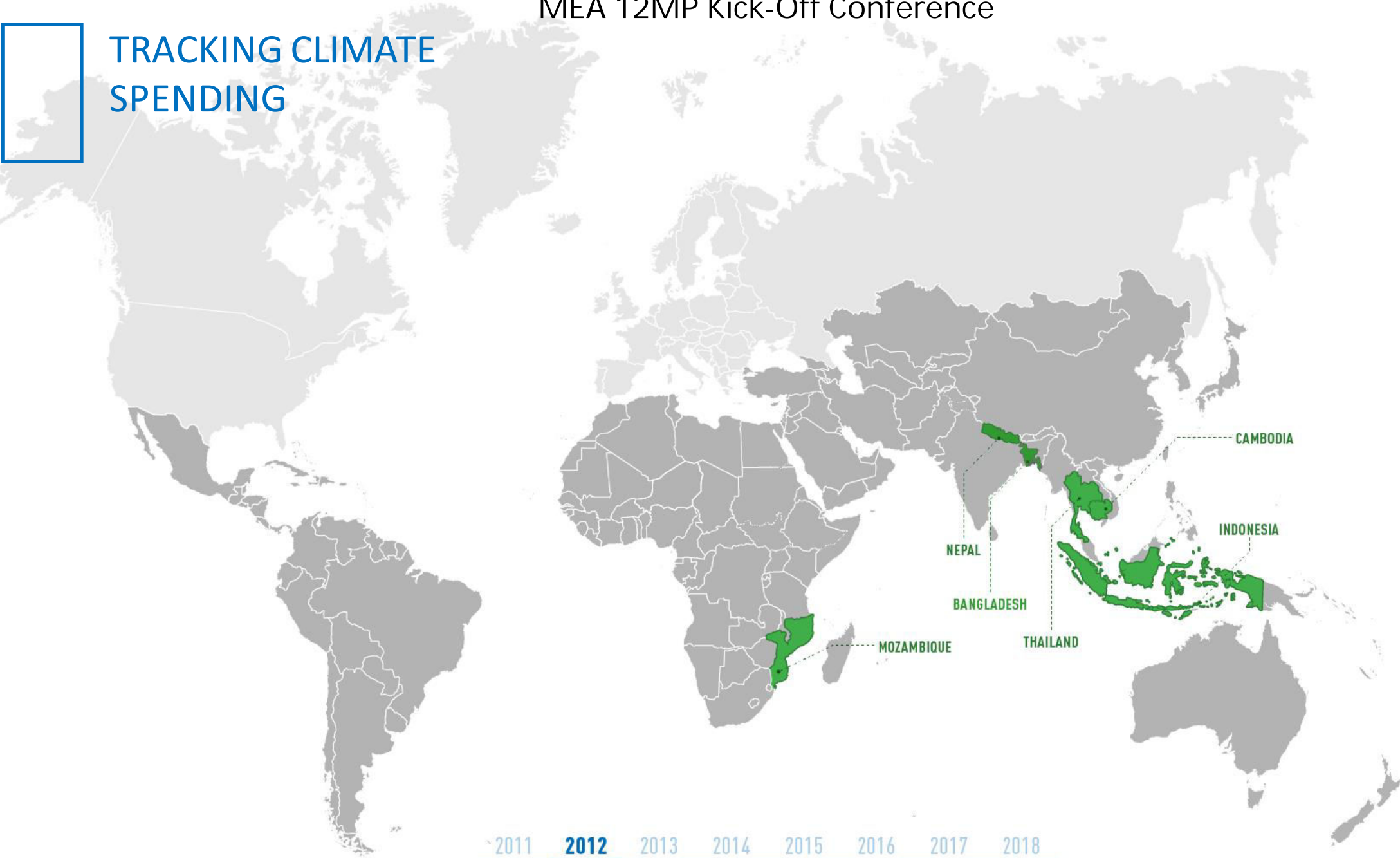
COUNTRIES

17,035.51

\$US million

CLIMATE SPEND
UNEARTHED

2011 2012 2013 2014 2015 2016 2017 2018



MEA 12MP Kick-Off Conference



TRACKING CLIMATE SPENDING

12
COUNTRIES

23,258.99
\$US million
CLIMATE SPEND
UNEARTHED

MOROCCO

VIETNAM

CAMBODIA

PHILIPPINES

INDONESIA

MARSHAL ISLANDS

SAMOA

NAURU

NEPAL

