



Evidence.
Ideas.
Change.

Financing the Paris Agreement in the context of COVID-19 recovery

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Climate and Sustainability Programme

ODI

How to increase the efficiency and effectiveness of national budgetary processes and align them with climate and broader environment objectives?

1. Looking beyond funding to successful outcomes
2. Assessing the effectiveness of public expenditure
3. Linking climate goals to public expenditure reviews
4. Recognizing the scale of change needed

Beyond funding to successful outcomes

“ the broader responsibility over public budgets should seek to maximize the outcomes of budget allocations, and make sure adequate resources are provisioned, rather than maximize allocations to a particular budget priority.”



National monitoring approaches
for climate change public finance

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

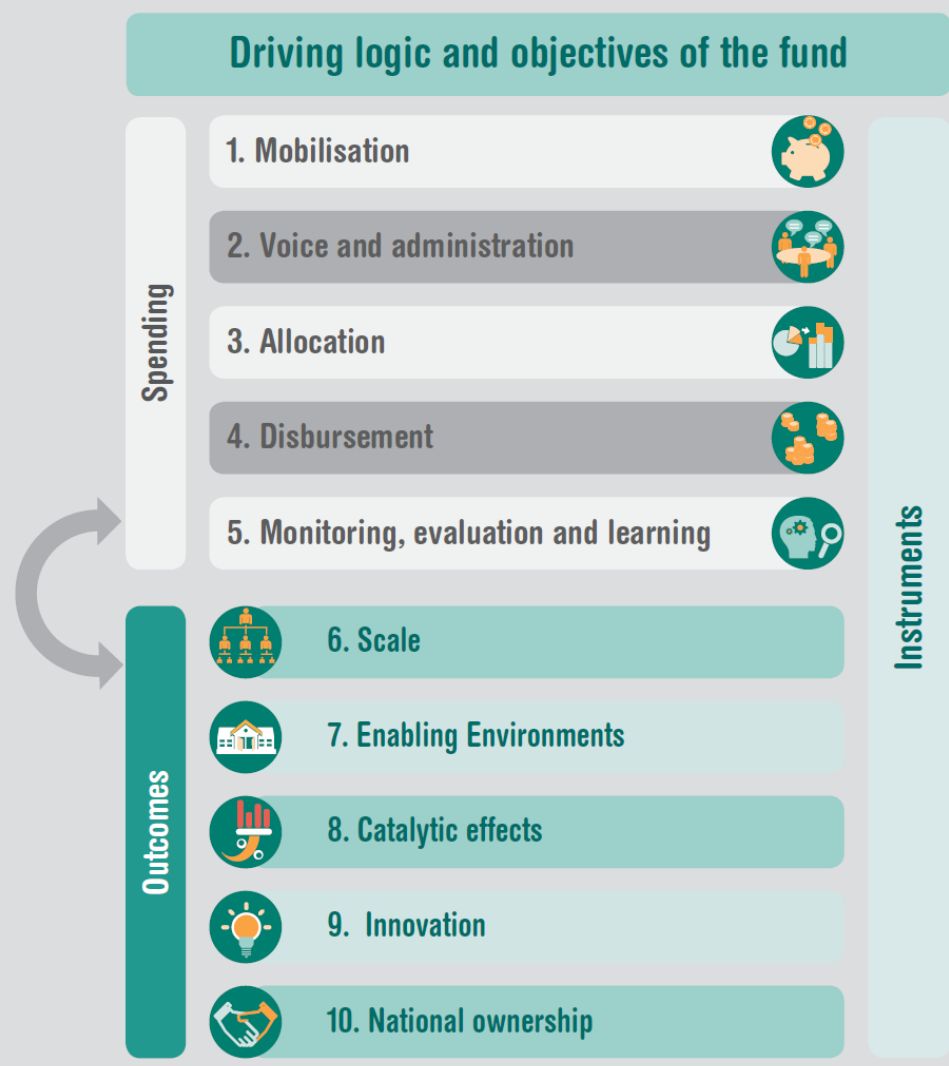
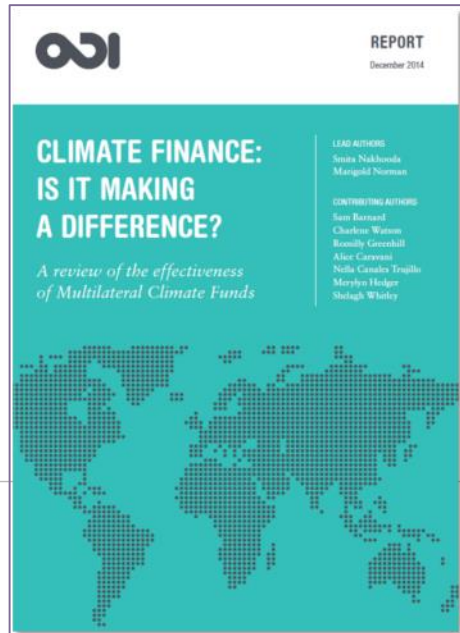
On behalf of:

 Federal Ministry
for the Environment, Nature Conservation,
Building and Nuclear Safety

of the Federal Republic of Germany

Assessing the effectiveness of climate finance

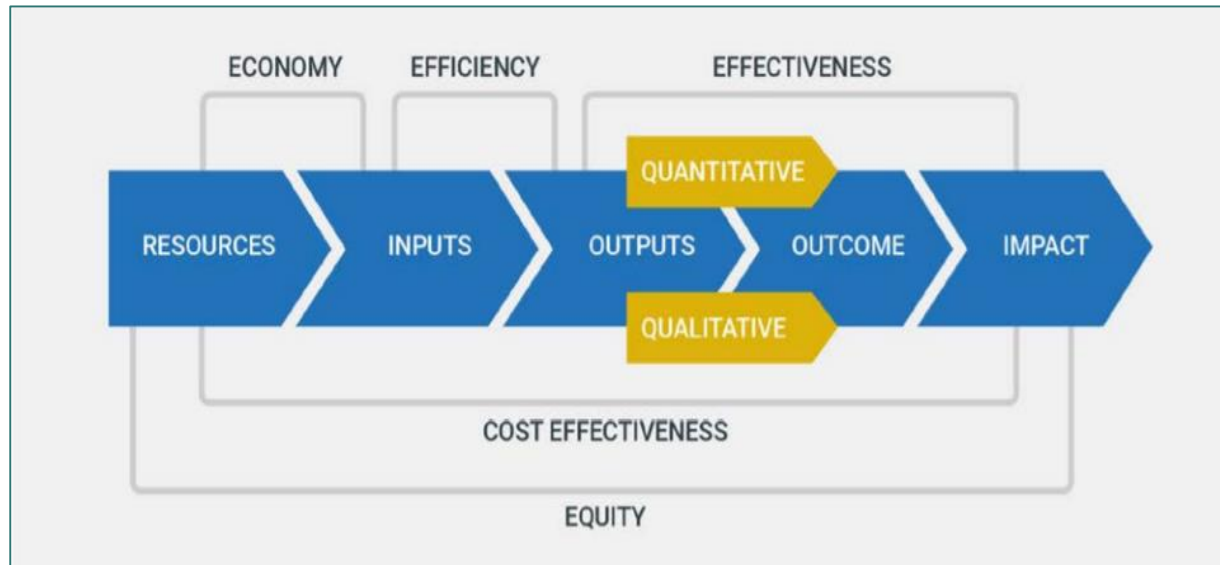
ODI's ten-point framework for understanding the effectiveness of climate finance



