

Strengthening the Governance of Climate Change Finance to benefit the poor and vulnerable (2012-16), a regional programme implemented by UNDP and supported by SIDA

January 2013 – July 2014 work plan

Submitted to SIDA 28th June 2013

Background

The programme aims to strengthen fiscal policies and budgeting processes to ensure responding to climate change is at the centre of public investment planning in countries of Asia and the Pacific. The programme will also aim, over the course of its three year timeframe, to increase the quantity and quality of climate related expenditures managed at the country level.

Working regionally with focused action in four pilot countries, the programme will aim to identify and support innovation in the area of linking climate policy and public finance. The programme will contribute to the replication of best practice across the four countries and a broader sharing of lessons learnt across the Asia-Pacific region. Finally the programme will use regional networks to strengthen international discussion over the channeling of climate finance to the country level.

Partnerships

Further to the information provided in the draft workplan submission to SIDA on 12 February 2013, UNDP has been strengthening partnerships with several other development partners on Climate Finance issues for Asia and the Pacific.

Discussion has been well underway with the United Kingdom's Department of International Development (DFID) Regional office for South Asia in supporting a Strengthening the Governance of Climate Change Finance to benefit the poor and vulnerable programme, focusing on South Asia (India, Nepal and Pakistan). It is expected that the financial contribution will be between \$4m-5m over three years, in a similar scale to the SIDA funded programme. It is proposed that the DFID programme will draw directly from the *Strengthening the Governance of Climate Change Finance to benefit the poor and vulnerable (2012-15)* results framework and implementation methodologies. The synergy between the two programmes will allow for stronger lesson learning and south-south exchange across the Asia region.

The Asian Development Bank (ADB) is also in discussion with UNDP to conduct Public Expenditures and Institutional Reviews on disaster management / climate change adaptation in three countries in the Asia Pacific region with financial support of \$600,000 starting at the end of 2014. In addition, the Government of India through the National Institute of Public Finance and Policy (NITPF), of the Ministry of Finance, and UNDP are in discussion on opportunities to conduct CPEIRs in India at sub-national level, with approximately \$300,000-\$400,000 financial resource of Government of India.

At the country level a number of partnerships continue to be leveraged to bring additional resources and deepen all project activities. In every country, SIDA resources are catalyzing larger projects. Details are found in the country level work plans but amount to a total of approximately \$1,600,000.

Overall workplan

Since December 2012, there have been a number of consultations with the proposed focus countries to the programme (Bangladesh, Cambodia, Indonesia and Thailand) to further develop regional and country level workplans. In addition to the necessary consultations, implementation of agreed workplans at the regional level and in both Cambodia and Thailand are underway. A draft workplan for Bangladesh is also now submitted and Indonesia is still in the process of developing a workplan and project implementation modality.

Regional workplan

UNDP has successfully mobilised extra resources both financially and in-kind working with the Republic of Korea to co-fund and host the annual Climate Finance and Development Effectiveness dialogue in Seoul. This has also been agreed in consultation with the Office of Economic Co-operation and Development (OECD) and CSO Partnership in Development Effectiveness (CPDE) under the framework of the Busan Partnership for Action on Climate Change Finance and Development Effectiveness. There is strong potential to use this global forum to present progress on the regional programme to a broader set of stakeholders and in addition to engage with Green Climate Fund Secretariat.

<http://www.climatefinance-developmenteffectiveness.org/>

In parallel with the country level activities, a number of regional analyses with follow-up regional dialogues are being undertaken namely a Stock-take of Climate Finance and Use of Country Systems which will be used as a discussion paper for this global forum, Asia Pacific Social Protection and Climate Change dialogue and analysis, Institutional Context Analysis Context Analysis: Lessons Learned from Asia-Pacific. These various analyses will build an evidence-based approach to ensuring that while integrating climate change finance within existing development planning and budgeting, climate finance should also add value to on-going poverty focused policy and programming.

The implementation of a regional communications strategy has started with the objective to generate further ownership and buy-in to the approach of integrating climate change finance with government budget and planning systems. A website, short video and summary pamphlet are being developed in this regard.

There have been discussions with Thai government on a potential ASEAN initiative among 10 ASEAN member countries in the form of a sub-regional peer exchange workshop. Thailand through the Office of Natural Resources and Environment Plan and Policy (ONEP), Ministry of Natural Resources and Environment is now a chair of the ASEAN's working committee on Climate Change and the next chair is Cambodia who will take the assignment in January 2014. This is a good opportunity to increase awareness and priority as well as sharing of lesson learnt to strengthen Climate Change Finance in ASEAN.

UNDP and the United Nations Institution for Training and Research (UNITAR) in Geneva have been discussing on the collaboration in developing a learning assessment for Asia-Pacific countries on Climate Change Finance and Development Effectiveness. It is expected that the learning assessment and regional learning framework will be completed and launched at the global forum in Korea in the fourth quarter of 2013. Further country level tailored learning or training module will be developed at the later stage after receiving comments and inputs from participants at the Korea Global Forum.

Regional Event Calendar

Period	Event Name	Organisers	Venue
5-6 September 2013	Workshop on Political Economy Analysis and Climate Finance	GIZ, UNDP, WB and WRI	Berlin, Germany
TBC 21-25 October 2013 (2-day forum)	Global stock-take on Climate Finance and Development Effectiveness Forum: Using of Country Systems to manage climate finance	Korea, UNDP, OECD, CPDE	Seoul, Republic of Korea
TBC	Asia-Pacific Social Protection and Climate Change dialogue	UNDP	Bangkok

Country workplans

Following to the overall workplan submission on 12 February 2013, we now include the updated country level workplans to support the updated overall workplan.

Cambodia

Cambodia's work plan has been discussed in-country with a range of stakeholders and was approved by the Board of the Cambodia Climate Change Alliance (CCCA) on 13 February 2013. The Board includes UNDP, SIDA, Ministry of Finance and Environment who are, in particular, key to the implementation of the work plan. CCCA will serve as an implementing modality for the Cambodia workplan. The Climate Change Task Team Sub-Group on Climate Finance (members are from the Ministry of Economy and Finance, the Ministry of Environment, the Ministry of Planning, National Committee for Sub-National Democratic Development and the Council for Development of Cambodia) is the main institution to oversight the implementation of the project. Some activities for sector-based expenditure reviews, costing and forward financing plans in four sectors to inform Cambodia Climate Financing Framework are already underway. The detailed Cambodia workplan is attached in Annex 1.

Thailand

Thailand's workplan has been developed under the *Strengthening Thailand's Capacity to link Climate Policy and Public Finance (2013-2015)* programme and was submitted for the approval of the project board which will be an oversight body of the project implementation. The project includes additional activities beyond the SIDA supported ones which are funded by other UNDP resources. The Board members include the Ministry of Natural Resources and Environment (ONEP), Ministry of Finance (FPO), Bureau of Budget under the Prime Minister Office and the office of National Economic and Social Development Board (NESDB). The first Board meeting is scheduled to be in 25 June 2013 to finalise the overall project direction and scope of activities. After a Local Project Advisory Committee (LPAC) meeting on 22 March, 2013, the Letter of Agreement and project Document including the Results Framework and workplan in implementing the project was counter-signed between UNDP and the Thai government on 5 June 2013. The detailed Thailand workplan is attached in Annex 2.

Bangladesh

The Bangladesh programme "Inclusive Planning and Budgeting for a Climate Resilient Nation" was developed based on numerous consultations with key stakeholders. This programme will include

three components with complementary resources from PEI, UNDP and other sources beyond SIDA. While a first round of confirmation on the planned activities has already taken place, there are still pending consultations to finalise the project and SIDA component with the Government of Bangladesh. The programme board with members from the Finance Division of Ministry of Finance, Local Division of the Ministry of Local Government and Rural Development and the Planning Commission will be the oversight institution. For the SIDA component, the implementation modality will be the UNDP Upazilla Governance (UZPG) project under the Local governance Strengthening Programme. Bangladesh aims to deepen the effectiveness of climate change finance at both national and sub-national levels, with key stakeholders that include the Planning Commission, the Finance Division of the Ministry of Finance, and the Local Government Division of the Ministry of Local Government and Rural Development. It is expected that the activities for Bangladesh would start in the third quarter of 2013. A detailed workplan for Bangladesh is attached in Annex 3.