BANGLADESH

MOZAMBIQUE

THAILAND

2011

2012

2013

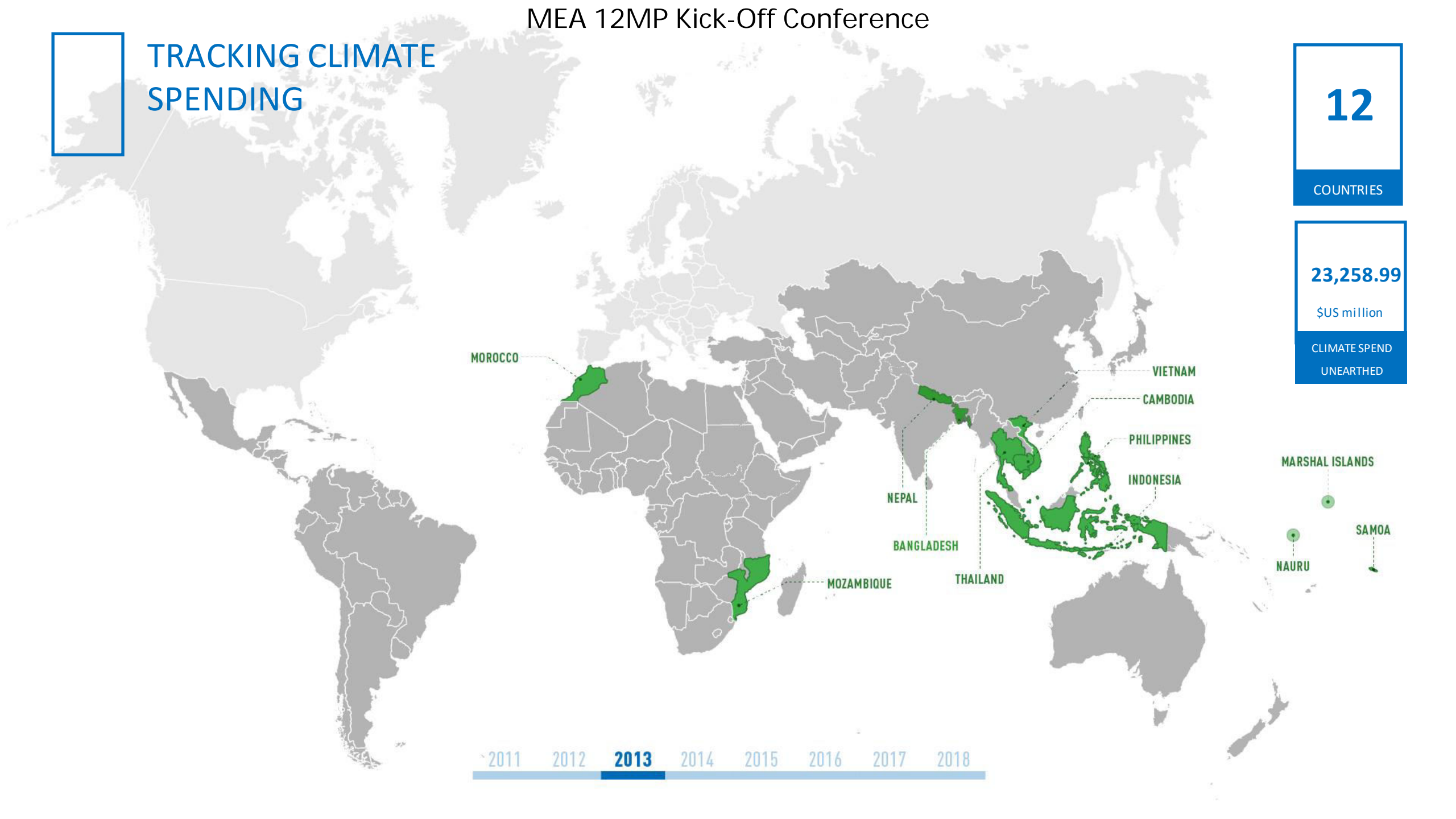
2014

2015

2016

2017

2018



MEA 12MP Kick-Off Conference



TRACKING CLIMATE SPENDING

13
COUNTRIES

23,280.83
\$US million
CLIMATE SPEND
UNEARTHED

MOROCCO

VIETNAM

CAMBODIA

PHILIPPINES

INDONESIA

MARSHAL ISLANDS

NEPAL

VANUATU

SAMOA

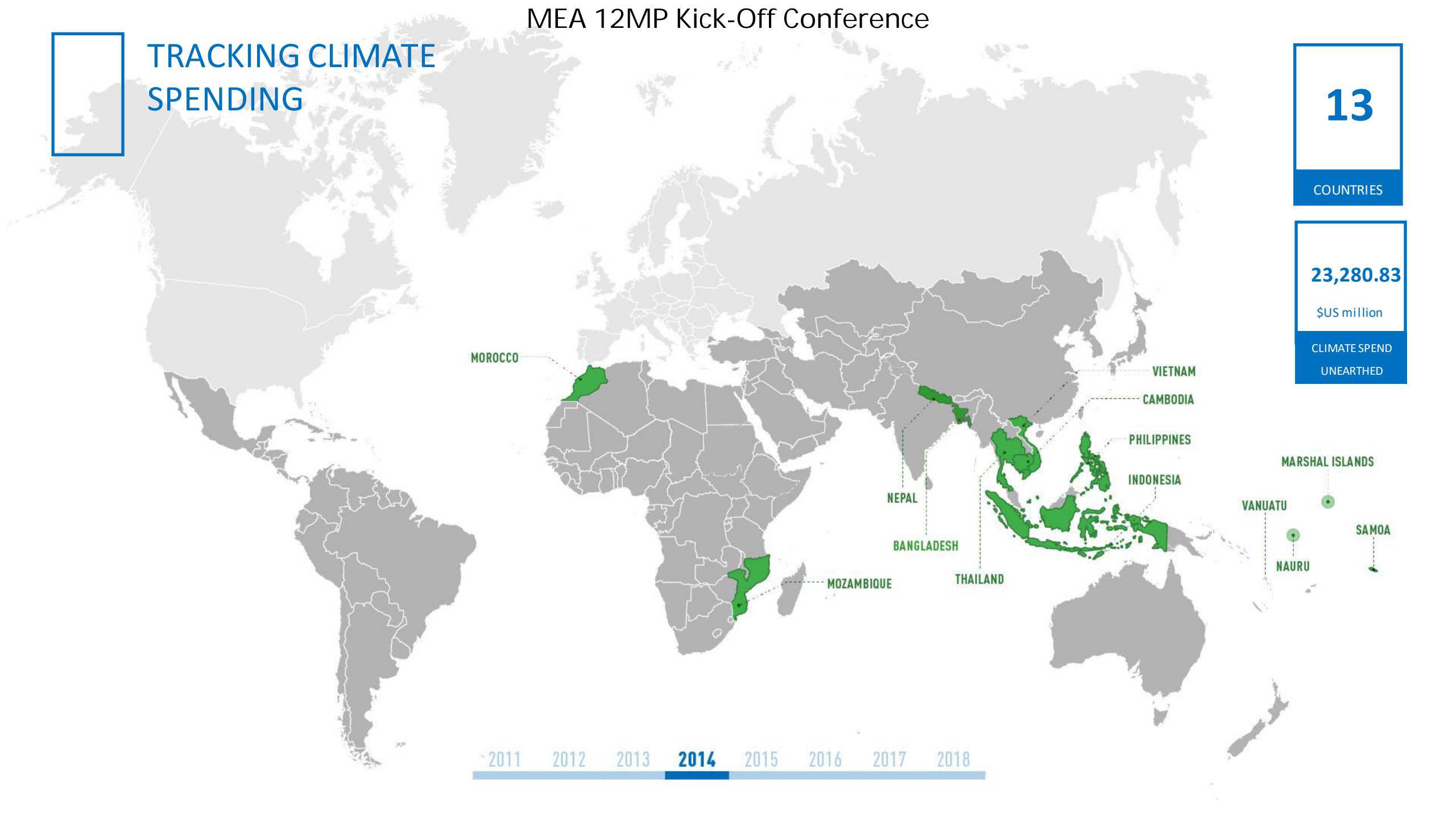