Assessing the efficiency of climate finance: value for money

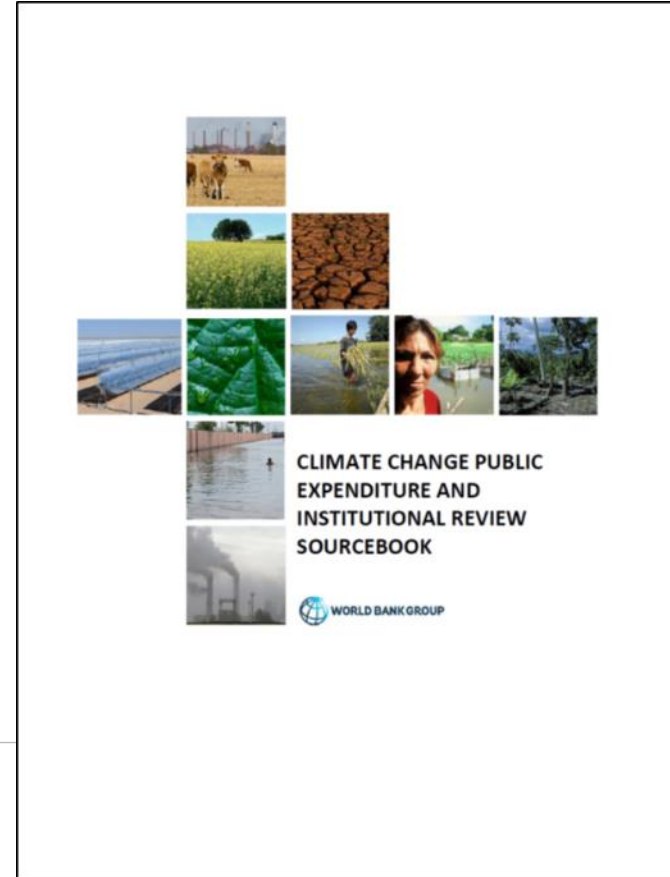
Maximising the impact of each dollar spent – securing the desired quality at the lowest cost

However, many countries monitoring and evaluations systems are ill prepared to assess the outcomes and impacts of climate-related public investments



Reviewing climate finance public expenditure

- Public expenditure reviews have yet to be institutionalised for climate change related spending in many countries – so, what is the purpose and which national institution should take the lead?
- With regard to capital expenditure, it is essential to identify the types of investments necessary to advance the climate change response, as ambiguity will hold back public investment
- Hence the importance of national climate change strategies (including NDCs)



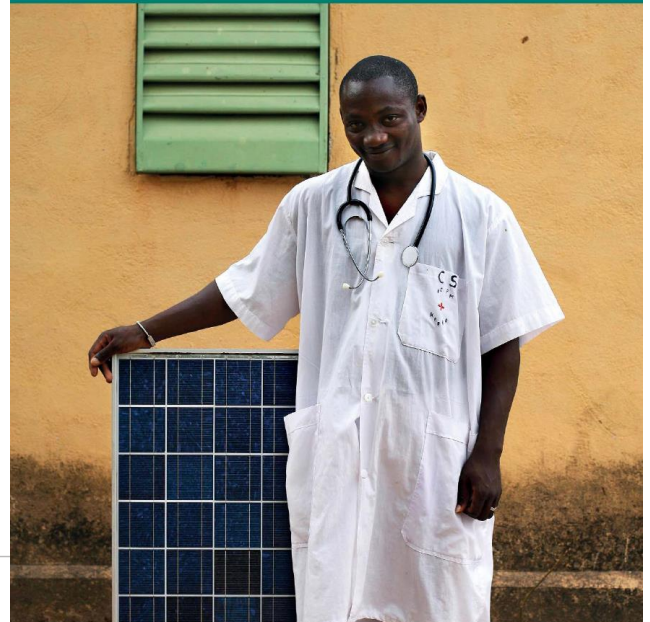
Reviewing climate finance public expenditure

1. Analyses of spending on climate-related activities will only be possible if a system to identify climate spending is put in place
2. Major skills improvement programmes on climate change planning and expenditure require immediate investment
3. All public climate spending should be identified – not only that which passes through the national budget
4. There appear to be major funding gaps for climate change actions – national budgetary expenditure will need to be augmented by additional resources: the revenue question

Public spending on climate change in Africa

Experiences from Ethiopia, Ghana, Tanzania and Uganda

Neil Bird, Felix Asante, Simon Bawakyillenuo, Nella Canales Trujillo, Zwedu Eshetu, Godber Tumushabe, Pius Yanda, Marigold Norman, Cynthia Addoquaye Tagoe, Akililu Amsalu, Nicholas Ashiabi, Deograsias Mushi, Tony Muhumuza, Adolphine Kateka and Belay Simane



Achieving Transformation with climate finance

Transformational change involves “strategic changes in targeted markets and other systems with large-scale, sustainable impacts that accelerate or shift the trajectory toward low-carbon and climate-resilient development”.

Transformational Change Learning Partnership of the Clean Investment Funds

Dimensions of change



Relevance



Systemic change



Scaling



Sustainability

Arenas of Intervention



Financing



Governance and
Engagement



Institutions



Knowledge and
Information



Markets



Natural
Capital



Policies



Practices/
Mindsets



Technologies and
Infrastructure



Evidence.
Ideas.
Change.



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