Indonesia

Discussions are being undertaken from 24-26 June 2013 with the Indonesian government, in particular, the Ministry of Finance, Planning (Bappenas) and Ministry of Environment, and other partners for the overall country programme and workplan development for Climate Change Finance project. It is expected that the draft country project and workplan will be available later in the fourth quarter of 2013. A summary of progress on developing the Indonesia workplan is attached in Annex 4.

Other CPEIRs supported by UNDP

Viet Nam's Climate Public Expenditures and Institutional Review (CPEIR) has been started with support from UNDP and the World Bank. Scoping missions were undertaken, concept note and the term of reference for the analysis has been developed in consultations with the government of Viet Nam (the Ministry of Planning and Investment, Ministry of Finance and Ministry of Environment). The analysis will cover both national and sub-national level and will also look into investment aspect.

A CPEIR in Pakistan has been started in May 2013 with a scoping mission and on the ground assessment with UNDP resources. Pakistan has a Federal structure and the study will therefore assess institutions, policy, strategy, resources, performance review and financial management at Federal Level and in one selected Province. The conduct and output of the CPEIR are expected to contribute to mainstreaming climate finance by raising awareness of strategy and policy issues, promoting the efficient and effective use of resources, assessing policy formulation and implementation thereby contributing in a practical way to greater co-operation between diverse stakeholders. The study aims to make practical recommendations for future actions and interventions to improve the management of climate finance in Pakistan in the future. The CPEIR approach has potential to become a benchmark reference that will allow policy makers assess the present status of the national and provincial response to climate change. This can then inform preparation for the scaling-up of access and delivery of climate finance.

UNDP is in discussion with Pacific countries to undertake CPEIR potentially in Fiji and Nauru with UNDP Resources and potentially with additional financial support from AusAID. It is expected that the analysis will start in 2013 for at least one country.

Staffing

Regional recruitments are almost complete for all positions. The Governance and Public Finance position has been filled and will be officially on board on 24 June 2013; the Communications and Programme Analyst post has been filled and already on board; and the Climate Policy Expert recruitment is finalised and now is in process of negotiating with the selected candidate. Country level recruitments for Technical Assistance and project support have been done. Additional resources from DFID will have implications for how human resources are best configured and UNDP will discuss this with SIDA over the coming weeks.

Budget

6,900,000 SEK (USD 1,036,658.65) has been received from SIDA in December 2012 and the second installment of 5,000,000 SEK (estimated USD \$763,242) is scheduled for 5th August 2013. The work plan provided below encompasses this total of 11,900,000 SEK (estimated USD 1,799,902) for the period up to end July 2014. Allocation in the work plan mirror overall budget allocations within the programme document with one exception. We have revised the allocation of \$20,000 in Regional activities in Output 3 together with some staff costs to allocate to Bangladesh (\$87,750) and Indonesia (\$67,250) in this workplan for their country level activities in 2013 – July 2014. This is because (i) Bangladesh and Indonesia are able to start implementing their project and activities within July 2014 (ii) UNDP has successfully mobilised extra resources for Regional activities i.e. the annual meeting in Korea and (iii) First half of 2013 salary for Internationally recruited staff are not used as they are only starting their assignments in the second half of 2013. Any further proposed revisions to the work plan and budget will be discussed with SIDA ahead of the next proposed disbursement in June 2013.

Expenditures

As of 5 June 2013, the overall combination of budget obligations and expenditures is \$889,981 out of SIDA contribution received of \$ 1,036,658.65 while UNDP's combination of budget obligations and expenditures is \$111,019. Details could be obtained in the overall workplan in page 3-7.

Monitoring and evaluation

The UNDP's Governance of Climate Change Finance cross-practice team with members from Democratic Governance and Environment and Energy Team operationally monitor the workplan through monthly team meetings to monitor works progress and update on workplan implementation. The team regularly discusses the workplan with UNDP country offices both by mission (Cambodia 4 missions, Bangladesh 4 missions, Indonesia 4 missions and 8 face-to-face meetings with Thailand) and by teleconference to ensure that the programme is implemented in mutual and clear understanding from both regional and country level team and to strengthen our monitoring system.

The team has established an M&E system in close collaboration with UNDP country offices to monitor expenditure and work plan progress. Regular expenditure tracking is undertaken on a monthly basis and it is agreed between the regional team and the country team that financial and progress report of country level implementation will be shared at least quarterly.

The team will generate an overall consolidated narrative and financial progress report and submit to SIDA by mid of September as agreed in the annex 3 of the UNDP-SIDA Administrative agreement. It

is proposed that annual review meeting is to be held in November 2013 between UNDP and SIDA representatives. UNDP could propose to convene a donors' workshop at the end of 2013 for half a day to strengthen partnership and to exchange and update view and experience amongst development partners who are actively involving in Climate Change Finance in Asia-Pacific. This could include SIDA, DFID, ADAPT Asia-Pacific, USAID, AusAID and UNDP and other UN agencies.

Draft 2013-2014 workplan of the Governance of Climate Change team

No	Outputs/ Targets	Activities	Countries (2013-2014)	Finance					Responsible staff	
				SIDA Jan 13 to July 14	OTHER FUND	SOURCE	COMMITTED	EXPENDITURES		
1	(SIDA) Output 1. Fiscal policies are formulated and Institutions are strengthened to facilitate the delivery of climate change finance to the poor in countries of Asia and the Pacific (ENABLING PLANNING AND BUDGETING)	1.1 Implement and strengthen the CPEIR methodology (at sector/local/national levels) (SIDA budget 209,000)	Cambodia	104,500	200,000	GEF, CCCA	87,797	16,703	Tom/ Sujala	GPF 30 days CCF 20 days
			Pakistan	0	134,000	CO (80k) ARGP (54k)	86,600	6,520	Sujala	GPF 10 days CCF 20 days
			Thailand	30,000	TBD		29,800		Tom/ Paul/ Oum	GPF 10 days CCF 10 days
			Fiji+1 more Pacific	0	100,000	ARGP			Kevin	
			Indonesia	67,250	TBD	PEI			Alex /Tom	GPF 10 days
				0	5,610	ARGP	-	5,610		CCF 10 days
			Bangladesh	12,500	7,635	PEI	15,270			
		Output: Strengthened "I" component of the CPEIR, including through the integration of an ICA lens, for national and sub-national analysis.	Regional	-	30,000	ARGP	8,000		Sujala	Bjorn
	TARGET 2: National budgetary processes in at least 3 countries are tracking and analyzing the level and quality of climate expenditures, including benefit incidence, gender and equity by 2015.	1.2 Technical assistance and workshops to develop climate finance strategies and policies at national and local levels. Output: clarity of mandate and responsibilities re: climate change at local level among different departments (SIDA budget \$31,250)	Thailand	10,000			10,000		Tom/ Oum	GPF 5 days
			Cambodia	15,625			1,203		TBC	GPF 5 days
			Indonesia	0		PEI			Alex	
		1.3 Training on integrating and tracking climate change finance within national systems of PFM and M&E (e.g through use of budget code development, results indicators, expenditure classification etc.). (SIDA budget \$67,600)	Thailand	40,000			30,000		Tom/Oum	GPF 15 days
			Cambodia	25,000					Tom	GPF 15 days
			Indonesia	0		PEI			Alex	
	TARGET 3: At least 3 countries have put in place a clearly defined inter-ministerial mechanism with a mandate to report on the delivery of climate finance to the poor, by 2015, which are currently under-resourced and meeting irregularly.	1.4 Capacity development to strengthen cross government mechanisms with oversight of the management of climate finance - Output: establish/strengthen multi-stakeholder mechanisms at local level for oversight of CCF (budget, delivery) (SIDA budget \$111,000)	Thailand	30,000			15,000		Tom/Oum	
Cambodia			55,500					Tom		
Bangladesh			45,250							
Indonesia			0	33,351	ARGP			Alex		
1.5 Training for non-executive institutions and civil society / media with a potential role for promoting accountability for the effective management of climate change expenditure (SIDA budget 40,900)		Bangladesh	0	42,750	ARGP			Paul / Sujala		
		Cambodia	20,450					Tom	GPF 15 days	
		Thailand	24,925					Tom/ Oum	GPF 15 days	
	Budget in the proposal \$459,750	Output 1 total	481,000	553,346	0	283,670	28,833			

