



Approaches to develop a comprehensive Climate Fiscal Framework (CFF)

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1. Rationale for strengthening country level CFFs

- Climate finance is rapidly increasing
- Access and delivery is already a growing challenge
- How much is needed, available, and/or already spent?
- What institutional arrangements of planning and budgeting are the most appropriate?
- Lack of long term vision and institutional development

2. What is a Climate Fiscal Framework (CFF)?

- Identifies the demand and supply for climate finance
- Coordinates the management of the finance
- Links climate change with expenditure and taxation decisions through the budget process
- Ensures any external finances are used more effectively

Institutional capacity development is fundamental for managing scaled-up climate funding

3. Key steps to developing a CFF

Identify:

- existing expenditure & institutional arrangements for managing climate related activities
- financing gaps & institutional capacity development needs that would strengthen management of a climate response
- financing & institutional modalities for working towards a comprehensive CFF

Ensure national and sub-national linkages so that resources can be channeled to those who need them

4. Institutional Process to Build a CFF

- Climate Public Expenditure and Institutional Review
- Involve Ministries of Finance & Planning, local governments
- Use national and local planning & budgeting processes
- Strengthen fiduciary risk management and public financial management

An institutional and political process to address the effective governance of climate finance are important

5. Ongoing support

Asia – Pacific

2010: Bangladesh, Cambodia, Indonesia, Philippines, Viet Nam

2011: Bangladesh, Lao PDR, Nepal, Philippines, Viet Nam, ...

Africa

2011: Cameroon, Ghana, Kenya, Morocco, South Africa and Tanzania (2011)

<http://www.aideffectiveness.org/images/eventlist/CC+AE-SynthesisReport.pdf>



6. Coming soon

Regional Workshops on Climate Change Finance and Development Effectiveness:

- Asia-Pacific : 12-13 September 2011. Bangkok
- Africa: 21-22 September 2011 (tbc)

Side Event at High Level Forum on Aid Effectiveness in Busan, December 2011

Thank you