BANGLADESH

NAURU

MOZAMBIQUE

THAILAND

2011 2012 2013 **2014** 2015 2016 2017 2018



MEA 12MP Kick-Off Conference



TRACKING CLIMATE SPENDING

18
COUNTRIES

48,189.11
\$US million
CLIMATE SPEND
UNEARTHED

HONDURAS

MOROCCO

GHANA

PAKISTAN

NEPAL

BANGLADESH

MOZAMBIQUE

THAILAND

CHINA

VIETNAM

CAMBODIA

PHILIPPINES

INDONESIA

MARSHAL ISLANDS

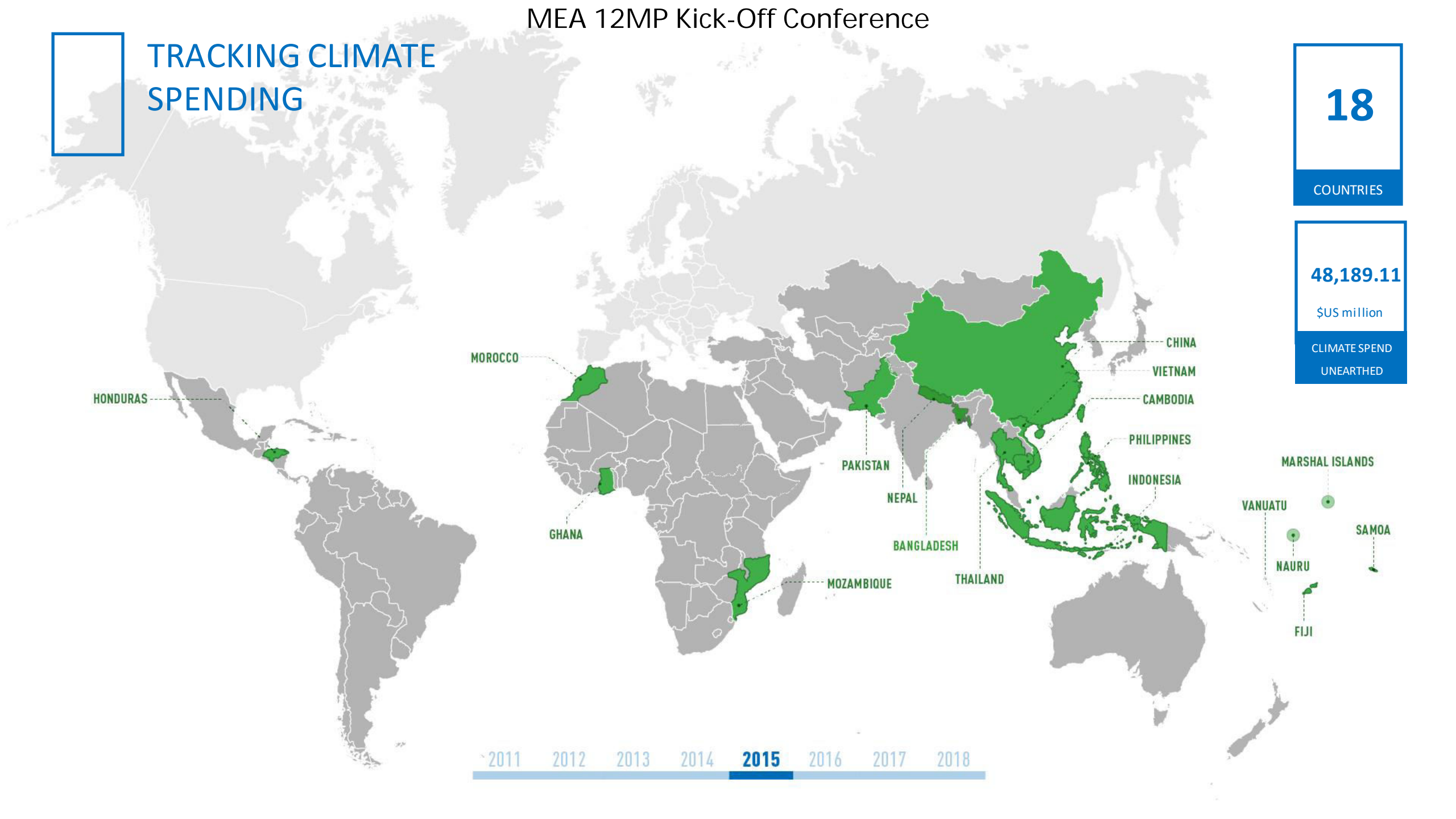
VANUATU

NAURU

FIJI

SAMOA

2011 2012 2013 2014 **2015** 2016 2017 2018



MEA 12MP Kick-Off Conference



TRACKING CLIMATE SPENDING

22

COUNTRIES

48,929.32

\$US million

CLIMATE SPEND
UNEARTHED

HONDURAS

EL SALVADOR

MOROCCO

GHANA

MAURITIUS

KENYA

NEPAL

PAKISTAN

BANGLADESH

THAILAND

PHILIPPINES