N o	Outputs/ Targets	Activities	Countries (2013-2014)	Finance					Responsible staff	
				SIDA Jan 13 to July 14	OTHER FUND	SOURCE	COMMITTED	EXPENDITURES		
2	(SIDA) Output 2. Government budgets delivering more climate change programmes that reach the poor and vulnerable	2.1 Provide governance/PFM assistance (including ICA/ PEA) to climate change programming design teams (e.g GEF, Climate Funds Management, other climate change donor programmes). (SIDA budget \$31,900)	Thailand	50,000					Tom / Oum	GPF 20 days
			Cambodia	0					Tom	GPF 20 days
			Indonesia	0	TBC	PEI			Alex	
	TARGET 1: By 2015, in Thailand 35% of climate related expenditures reflected in the national budget.	2.2 Supporting Busan monitoring and aid information management systems to assess climate finance (e.g Rio Markers) and links to PFM. (SIDA budget \$ 41,000)	Cambodia	20,500					TBC	CCF 10 days
			Bangladesh	30,000					TBC	CCF 10 days
	TARGET 2: By 2015, in Cambodia 15% of climate related expenditure reflected in budget / ODA tracking system	2.3 Review benefit incidence of climate programmes and budgets in selected countries (e.g. gender dimensions of climate related expenditures).(SIDA budget \$ 81,250)	TBC	30,000					Alex	CCF 15 days
			Cambodia	21,250					Tom	CCF 15 days
	TARGET 3: By 2015, at least 3 countries review and report on the benefit incidence (particularly poverty and gender targets) of their climate related expenditures at least once.	2.4 Identify UNDP programmes that can demonstrate approaches to integrating climate vulnerability and leverage additional climate finance. Review Social Protection, Local Development and other Poverty programmes (SIDA budget \$ 100,500)	Regional (Bangladesh-Social Protection) (Laos/Timor and Cambodia -Local Development)	50,000				1,395	CCF Specialist	CCF Specialist (130 days) **days can be reallocated
			Thailand	22,350						
	TARGET 4: By 2015, at least two poverty programmes have established mechanisms to ensure that climate vulnerable populations' needs are addressed in planning, implementation and in the M&E framework.	2.5 Demonstrate approaches to targeting the climate vulnerable through existing poverty programmes in ways that can leverage future climate finance. (Grants) Develop poverty strategy for overall programme including selection of potential pilot demonstration projects.	Regional	50,500	30,000	ARGP				CCF 15 days
Other										
		Budget in the proposal \$254,650	Output 2 total	274,600	80,000	0	-	1,395		

No	Outputs/ Targets	Activities	Countries (2013-2014)	Finance					Responsible staff	
				SIDA Jan 13 to July 14	OTHER FUND	SOURCE	COMMITTED	EXPENDITURES		
3	(SIDA) Output3. Capacities of regional Institutions strengthened to provide products, services and skills that better meet the climate finance needs of Asia and the Pacific	Collaborate with world bank to develop CPEIR source book and facilitate knowledge exchange - Regional events/e-discussions (with world bank and other partners)		-		TBC			Paul	
		3.1 Work with regional institutions (e.g ASEAN) to ensure country level analysis of the management of climate finance and to inform key climate finance negotiations within the UNFCCC and Global Partnership for Effective Development Cooperation. [3.1 Develop and disseminate country level analysis on the management of climate finance to influence key climate finance negotiations within the UNFCCC and Global Partnership for Effective Development Cooperation.] (SIDA budget \$ 43,500)	Thailand	43,500					Tom	CCF Specialist (20 days)
	TARGET 1: By 2015, at least 2 global climate finance processes (UNFCCC/HLF) are informed by the preferences of country representatives from Asia-Pacific, mediated through regional institutions.	3.2 Support the transfer of knowledge and expertise across countries of the region through: (i) the development of four guidance / methodological notes on climate finance management; and (ii) supporting practitioners to provide South-South technical assistance in response to country demand. (SIDA budget \$ 180,000)							Tom/ Oum	
		Implement regional communications strategy (Website + VDO + Brochure)	Regional	45,000						
	TARGET 2: By 2015 at least three south-south meetings / mission supported in response to demand from country policy makers and practitioners for climate finance support.	3.2.1 the development of four guidance / methodological notes on climate finance management with a focus on political economy analysis (for 1 st product)	Regional	48,000	tbd	GIZ, WRI, World Bank		1,123	Tom/Sujal a	
	TARGET 3: By 2015, at least 4 knowledge products developed and disseminated by regional institutions.	3.2.2 Facilitating South-South Cooperation (ii) supporting practitioners to provide South-South technical assistance in response to country demand. (1 guidance note, S-S cooperation, 1 Regional event) - one product on local level lessons	Regional	30,000					Tom/Sujal a	
	TARGET 4; By 2015, at least 3 donor signatories to the BBB have undertaken specific measures to improve coordination with country governments, in at least 3 countries, over the management of climate finance.	3.2.3 Asia-Pacific Regional meetings - Includes Engage with Green Climate Fund to use national planning and budgeting systems	Regional	82,000					Tom/ Alex/ Oum	
		3.3 Secretariat support to climate change finance donor coordination group at regional level (SIDA budget \$ 16,500)	Thailand-Based (Regional)	16,500				2,021	Tom / Oum	
		- Regional Coordination - Bi-monthly donors partnership follow up		0	4289	UNDP ARGP		4,289		
		3.4 Consolidate Busan/ODA/Climate finance reports to provide annual regional overviews (SIDA budget \$ 37,000)	Thailand (Regional work)	21,561					Tom	GPF Specialist (20 days)
	Budget in the proposal \$277,000	Output 3 total	286,561	4,289	0	-	7,433			

N o	Outputs/ Targets	Activities	Countries (2013- 2014)	Finance					Responsible staff		
				SIDA Jan 13 to July 14	OTHER FUND	SOURCE	COMMITTED	EXPENDITURES			
4	Staffing costs and Administrative Supports	Governance/Public Finance Specialist		218,662			218,662				
		Climate Change Specialist		208,662			208,662				
		Regional Communications and Programme Analyst		73,100			54,742	18,358			
		Missions for staff		40,000				13,701			
		Monitor and Evaluation (5%)		48,869							
		Contingency (5%)		4,787				1,883			
			Staffing and support		594,080	0	0	482,066	33,942		
		GMS costs (for SIDA budget)			114,563			114,563	-		
	ISS fee (for SIDA budget)			49,098			47,185	1,913			
	Total Budget (USD)			1,799,902	637,635	0	927,484	73,516			

(as of 5 June 2013) Total planned and spent (Commitment +EXP)

\$ 1,001,000

Total committed and spent (%)

47%

Annex 1: Cambodia: Strengthening the Governance of Climate Finance

Work plan January 2013- July 2014

Background

The Royal Government of Cambodia (RGC) is currently developing its next National Strategic Development Plan (NSDP) 2014-2018 as well as the RGC's longer term vision to 2030. The Ministry of Environment is coordinating with other ministries and stakeholders the development of the Cambodia Climate Change Strategic Plan (CCCSP) as a key input to these planning and visioning exercises and as the central platform for national climate policy.

Following from the Climate Public Expenditure and Institutional Review conducted in 2012, RGC is now initiating the development of Cambodia's Climate Change Financing Framework (CCFF) as part of the CCCSP. The CCFF will be guided by the Climate Change Task Team Sub-Group on Climate Finance including the Ministries of Economy and Finance; Environment; Planning; National Committee for sub-National Democratic Development - Secretariat (NCDD-S) and Council for the Development of Cambodia (CDC).

The activities within this Work Plan for the Strengthening the Governance of Climate Finance in Cambodia are designed to support the development and roll-out of the CCFF as the key fiscal policy framework to guide climate finance in the coming years. Work will initiate with analysis to further identify expenditures and future costs for responding to climate change in priority sectors and include capacity development to support the integration of such costings in existing budget processes and future climate financing modalities.

The Work Plan will be taken forward under the auspices of the Cambodia Climate Change Alliance (CCCA) trust fund work plan for 2013-14 and has been put forward for CCCA Board Approval in February. Consultations already undertaken with Environment, Finance, Planning, NCCD and CDC have strengthened the work plan. Terms of reference for the first activity at sector levels are being finalized and co-funding secured.

The work plan includes an allocation of \$262,825 up to June 2014 and approximately 80 days of regional governance and public finance and 40 days of regional climate policy expertise with overall support and monitoring backstopping service from Regional Communications and Programme Analyst. Co-financing from Global Environment Facility projects is expected at approximately \$200,000; as well as technical and financial investments from the CCCA in the region of \$300,000. In addition the work plan will look to coordinate and seek synergies with the UNCDF LOCAL project at decentralized levels, WHO programming in Health and the Climate Investment Fund support Pilot Programme for Climate Resilience.

Draft Workplan for Cambodia (2013-2014)

UNDP-SIDA Regional support to the development of the Cambodia Climate Financing Framework

Under the auspices of the Climate Change Task Team Sub-Group on Climate Finance (MoF, MoE, MEF, MOP NCDD-S, CDC)

APRC Focal Points: Tom Beloe and Alex Heikens
 UNDP Cambodia CO: Kalyan Keo, Phearanich Hing and Napoleon Navarro
 MoE focal points: Tin Ponlok and Julien Chevillard
 MOF Focal point: Dr Tauch Chan Kreasna
 SIDA Cambodia office: Karl-Anders Larsson and Soma Dor
 Modality: Cambodia Climate Change Alliance

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		Jan-June 2013	July-Dec 2013	Jan-June 2014	Cost- Sharing	Allocated	
(SIDA) Output 1. Fiscal policies are formulated and Institutions are strengthened to facilitate the delivery of climate change finance to the poor in countries of Asia and the Pacific	(SIDA) 1.1 Implement and strengthen the CPEIR methodology (at sector/local/national levels)						
	Cambodia Activity: Developing sector-based expenditure reviews, costing and forward financing plans in four sectors to inform Cambodia Climate Financing Framework				Adapt Asia economic programme training GEF approx 200,000 (agric / water) WHO (health)	104,500	
Baselines and Targets for Cambodia (SIDA Output 1)	(Activities' Description) i. 4 priority sectors (from CCSP 9) will be selected. ii. A review of existing climate related expenditures drawing from the CPEIR will be undertaken and cost benefit analysis of current investments undertaken at both national level and in two provinces iii. An analysis of further costs from the impact of climate change on the achievement of sector objectives and services will be undertaken at national level and in two provinces in a 5, 10 and 15 year time frame						

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		Jan-June 2013	July-Dec2013	Jan-June 2014	Cost- Sharing	Allocated	
<p>Baseline:</p> <p>A) Cambodia: CPEIR completed in 2012. Climate Change Strategy not complete or referenced in budget document. No climate fiscal policies. Climate financing framework under development.</p> <p>B) Cambodia: National budget is not tracked for level or quality of climate change expenditures.</p> <p>C) Cambodia has established working committees to increase cross-government coordination and accountability for the delivery of climate finance, but these bodies are not yet looking at poverty incidence. Parliamentary Committees/Anti- corruption agencies and other non-executive institutions are not yet providing oversight of climate finance.</p>	<p>iv. Additional resources and changes to existing investments will be identified, as well as potential sources for further finance and modalities for delivery</p> <p>v. Links to Budget Strategic Plans and government PFM systems will be identified</p> <p>vi. Identify core capacities to be strengthened to take forward climate financing framework at sector levels and delineate key activities to be supported in 2013/14</p>						
	<p>(SIDA) 1.2 Technical assistance and workshops to develop climate finance strategies and policies at national and local levels. Output: clarity of mandate and responsibilities re: climate change at local level among different departments</p>				<p>CCCA Turst Fund Administrator</p>	<p>15,625</p>	
	<p>Cambodia activity Climate Change Financing Framework drafting and consultations support</p>						
	<p>(Activities' Description)</p> <p>i. Inception workshop to launch development of CCFF, co-organized by members of the Climate Finance sub-group, in March-April</p> <p>ii. Workshop to finalise draft CCFF in September 2012, followed by more detailed drafting of action plan</p>						
<p>Cambodia activity: Periodic climate finance policy briefs to contribute to NSDP and Vision 2030 consultations</p>					<p>Regional Advisory support</p>		

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		Jan-June 2013	July-Dec2013	Jan-June 2014	Cost- Sharing	Allocated	
<p>Target:A) Climate Financing Framework developed and reformed by 2014.</p> <p>B) Budgetary processes in Cambodia are better able to track and analyze the level and quality of climate expenditures, including benefit incidence and gender by 2015.</p>	<p>(SIDA) 1.3 Training on integrating and tracking climate change finance within national systems of PFM and M&E (e.g through use of budget code development, results indicators, expenditure classification etc.)</p> <p>Cambodia activity: Linking climate expenditures and impacts</p> <p>(Activities' Description)</p> <p>i. Following sector expenditure review and costing exercise, and building on Climate Change Strategic Plan monitoring framework work to establish indicators that can track impact linked to expenditure</p>					33,800	
	<p>(SIDA) 1.4 Capacity development to strengthen cross government mechanisms with oversight of the management of climate finance - Output: establish/strengthen multi-stakeholder mechanisms at local level for oversight of CCF (budget, delivery)</p> <p>Cambodia activity: Capacity development to build capacity to implementing climate financing framework</p> <p>(Activities' Description)</p> <p>i. As part of the action plan to implement the Cambodia Climate Financing Framework provide training to key sectors and CCD on Programme Based Approaches</p> <p>ii. Following from agreement of cross government mechanisms for oversight of climate finance capacity development support to be provided through Climate Change Department</p>					55,500	
<p>C) Cambodia has put in place a clearly defined inter-ministerial mechanism with a mandate to report on the delivery of climate finance to the poor, by 2015.</p>	<p>(SIDA) 1.5 Training for non-executive institutions and civil society / media with a potential role for promoting accountability for the effective management of climate change expenditure</p> <p>Cambodia Activity: Training and outreach with media, parliament and civil society</p>					20,450	

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		Jan-June 2013	July-Dec2013	Jan-June 2014	Cost- Sharing	Allocated	
(SIDA) Output 2. Government budgets delivering more climate change programmes that reach the poor and vulnerable	(SIDA) 2.1 Provide governance/PFM assistance (including ICA/ PEA) to climate change programming design teams (e.g GEF, Climate Funds Management, other climate change donor programmes).					Regional advisory support	
Baselines and Targets for Cambodia (Output 2)	<u>Cambodia Activity:</u> Design next generation CCCA Fund focusing on climate finance strategy, policy and innovation						
<u>Baselines:</u> A) Cambodia: Climate relevant public expenditure has grown from 14.9% in 2009 to 16.9% in 2011 (See Figure 1). 0% of this is discernible from government budget and programme documentation. CDC ODA database is beginning to record some off budget ODA as climate related but not systematic.	(SIDA) 2.2 Supporting Busan monitoring and aid information management systems to assess climate finance (e.g Rio Markers) and links to PFM.						
B) Cambodia: Gender and equity targets are not articulated in climate change planning and budgeting. Baselines establishing benefit incidence of climate expenditures not yet established.	<u>Cambodia Activity:</u> Support Cambodia Development Council to strengthen ODA database to track climate finance					20,500	