INDONESIA

CAMBODIA

VIETNAM

CHINA

VANUATU

NAURU

FIJI

SAMOA

TONGA

2011

2012

2013

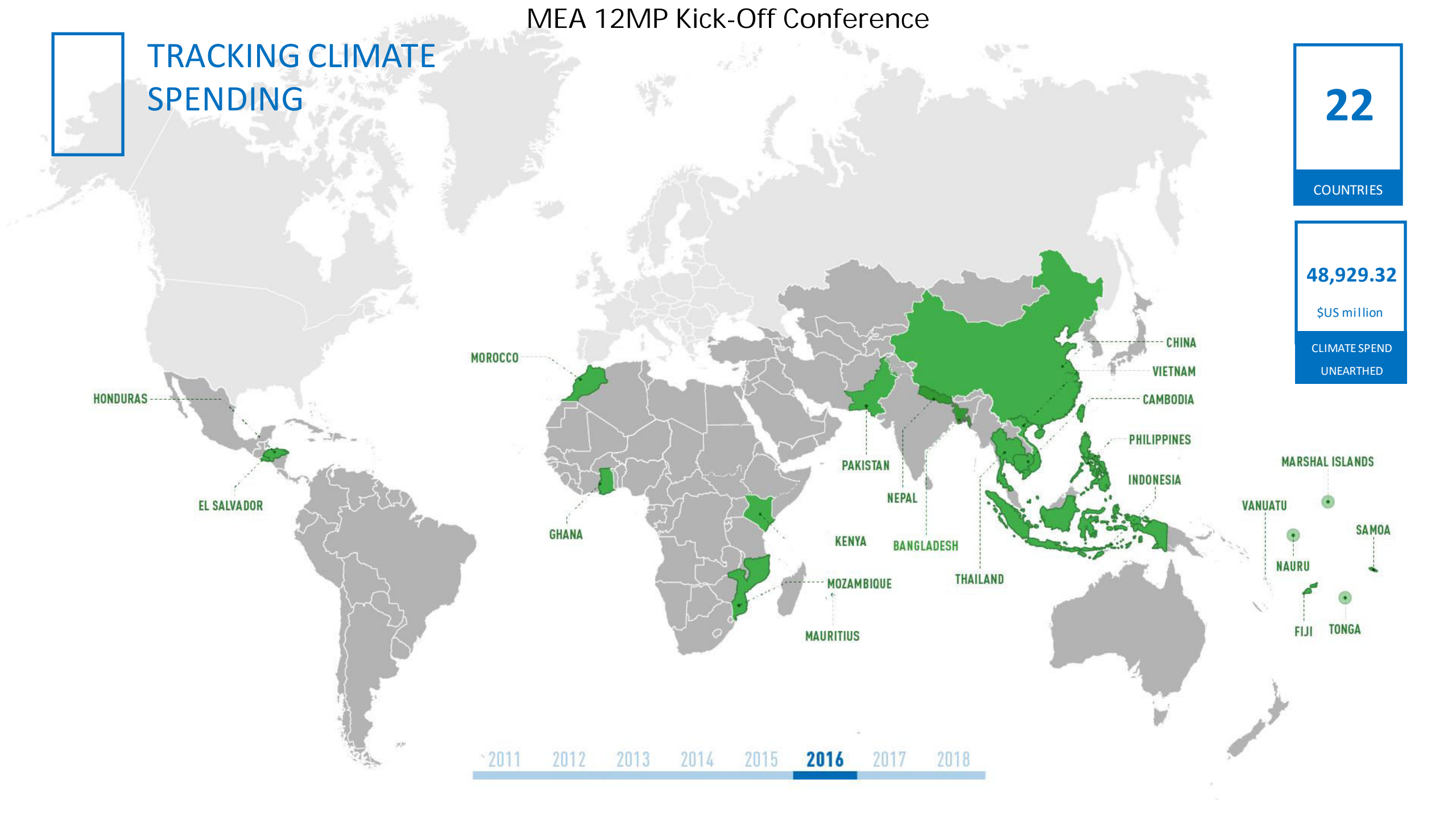
2014

2015

2016

2017

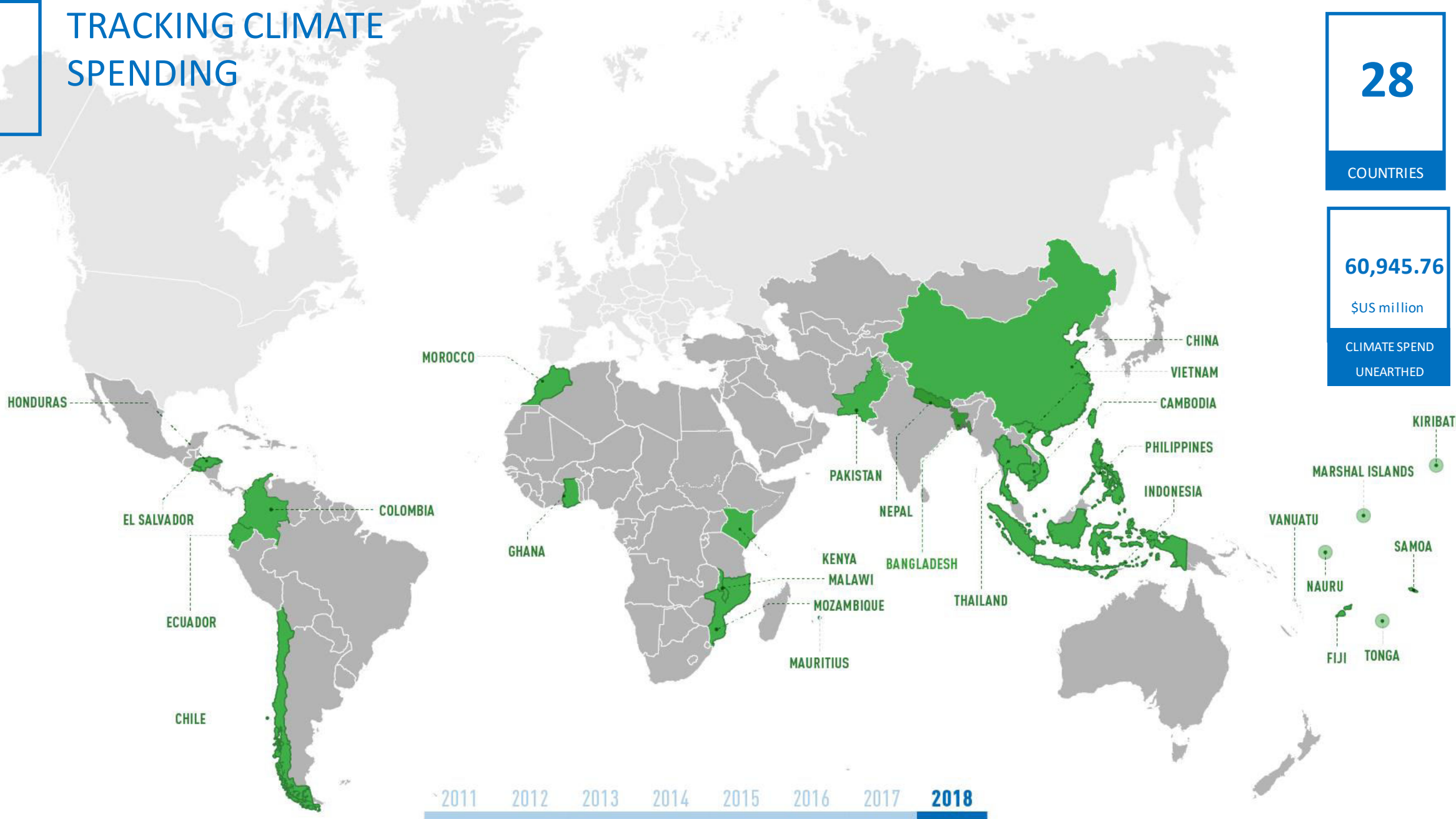
2018



MEA 12MP Kick-Off Conference



TRACKING CLIMATE SPENDING



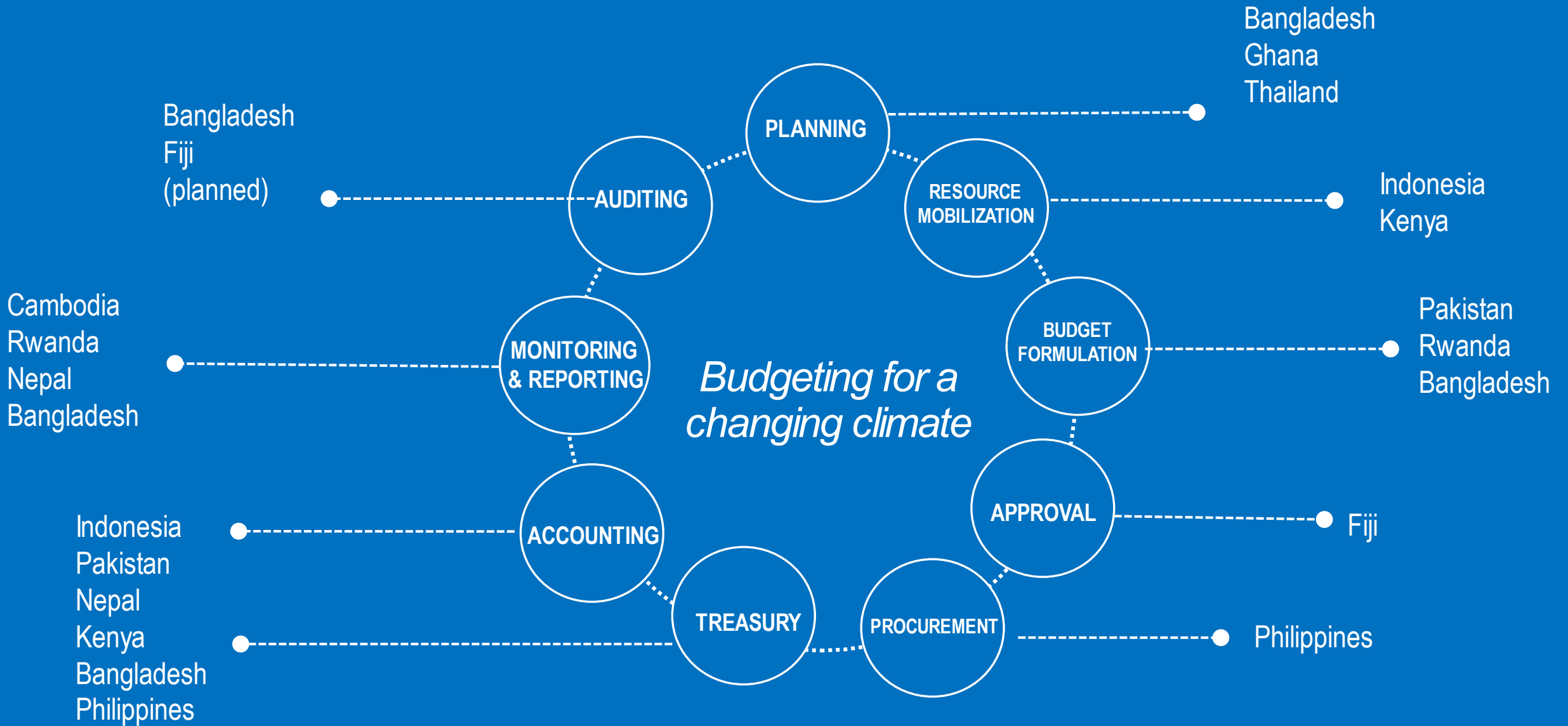
28

COUNTRIES

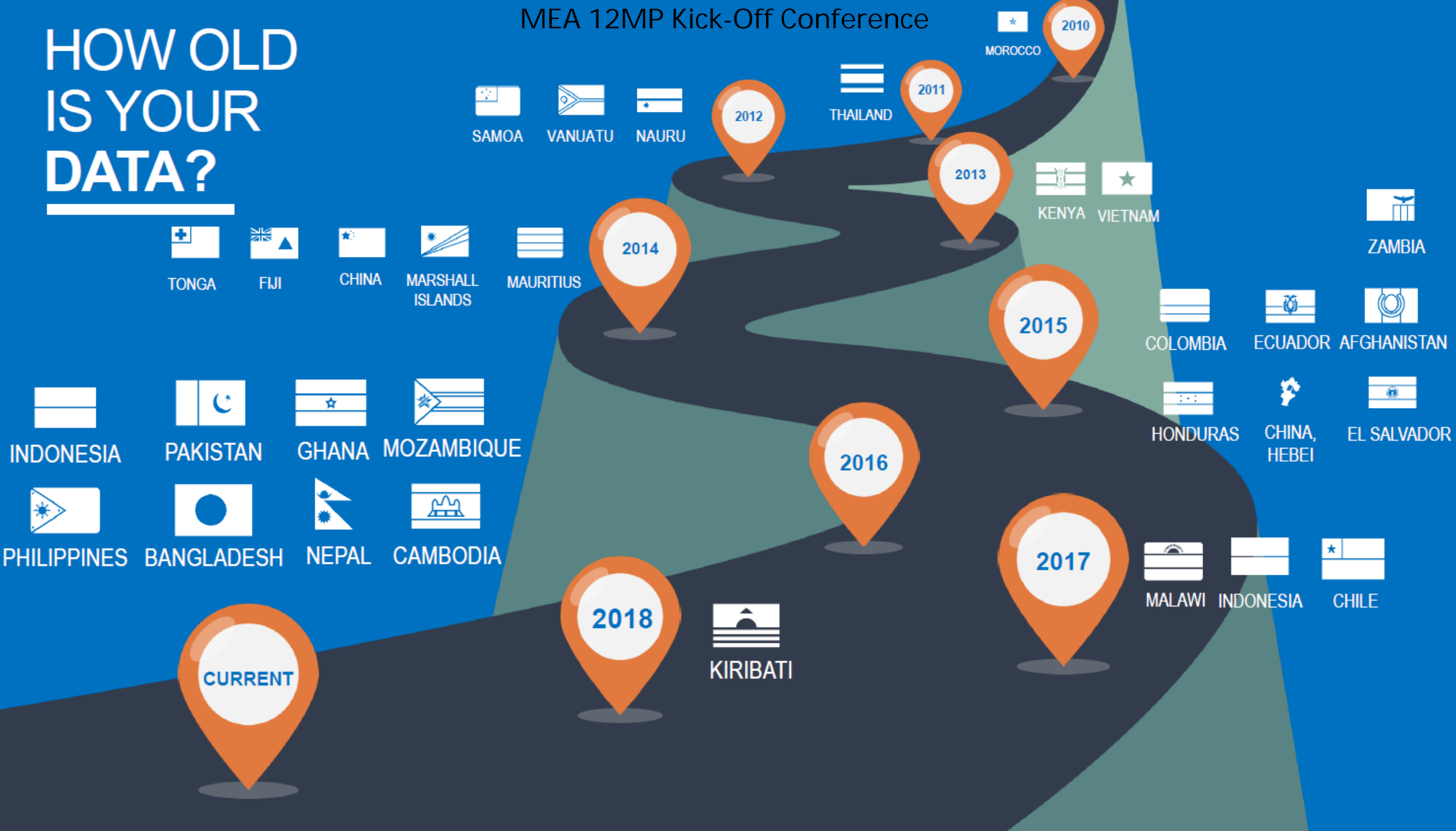