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		Jan-June 2013	July-Dec2013	Jan-June 2014	Cost- Sharing	Allocated	
C) Cambodia's poverty programmes do not explicitly include climate change objectives and activities and do not routinely include climate vulnerability assessments. Most climate change programmes are presented as discrete initiatives.	<ul style="list-style-type: none"> i. Develop guidance on use of climate change thematic marker ii. Roll out training for ministries and development 						
<p>Targets:</p> <p>A) By 2015, in Cambodia 15% of climate related public expenditure reflected in budget / ODA tracking system</p>	(SIDA) 2.3 Review benefit incidence of climate programmes and budgets in selected countries (e.g. gender dimensions of climate related expenditures).						
B) By 2015, at least 3 countries review and report on the benefit incidence (particularly poverty and gender targets) of their climate related expenditures at least once.	Cambodia Activity: Benefit incidence analysis of a cross-section of climate change projects				TBC	21,250	
C) By 2015, at least two poverty programmes have established mechanisms to ensure that climate vulnerable populations' needs are addressed in planning, implementation and in the M&E framework.	<p>(Activities' Description)</p> <ul style="list-style-type: none"> i. Select climate change projects representing a range of sectors (e.g. from CCCA / local / USAID? / PPCR? / Other? ii. Review how poverty / gender have been integrated into design, implementation, monitoring and evaluation iii. Assess benefit incidence of investments and develop lessons learnt for future climate programming 						
Total (USD)					\$ 349,000	\$ 262,825	

Annex 2: Thailand: Strengthening the Governance of Climate Finance

Work plan January 2013- July 2014

In Thailand, the project will be implemented as an integral part of an umbrella project on ***Strengthening Thailand's Capacity to link Climate Policy and Public Finance (2013-2015)***, with USD 300,000 supported by UNDP Thailand's core funding. The overall objective is *to support Thailand in allocating and using its public finances effectively and efficiently to achieve its objectives on climate change and green growth.* It is built on the recommendations from the CPEIR and further consultation with the key counterparts, namely the Office of Natural Resources and Environmental Policy and Planning (ONEP), the National Economics and Social Development Board (NESDB), the Fiscal Policy Office (FPO), and the Bureau of Budget (BoB).

The analysis of the CPEIR has demonstrated that responsibilities for achieving objectives on climate change cannot be attributed to a single ministry. They are impacted by the policies, plans and expenditures of central government ministries, sector ministries and local government agencies. To achieve the stated objective, it is therefore necessary to integrate climate change concerns in relevant policy, planning and budgetary processes. This project will contribute to its objective and the country programme's outcomes through three outputs:

Output 1: *Institutional capacity built to integrate climate change objectives in relevant policy review and planning processes:* policy preferences should guide the allocation of scarce government resources. In order that public finances are allocated and used towards the achievement of Thailand's policy goals on climate change, it is necessary that policies on climate change are clearly articulated and internally consistent. This output will therefore support the review and evaluation of the impacts of key policies on climate change and to strengthen the capacity of relevant institutions to review and evaluate policy interventions.

Output 2: *Improved understanding of how the government budget is impacting upon climate change:* while output one is targeted at strengthening the policy and planning framework, output two is focused on facilitating analysis on the alignment of budgetary allocations with the aforementioned policy framework. Support will therefore be given to develop tools that make the link between the budget and climate policy more transparent. Further, capacity building will also be provided to external oversight institutions in order that they can more effectively hold government to account for using public resources to achieve climate change objectives.

Output 3: *Thailand's capacity strengthened to take leading position in south-south cooperation and innovation in the area of linking climate policy and public finance, especially among ASEAN countries:* the third output will build on outputs one and two and focus on strengthening knowledge sharing networks and south-south cooperation. This will enable neighbouring countries to learn from Thailand's experiences in this area and for Thailand to benefit from knowledge of other countries in this field. The work under the output will contribute the replication of best practice and a broader sharing of lesson learnt across the Asia-Pacific region. Further, regional networks will also be utilized to strengthen international discussion over the channeling of international climate finance to the country level.

The project's document and work plan has been reviewed and endorsed by Office of Natural Resources and Environmental Policy and Planning (ONEP) - the implementing partner and other key stakeholders including the Bureau of Budget, the Fiscal Policy Office, and the Office of National Economics and Social Development Board, in March 2013. The work plan includes an allocation of \$252,775 from Swedish contribution up to June 2014 and approximately 75 days of regional governance and public finance and 40 days of regional climate policy expertise with overall support and monitoring backstopping service from Regional Communications and Programme Analyst.

Draft Workplan for Thailand (2013-2014)
UNDP-SIDA Regional support to the development of the Thailand Climate Financing Framework

APRC Focal Points: Tom Beloe & Paul Steele & Oum
 UNDP Thailand CO: Sutharin Koonphol
 MoE focal point: Mr. Prasert Sirinapaporn, ONEP
 MoF Focal point: Mr. Piya Sachart, FPO
 BoB Focal point: Mr. Dusit Khamasakchai, BoB
 SIDA Thailand office: TBC

SIDA's Output	Activities	Time frame			Budget (USD)		Notes
		Jan-June 2013	July-Dec 2013	Jan-June 2014	Requested	Allocated	
(SIDA) Output 1. Fiscal policies are formulated and Institutions are strengthened to facilitate the delivery of climate change finance to the poor in countries of Asia and the Pacific	(SIDA) 1.1 Implement and strengthen the CPEIR methodology (at sector/local/national levels)					30,000	
	<u>ACTIVITY</u>						
Baseline and Targets for Thailand (SIDA Output 1)	THA Activity 1.1: Conduct preliminary study to start the process to review how annual analysis on linkages between the budget and climate change policy objectives might be undertaken; and (2) to identify entry points on fiscal measures needed for selected sectors	X	X				
Baseline: A) Thailand: CPEIR completed in 2012. Climate Change Strategic Master-plan finalized with reference climate finance. Climate not yet referenced in budget. Recommendations to establish climate related fiscal measures and specific focus on the private sector.	(SIDA) 1.2 Technical assistance and workshops to develop climate finance strategies and policies at national and local levels. Output: clarity of mandate and responsibilities re: climate change at local level among different departments						

SIDA's Output	Activities	Time frame			Budget (USD)		Notes
		Jan-June 2013	July-Dec 2013	Jan-June 2014	Requested	Allocated	
<p>B) Thailand: National budget is not tracked for level or quality of climate change expenditures.</p> <p>C) Thailand have established working committees to increase cross-government coordination and accountability for the delivery of climate finance, but these bodies are not yet looking at poverty incidence. Parliamentary Committees/Anti- corruption agencies and other non-executive institutions are not yet providing oversight of climate finance.</p>	<u>ACTIVITY</u>						
	THA Activity 1.2: Review of functional mandates of key ministries and inter-sector agencies on climate change and explore mechanism for inter-agencies coordination e.g. sub-committee on climate finance under NCCC	X	X	X		10,000	
	(SIDA) 1.3 Training on integrating and tracking climate change finance within national systems of PFM and M&E (e.g through use of budget code development, results indicators, expenditure classification etc.)						
	<u>ACTIVITY</u>						
	THA Activity 1.3: Provide TA and training to prepare analysis linking the budget and climate change policy objectives	X	X			40,000	
<p>Target:</p> <p>A) Climate Fiscal Framework developed and reformed within medium and annual fiscal policy frameworks by 2015.</p> <p>B) Budgetary processes in Thailand is better able to track and analyze the level and quality of climate expenditures, including benefit incidence, gender and equity by 2015.</p>	(SIDA) 1.4 Capacity development to strengthen cross government mechanisms with oversight of the management of climate finance - Output: establish/strengthen multi-stakeholder mechanisms at local level for oversight of CCF (budget, delivery)						
	<u>ACTIVITY</u>						

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		Jan-June 2013	July-Dec 2013	Jan-June 2013	Requested	Allocated	
C) Thailand has put in place a clearly defined inter-ministerial mechanism with a mandate to report on the delivery of climate finance to the poor, by 2015.	THA Activity 1.4: Provide technical assistance and workshops to provide clarity of mandate and responsibilities regarding climate change among different departments at national and local levels as well as the roles and responsibilities of inter-sectoral committees e.g. sub- committee on climate finance under the NCCC	X	X	X		30,000	
	(SIDA) 1.5 Training for non-executive institutions and civil society / media with a potential role for promoting accountability for the effective management of climate change expenditure						
	ACTIVITY THA Activity 1.5: provide technical assistance and trainings on (1) monitoring and evaluation framework for climate resilience (2) awareness and understanding on linking climate policy to public finance to the general public, civil society, and the private sector	X	X	X		24,425	
(SIDA) Output 2. Government budgets delivering more climate change programmes that reach the poor and vulnerable	(SIDA) 2.1 Provide governance/PFM assistance (including ICA/ PEA) to climate change programming design teams (e.g GEF, Climate Funds Management, other climate change donor programmes).						
Baseline and Targets for Thailand (Output 2)	ACTIVITY						
	THA Activity 2.1: Review feasibility of extra-budgetary fund and/or specific dedicated grant for local government as a mechanism for funding adaptation actions at the sub-national level		X	X		50,000	

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		Jan-June 2013	July-Dec 2013	Jan-June 2013	Requested	Allocated	
<p>Baselines:</p> <p>A) Thailand: 2.7% of national budget is climate change related but only 20% of this is discernible from budget and programme documents. No specific financial reporting is carried out on this amount.</p>	(SIDA) 2.2 Supporting Busan monitoring and aid information management systems to assess climate finance (e.g Rio Markers) and links to PFM.						
<p>B) Thailand: Gender and equity targets are not articulated in climate change planning and budgeting. Baselines establishing benefit incidence of climate expenditures not yet established.</p>	<u>ACTIVITY</u>						
<p>C) Thailand's poverty programmes do not explicitly include climate change objectives and activities and do not routinely include climate vulnerability assessments. Most climate change programmes are presented as discrete initiatives.</p>	THA Activity 2.2: Parallel with Activity 1.3						
	(SIDA) 2.4 Identify UNDP programmes that can demonstrate approaches to integrating climate vulnerability and leverage additional climate finance.						
<p>Targets:</p> <p>A) By 2015, in Thailand 35% of climate related public expenditures reflected in the national budget.</p>	<u>ACTIVITY</u>						

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		Jan-June 2013	July-Dec 2013	Jan-June 2013	Requested	Allocated	
B) By 2015, at least 3 countries review and report on the benefit incidence (particularly poverty and gender targets) of their climate related expenditures at least once.	THA Activity 2.4: Review UNDP Thailand Environment Portfolio for potential pilot especially on adaptation					22,350	
(SIDA) Output3.Capacities of regional Institutions strengthened to provide products, services and skills that better meet the climate finance needs of Asia and the Pacific	(SIDA) 3.1 Work with regional institutions (e.g ASEAN) to ensure country level analysis of the management of climate finance and to inform key climate finance negotiations within the UNFCCC and Global Partnership for Effective Development Cooperation. [3.1 Develop and disseminate country level analysis on the management of climate finance to influence key climate finance negotiations within the UNFCCC and Global Partnership for Effective Development Cooperation.] (SIDA budget \$ 43,500)						
Baseline and Targets for Thailand (SIDA Output 3)	<u>ACTIVITY</u>						
Target: A) Regional Institution (e.g ASEAN) has been informed on key climate finance negotiations within the UNFCCC and Global Partnership for Effective Development Cooperation.	THA Activity 3.1: Support Thailand's role in sharing experiences on CPEIR and climate finance framework among ASEAN Countries	X	X	X		43,500	
Total (USD)						\$250,775	

Annex: 3 Bangladesh: Strengthening the Governance of Climate Finance

Work plan June 2013- July 2014

1. Background

Bangladesh completed their Climate Public Expenditures and Institutional Review (CPEIR) in early 2012 and now deepening their work on Climate Change Finance to another level.

The current proposal for a programme on “**Inclusive Planning and Budgeting for a Climate Resilient Nation**” follows on from the findings of the CPEIR and aims to deepen the work on Climate Change Finance at national and sub-national levels:

- **National level planning and coordination** – led by Planning Commission
- **National level budgeting and financing** – led by Finance Division of Ministry of Finance
- **Local level planning, budgeting and coordination** – led by Local Government Division

This programmatic approach is suggested to build on the existing momentum, both within the GoB, as well as from UNDP Bangladesh to optimize the possibilities presented by the various ongoing initiatives. The proposed “*Programme for Inclusive Planning and Budgeting for a Climate Resilient Nation*” will be the guiding framework for three complementary pillars:

Component 1 (relates to Output 1 and 2 of SIDA workplan): “Inclusive Budgeting and Financing for Climate Resilience” with Finance Division of Ministry of Finance (to be funded by the UNDP-UNEP Poverty Environment Initiative)

- An overarching project, under the leadership of the Ministry of Finance will build on the successes of the Poverty Environment Climate Mainstreaming (PECM) to address the recommendations from CPEIR. As follow up to the CPEIR recommendations, the *Minister* of Finance has recently approved the development of a Climate Fiscal Framework for Bangladesh which would look at both revenues (ie tax policy and incentives for a green economy) and expenditures - as well as issues relating to public financial management (PFM) relating to domestic and international climate finance. The PFM aspects would include the development of a climate budget marker, which has already started using a similar methodology of the existing pro-poor and gender budget marker. The Ministry of Finance has appointed a Committee to undertake this task chaired by the Additional Secretary, Budget with representatives from Local Government Division, Ministries of Agriculture, Fisheries and Animal Resources, Food, Water Resources, Environment and Forests, Disaster management and Relief and the Planning Commission. The Committee will meet once in two months starting on 28th March 2013 with the draft framework planned for September 2013 when the PECM programme will come to an end. Three national consultants on fiscal policy, public financial management, and environmental economics are recruited for three months each to support the work.

The focus of this new project, entitled “Inclusive Climate Budgeting and Financing” will be on the implementation of this national Climate Fiscal Framework, which will provide an incentive framework for climate adaptation and mitigation (including removing perverse subsidies that promote maladaptation and climate emissions). In doing so, it will also strengthen the public financial management system for climate finance, particularly with regards to accountability and transparency, as well as with regard to the flow of finances to line ministries, and to the local level including tracking to ensure funds benefit the poor and vulnerable. This could include activities to integrate climate into the medium term budgetary framework,

support climate budget coding (as for gender), bringing existing climate funds on budget, pilot virtual climate funds and programme based approaches and budget support for climate finance.

The Ministry can be supported to exchange lessons with the Ministry of Finance in India which also already has a climate change unit and takes part in climate negotiations including representation on the Green Climate Fund (by contrast Bangladesh sends Ministry of Environment representatives and an academic to the GCF).

Component 2 (relates to Output 1 and 2 of SIDA workplan): “Inclusive Planning for Climate Resilience” with Planning Commission (to be funded by UNDP Bangladesh and the Poverty-Environment Initiative (PEI)).

- To complement the support for improved financial management, equal attention will be given to the planning process, particularly with a view to integrate climate sensitive dimensions in national plans and development projects as a follow up to the PECM. This will be addressed through one of the components of the new “Inclusive and sustainable development planning for a post 2015 agenda” programme, which will be led by the Planning Commission. Within this project, the component on “*Inclusive and environmentally sustainable planning processes established*” will provide the necessary framework. In addition to integrating climate sensitivity in the planning process, the Planning Commission is also expected to help address the currently insufficient coordination among the key ministries who have one or more climate sensitive projects within their portfolios.