60,945.76
\$US million

CLIMATE SPEND
UNEARTHED

MEA 12MP Kick-Off Conference

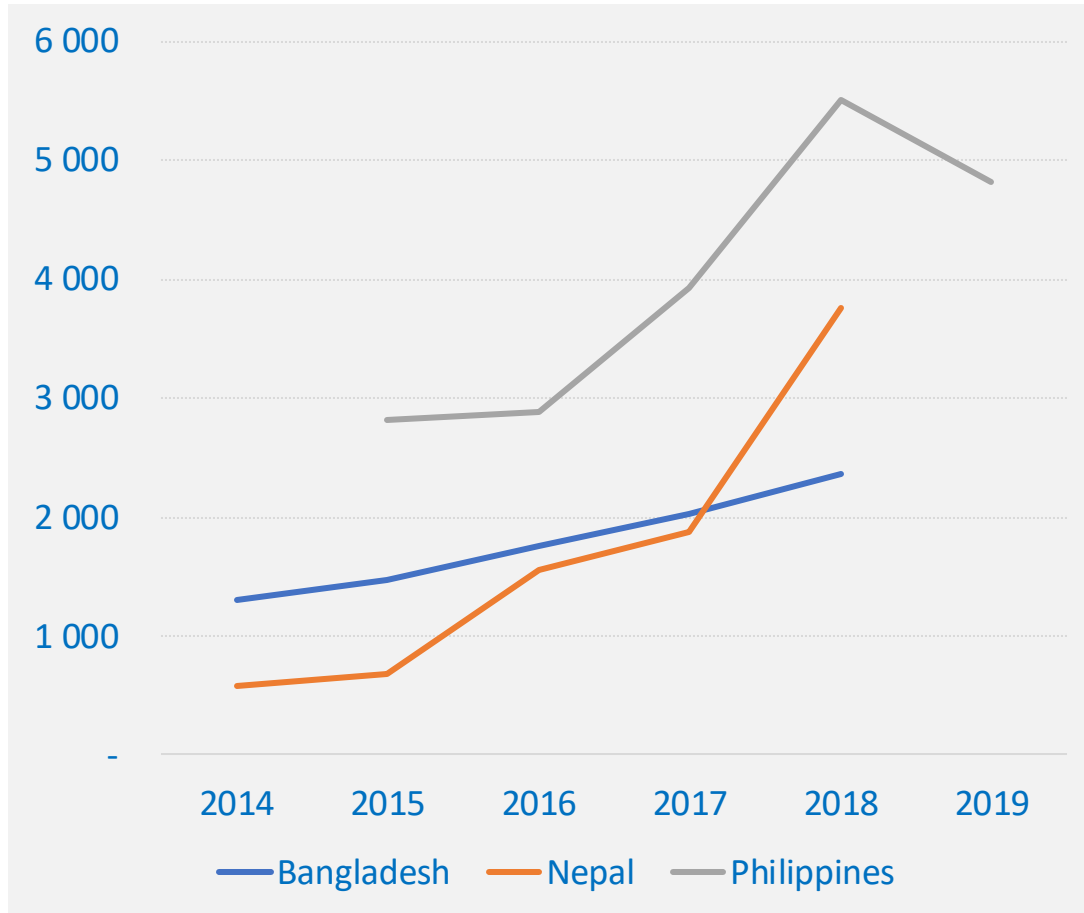


HOW OLD IS YOUR DATA?





CLIMATE BUDGET SYSTEMS



Countries that have introduced climate budget tagging have rapidly increased climate-relevant spending.

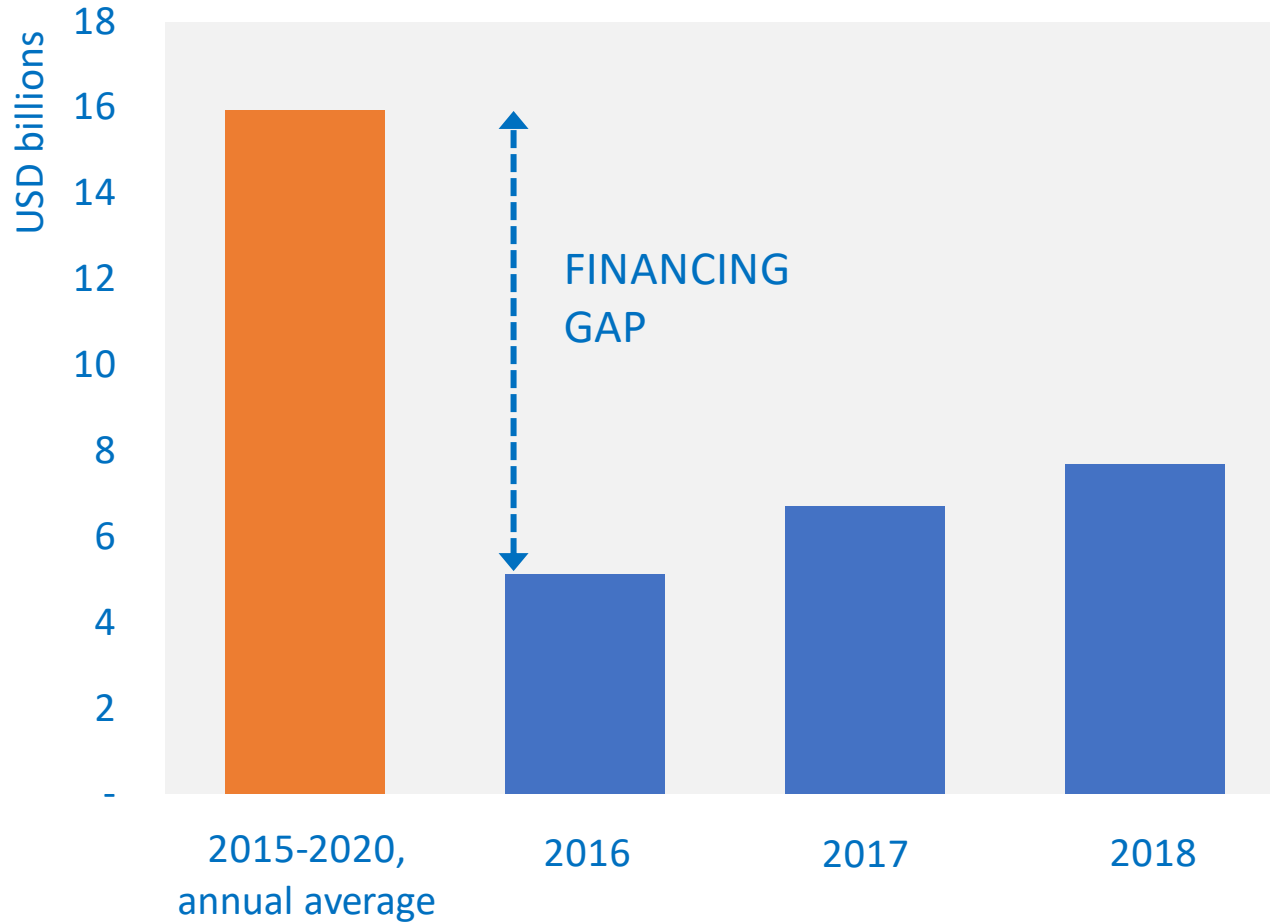
% increases since first CBT data:

- Bangladesh: 81%
- Nepal: 555%
- Philippines: 71%



COUNTRY EXAMPLES

MOBILIZING FINANCE IN INDONESIA



- Estimate the financing gap
- Support an increase in climate investment: 52% growth in 3 years
- Support access to new financing

\$1.25 billion
green sukuk

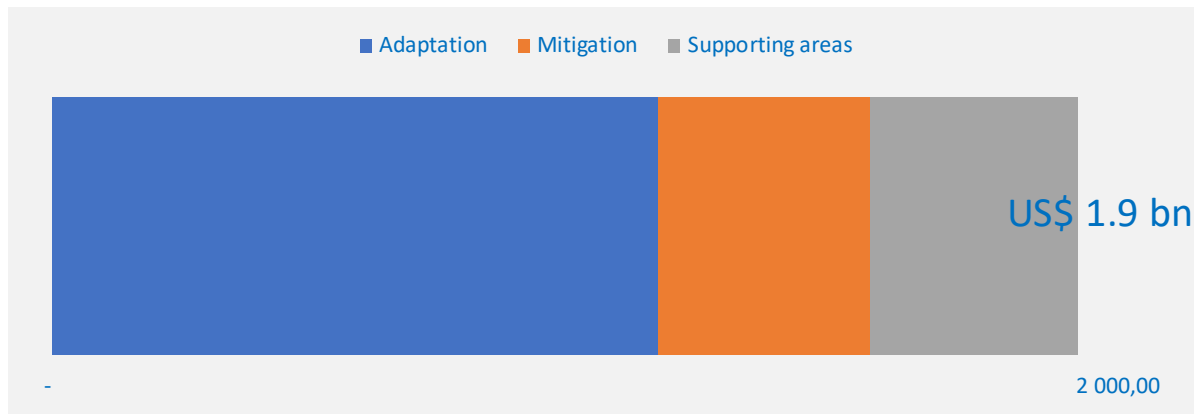
 Financing needs  Climate allocations



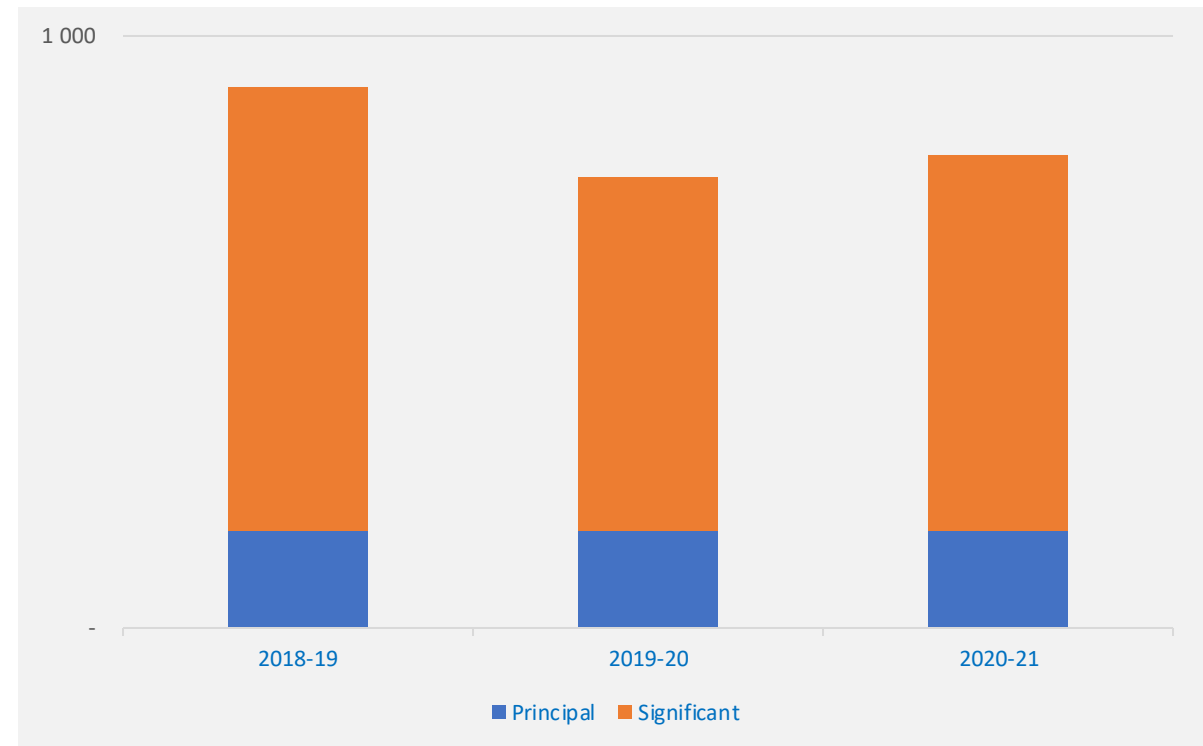
COUNTRY EXAMPLES

PAKISTAN – Medium Term Budgetary Framework

Federal government climate spending, 2017



Ministry of Water Resources MTBF



Climate Budget Formulation:

Developing investment appraisal tools as part of the budget process



1. First step: piloting investment appraisal and building capacity in Ministry of Agriculture

- Ministry of Agriculture has largest climate spend in Thailand
- Pilot appraisal techniques across a few projects and departments
- Apply appraisal to 'mega' flood management project and demonstrate significant change in benefits as a result of climate change

**Climate Change
Benefit Analysis
CCBA Guidelines**



2. Developing a Common Framework for Appraising Projects as part of the budget process

- Develop *Guidelines on Climate Change Benefits Analysis (CCBA)* developed based on experiences from the piloting and capacity building work
- Advocate and support process of endorsement of guidelines by cabinet and application in investment appraisal across ministries as part of budget formulation process

Flood canal in Thailand

WITHOUT CLIMATE CHANGE

Metric	Figure
Cost	63,180 Million Baht
Benefit	77,307 Million Baht
EIRR	14.52%
NPV	14,126 Million Baht
B/C ratio	1.22

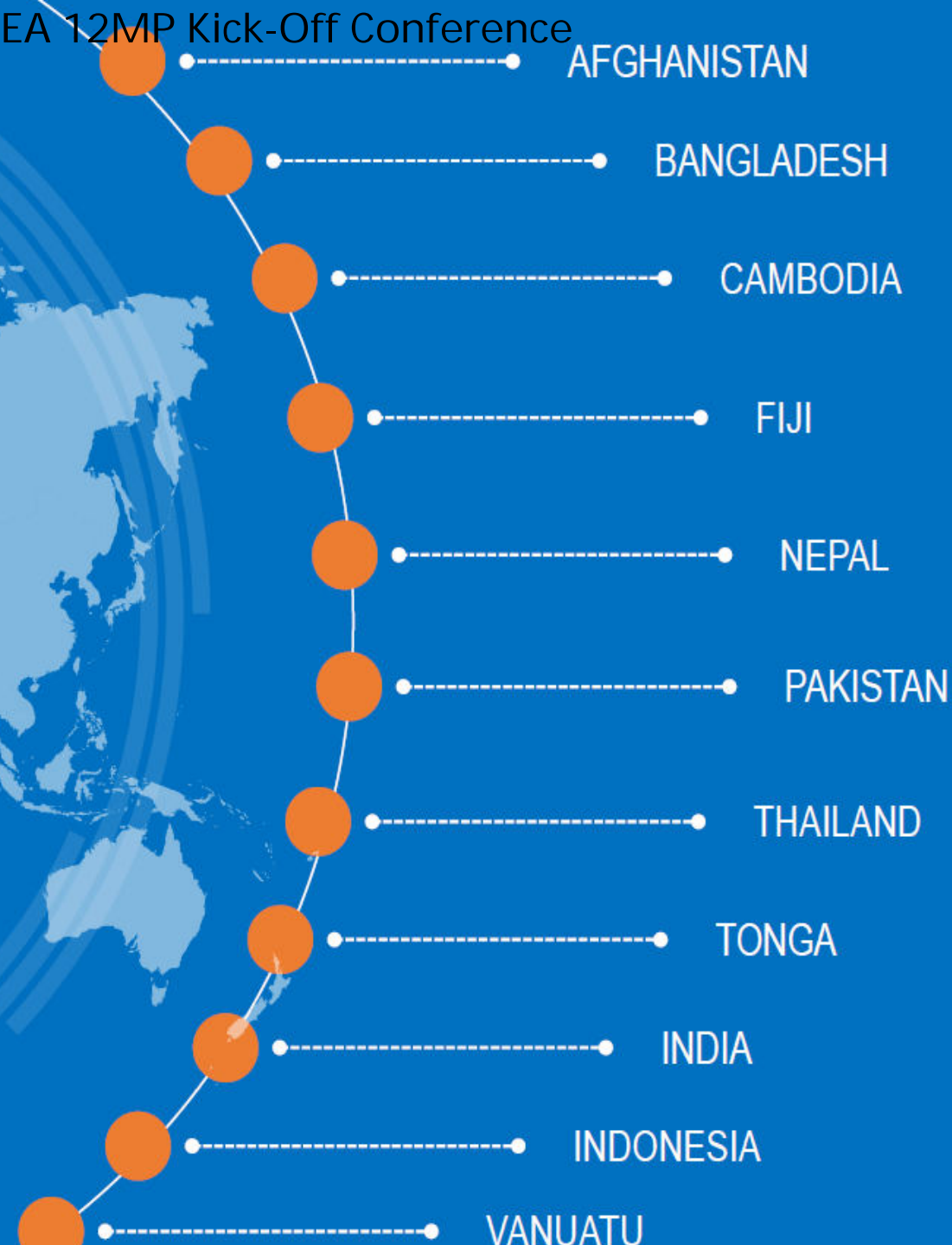
WITH CLIMATE CHANGE

Metric	Figure
Cost	63,180 Million Baht?
Benefit	294,973 million baht
EIRR	43.91%
NPV	231,793 million baht
B/C ratio	4.67

**Implication for greater financing:
Redesign of the scheme for climate
proofed infrastructure.**

Significant change in
benefit/Cost Ratio in climate
change context

CLIMATE FINANCE NETWORK



**PLEASE
JOIN**

EXPECTED RESULTS



More and **improved knowledge** is generated and made available for more effective and equitable climate finance management



More **south-south cooperation** and **technical assistance** is facilitated to increase capacity to access and manage climate finance equitably



Ministries of Finance **increase** their **technical capacity** and commitment to take forward the climate change agenda



More **public and private investment** is mobilized and leveraged to combat climate change

The Coalition of Finance Ministers for Climate Action

AUSTRIA	CANADA	CHILE	COLOMBIA	COSTA RICA	CÔTE D'IVOIRE
DENMARK	DOMINICAN REPUBLIC	ECUADOR	FINLAND	FIJI	FRANCE
GERMANY	GUATEMALA	ICELAND	IRELAND	JAMAICA	KENYA
LUXEMBOURG	MARSHALL ISLANDS	MEXICO	NETHERLANDS	NIGERIA	NORWAY
PARAGUAY	PHILIPPINES	POLAND	PORTUGAL	SPAIN	SWEDEN
		UGANDA	UNITED KINGDOM		

PLEASE JOIN