Component 3 (relates to Output 1 and 2 of SIDA workplan): “Local level inclusive Planning and Budgeting for Climate Resilience” with Local Government Division (to be funded by the UNDP-SIDA regional programme on Governance of Climate Change)

- A third critical element is on climate related activities at local level, both in terms of programme and financial delivery. The CPEIR has shown that there are several sources of climate related finance at the local level, ranging from central government funds, donor funds, private sector donations, and locally generated revenue. At the same time, the highest spending ministries with respect to climate sensitive activity is the Ministry of Local Government, Rural Development and Cooperatives (MLGRDC, through its Local Government Division), followed by the Ministries of Agriculture (MoA), and Disaster Management (MoDM).¹ Despite these figures, there are a number of challenges that need to be addressed to strengthen MLGRDC’s role on the issue of climate change.

Firstly, the Local Government Division remains on the margins of strategic discussions around climate change. This in addition to of the implementation of activities, where there is disconnect between the national and local level planning process. There is also a need to improve coherence between the budgeting of the local government annual development plans, with the budgeting undertaken for the Local Disaster Risk Reduction Fund, which is administered by the MoDM. Particularly in the context of the development of a local climate fiscal framework, a coordinated financial framework, taking into account the annual resources, as well as longer term planned investments from different (but climate related) sources will contribute positively to more effective delivery.

A key contribution from the regional Governance of Climate Change Programme will be through the advisory services of a senior Technical Advisor (with a background in environment and local governance) based within the Local Government Division who will facilitate some of the strategic linkages among the key ministries at national level. This TA will also be responsible for supporting the development of indicators for

¹ Ibid., p 21

tracking and measuring the impact of climate related expenditure on climate vulnerable groups and populations, in coordination with various stakeholders, including non-governmental organisations.

2. Management arrangement, Human and Financial Inputs:

2.1

Managem

ent arrangement

Component 1 will be a separate project led by Finance Division with its own Project Document.

Component 2 will be addressed through one of the components of the new “Inclusive and sustainable development planning for a post 2015 agenda” project with Planning Commission. Within this project, the component on *“Inclusive and environmentally sustainable planning processes established”* will provide the necessary framework.

Component 3 will be anchored in the existing UNDP Upazilla Governance Project, and will be integrating activities within existing outputs. It will also imply close coordination with the Comprehensive Disaster Management Project. The suggested Technical Advisor will also be part of the UZPG framework, and will be expected to work closely with the National Programme Manager of the UZPG. He/she will be accountable to the UNDP Local Governance Team Leader and the Environment Team Leader.

2.2 Human resources

The human resources required to support the work in Bangladesh will be as follows:

- 1) Development Aid Effectiveness Advisor (UNDP APRC)
- 2) Regional Environment Advisor (UNDP APRC – PEI)
- 3) Regional Local Governance Programme Specialist (UNDP APRC)
- 4) Regional Climate Finance Specialist (SIDA)
- 5) Regional Public Financial Management Specialist (SIDA)
- 6) Regional Communications and Programme Analyst (SIDA)

2.3 Financial resources:

Swedish SIDA’s contribution of USD 87,750 for activities in Bangladesh in June 2013- July 2014 and approximately 20 days of regional governance and public finance and 30 days of regional climate policy expertise with overall support and monitoring backstopping service from Regional Communications and Programme Analyst. In parallel, UNDP core (TRAC) fund of \$42,750 and UNDP non-core resources is allocated to support activities in the separate projects (i.e. Development Planning project, Local Governance Project, Comprehensive Disaster Management Project etc) will complement the PEI’s five year programme of \$500,000 (\$100,000 per year from 2013-17).

Draft Workplan for Bangladesh (2013-2014)

UNDP-SIDA Regional support to the development of the Bangladesh Climate Financing Framework

Under the auspices of the Bangladesh-UNDP

APRC Focal Points: Paul Steele and Sujala Pant
 UNDP Bangladesh CO: Tariq ul-Islam; Shaila Khan
 MoE focal points: TBC
 MLGRDC focal points: TBC
 MOF Focal point: TBC
 SIDA Bangladesh office: TBC
 Modality: TBC

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		July-Dec 2013	Jan-June 2014	July-Dec 2014	Cost-Sharing	SIDA Allocated	
(SIDA) Output 1. Fiscal policies are formulated and Institutions are strengthened to facilitate the delivery of climate change finance to the poor in countries of Asia and the Pacific	(SIDA Activities) 1.1 Implement and strengthen the CPEIR methodology (at sector/local/national levels)						
Bangladesh Output 1.1 Fiscal policies reformed to promote climate resilience and a green economy (1.1) Bangladesh Baseline No overview of pricing and subsidies in Bangladesh Target (By June 2014) Review of pricing and subsidy policies completed	Bangladesh Activities: 1.1.1 Pricing and subsidy policies reviewed 1.1.2 Strategy for appropriate reforms identified 1.1.3 Reforms introduced		SIDA funded PFM and Climate advisor	SIDA funded PFM and Climate advisor	PEI	TBC	

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		July-Dec 2013	Jan-June 2014	July-Dec 2014	Cost-Sharing	SIDA Allocated	
<p><u>Bangladesh Output 1.2</u></p> <p>Budget execution and implementation of climate expenditures including public financial management (1.2)</p> <p>Baseline TBD</p> <p>Target (by June 2014) TBD</p>	<p>(SIDA) 1.2 Technical assistance and workshops to develop climate finance strategies and policies at national and local levels. Output: clarity of mandate and responsibilities re: climate change at local level among different departments</p> <p>Bangladesh Activities: 1.2.1 Climate targets enhanced in medium term budgetary framework 1.2.2 Climate funds reviewed and linked to national systems 1.2.3 Virtual climate fund designed and piloted 1.2.4 Options for programme based approaches and budget support for climate finance introduced</p>		SIDA funded PFM and Climate advisor	SIDA funded PFM and Climate advisor	PEI	TBC	
<p><u>Bangladesh Output 1.3:</u>Budget monitoring and accountability to promote effective delivery of climate expenditures to benefit the poor and vulnerable (1.3)</p> <p>SIDA Target: A) At least 3 countries develop and references climate change specific policy measures within medium and annual fiscal policy frameworks at national level by 2015.</p> <p>Bangladesh Baseline: Lack of clarity on the inclusion of climate finance in accountability processes.</p> <p>Bangladesh Target: Climate expenditure targets established</p>	<p>(SIDA) 1.3 Training on integrating and tracking climate change finance within national systems of PFM and M&E (e.g through use of budget code development, results indicators, expenditure classification etc.)</p> <p>Bangladesh Activity: 1.3.1 Climate coding introduced and climate expenditure targets set 1.3.2 Tracking survey of climate finance to benefit the poor and vulnerable 1.3.3 Accountability of climate finance strengthened to parliament and audit mechanisms</p>						

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		July-Dec 2013	Jan-June 2014	July-Dec 2014	Cost-Sharing	SIDA Allocated	
Bangladesh Output 1.4: Coordination role of Finance Division enhanced and institutionalized for managing climate expenditures(1.4)	(SIDA) 1.4 Capacity development to strengthen cross government mechanisms with oversight of the management of climate finance - Output: establish/strengthen multi-stakeholder mechanisms at local level for oversight of CCF (budget, delivery)						
	Bangladesh Activities 1.4: 1.4.1 (national) Climate fiscal framework committee supported to promote inter-ministerial coordination led by Finance Division 1.4.3 Exchange programme with climate change units of Ministry of Finance India and Ministry of Finance Indonesia 1.4.4 Finance Division supported to join climate negotiations and engage with Green Climate Fund		SIDA funded PFM and Climate advisor	SIDA funded PFM and Climate advisor	PEI	TBD	
Baseline: Finance division currently not involved in international negotiations. Targets: Finance Division prepares to take part in 2014 international negotiations.							
Bangladesh Output 1.5: Strengthened role of the Local Government Division vis a vis other ministries, policies and programmes related to climate change	Bangladesh Activity 1.5: 1.5. 1 Identify and procure the services of a Technical Advisor on environment and governance	X	X	X	UNDP \$42,750	5,250	
	1.5.2 Review national and local policies related to delivery of climate change, and identify areas of gaps and duplication.	X	X			15,000	
	1.5.3 Organise focus group discussions with key sectors who deliver climate related initiatives at the local level, and identify synergies and areas for collaboration between them and the LGD		X			25,000	(8.3K per Upazilla*3)
Baseline: LGD is currently marginalized from mainstream climate-related discussions Target: Technical Advisory, anchored within the LGD is brought on board. 3 focus group discussions (one per district) organized and recommendations put forward to strengthen collaboration.							

SIDA's Output	Activities	Time frame			Budget (USD)		Note	
		July-Dec 2013	Jan-June 2014	July-Dec 2014	Cost-Sharing	SIDA Allocated		
<p><u>Bangladesh Output 1.6:</u></p> <p>Capacity of public sector planning professionals developed to undertake inclusive, climate and gender responsive plans</p> <p>Baseline: The Planning Academy currently does not have any courses related to climate mainstreaming</p> <p>Target: Courses developed on climate mainstreaming and integrated as part of curriculum of planning academy.</p>	<p>(SIDA) 1.5 Training for non-executive institutions and civil society / media with a potential role for promoting accountability for the effective management of climate change expenditure (SIDA budget 40,900)</p>							
	<p><u>Bangladesh Activity 1.6:</u></p> <p>1.6.1 Design courses building on PECM with Planning Academy 1.6.2 Conduct ToTs with Planning Academy 1.6.3 Identify possible participants, for example, planning officers at national and local level. 1.6.4 Conduct courses 1.6.5 Design surveys etc. to monitor impact 1.6.6 Design follow-up courses</p>							
<p>Bangladesh Output 1.7:</p> <p>Policies guidelines improved and institutionalized to promote inclusive, climate sensitive and gender responsive plans</p>	<p><u>Bangladesh Activity 1.7:</u></p> <p>2.4.1 Develop TOR for joint platform and have it approved 2.4.2 Mobilise members of the joint platform 2.4.4 Review local and national planning processes and prepare recommendations 2.4.5 Support mainstreaming of revised DPP format through dissemination, training, and monitoring</p>							
<p>(SIDA) Output 2. Government budgets delivering more climate change programmes that reach the poor and vulnerable</p>	<p>(SIDA) 2.1 Provide governance/PFM assistance (including ICA/ PEA) to climate change programming design teams (e.g GEF, Climate Funds Management, other climate change donor programmes).</p>							

SIDA's Output	Activities	Time frame			Budget (USD)		Note
		July-Dec 2013	Jan-June 2014	July-Dec 2014	Cost-Sharing	SIDA Allocated	
Bangladesh Output 3.1. Improving Democratic accountability for the use of climate finance at the local level Baselines: TBD Targets: TBD	<u>Bangladesh Activity 3:</u> 3.1.1 Strengthen capacity of selected Upazilla and Union level NGOs in identifying climate related investments						
<u>Bangladesh Output 3.2</u> Local planning and budgeting integrates different various sources of local climate finance more efficiently, and target climate vulnerable populations more explicitly	(SIDA) 2.2 Supporting Busan monitoring and aid information management systems to assess climate finance (e.g Rio Markers) and links to PFM.						
	<u>Bangladesh Activities 3.2:</u> 3.2.1 Strengthen capacity of Upazilla and Union councils to integrate climate issues as part of the Upazilla and Union planning and budgeting processes	X	X			15,000	
	3.2.2 Strengthen capacity of planning personnel at Upazilla and Union level to integrated climate vulnerable indicators as part of the (existing) M&E framework	X	X			15,000	

SIDA's Output	Activities	Time frame			Budget (USD)		Note		
		July-Dec 2013	Jan-June 2014	July-Dec 2014	Cost-Sharing	SIDA Allocated			
<p>Baseline: Currently no overview of impact of climate finance delivery on poor and vulnerable groups.</p> <p>Target: Identify at least 2 UNDP supported poverty/social protection programmes where climate vulnerability can be integrated as part of the response</p>	(SIDA) 2.3 Review benefit incidence of climate programmes and budgets in selected countries (e.g. gender dimensions of climate related expenditures).								
	(SIDA) 2.4 Identify UNDP programmes that can demonstrate approaches to integrating climate vulnerability and leverage additional climate finance. Review Social Protection, Local Development and other Poverty programmes								
	<p>Bangladesh Activities 3.3</p> <p>3.3.1 Identify knowledge gaps in terms of strategic planning and provide support for relevant planning processes (7th plan, social protection strategy, delta plan etc)</p> <p>3.3.2 Identify gaps in strategic planning tools in terms of coverage and focus</p> <p>3.3.3 Structural review of the Planning Commission conducted and recommendation made for institutionalising climate, gender, disaster and disability</p> <p>3.3.4 Support for such recommendation mobilised with required staffing put in place for beyond the life of the project</p>		SIDA funded PFM and Climate advisor	SIDA funded PFM and Climate advisor	PEI	TBC			
<p>Bangladesh Output 3.3</p> <p>Processes for strategic plans are made inclusive, climate and gender sensitive and institutionalized within GED</p>									
		Total (USD)					142,750	87,750	

Annex 4: Indonesia: Strengthening the Governance of Climate Finance

Work plan June 2013- July 2014

Background

UNDP, UNEP and the Ministry of Finance have finalized the Mitigation Fiscal Framework report and published it in May 2013. Implementation of various recommendations is already taking place, such as putting in place the “Low Emission budget marking and Scoring System” (LESS). National consultants overseen by UNEP and UNDP are currently working with the MoF, Bappenas and line ministries to design LESS which will allow the government to start systematically track their investments in mitigation, and to make better informed decisions about prioritizing mitigation programmes. It is expected the system will be ready by the end of the year, and that application will be introduced in the national budget system for 2014 onward.

The German Government has agreed to include Indonesia in the BMU funded UNDP global programme on biodiversity finance. The available funding from the programme for Indonesia is USD 700,000 which is double the amount other countries included in the programme are receiving. The reason for this decision is that Indonesia is regarded as a front runner thanks to the preparation of the Indonesia Mitigation Fiscal Framework report by the Ministry of Finance. Consultations with the UNDP Country Office and Ministry of Finance have resulted in agreement to develop one project with Finance that will incorporate the funding from Germany, Sweden and the UNDP/UNEP Poverty and Environment Initiative. The project is tentatively titled “Green Finance for Development” and the project document is under preparation in consultation with the Ministry and relevant development partners in Jakarta. The total duration of the project is expected to be 4 years with the funding from SIDA to be spent largely in 2013 and 2014. A technical workshop to review and finalize the logical framework and discuss management arrangements is scheduled for 24-25 June. The final draft project document is expected to be ready in September, and implementation is expected to start by the end of 2013.

Indonesia government is keen to take forward further analysis in Mitigation related public expenditures. These thematically focused activities for Indonesia need to be discussed and finalised with Indonesia government, other partners and UNDP Indonesia office which we aim to start this discussion to develop the workplan and activities in June 2013.

This workplan for Indonesia will include an allocation of \$67,250 from Sweden contribution for activities from August 2013 –July 2014 and approximately 20 days of regional governance and public finance and 30 days of regional climate policy expertise with overall support from Regional Communications and Programme Analyst while Co-financing from UNDP ARGP budget is \$42,750 for this beginning stage together with advisory service from UNDP’s Development Aid Effectiveness Advisor and Regional Climate Change Advisor. Additional partnership and resources are being mobilised at the country level.