

About the supplementary framework

The PEFA supplementary framework for assessing climate-responsive public financial management (PEFA CRPFM or PEFA Climate) is a set of supplementary indicators that builds on the PEFA framework to collect information on the degree to which a country's public financial management (PFM) system is ready to support and foster the implementation of government climate change policies, i.e., is "climate responsive".

About PEFA

PEFA is a partnership program of the European Commission, the International Monetary Fund, the World Bank, and the governments of France, Luxembourg, Norway, Slovak Republic, and Switzerland.

The PEFA program provides a framework for assessing and reporting on the strengths and weaknesses of public financial management (PFM) using quantitative indicators to measure performance. PEFA is designed to provide a snapshot of PFM performance at specific points in time using a methodology that can be replicated in successive assessments, giving a summary of changes over time. The PEFA supplementary framework for assessing climate-responsive PFM is PEFA's second supplementary framework after the release of the first one, assessing gender responsive PFM.

Want to stay in touch?

To learn more about the PEFA supplementary framework for assessing climate-responsive PFM, visit www.pefa.org

Follow us also on social media.

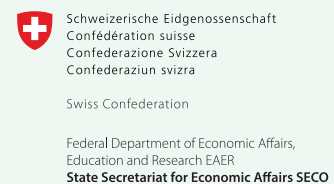


PEFA Secretariat

1818 H Street NW
Washington DC 20433, USA
services@pefa.org
pefa.org

The PEFA Program is a partnership of:

The European Commission, International Monetary Fund, World Bank, and the governments of France, Luxembourg, Norway, Slovak Republic, and Switzerland.



Supplementary Framework for Assessing Climate-Responsive Public Financial Management

What you need to know



Climate responsiveness of public financial management systems

The Public Expenditure and Financial Accountability (PEFA) climate-responsive public financial management supplementary framework (PEFA CRPFM or PEFA Climate) highlights relevant climate responsive PFM practices in line with key stages of the budget cycle. The PEFA Climate assessment informs on whether laws and regulations, institutions, systems, procedures and processes contribute to the implementation of climate change activities throughout the budget cycle, including the planning and design of budgetary policies considering climate, the budget allocations needed to implement them, the tracking of these allocations to ensure that policies are implemented as intended, and the monitoring and evaluation of the efficiency and effectiveness of these policies and investments.

Approach to assessment

The PEFA Climate assessment is intended to be conducted on a voluntary basis concurrently with a PEFA assessment and presented in an annex to the PEFA report or as a separate report. While the PEFA Climate assessment can also be carried out as a stand-alone activity, it is preferable if this is done concurrently with a PEFA assessment to capitalize on data already collected during the PEFA assessment process.

Assessment teams score the questions mapped to selected PEFA indicators on a four-point ordinal scale from D to A, in line with the PEFA framework (A is the highest score). This calibration has been adjusted for the PEFA Climate to fit the needs of climate-responsive PFM practices.

PEFA Climate assessment reports are quality reviewed by the PEFA Secretariat.

The framework has fourteen indicators distributed across the budget cycle.

CRPFM. 1

Budget alignment with climate change strategies

This indicator measures the extent to which long and medium-term climate change strategies are reflected in costed sector medium-term strategic plans and medium-term and annual budgets.

CRPFM. 2

Tracking climate-related expenditure

This indicator measures the extent to which the government is able to track climate-related expenditure. This covers the definition of climate-related expenditure and includes having a methodology in place. Such tracking spans from budget proposal to end-of-year execution reports and includes identification of transfers to operators in charge of implementing climate change policies.

CRPFM. 3

Climate-responsive budget circular

This indicator measures the extent to which budget circular instructs budgetary units to address climate impact in their budget submissions.

CRPFM. 4

Legislative scrutiny

This indicator measures how climate change aspects are included in legislature's scrutiny of budgets and audit reports.

CRPFM. 5

Climate-responsive public investment management

This indicator measures the extent to which public investment management is climate responsive.

CRPFM. 6

Climate-responsive non financial asset management

This indicator measures the extent to which non-financial assets, in particular lands, buildings and infrastructures, are covered by climate change adaptation and mitigation approaches regarding the identification of the risks and potential contribution, their inclusion in the government's strategies, and the regulation of their use, disposal and transfer.

CRPFM. 7

Climate-related liabilities

This indicator measures the extent to which the government is able to manage climate-related liabilities.

CRPFM. 8

Climate-responsive procurement

This indicator measures the extent to which climate change mitigation and adaptation measures are embedded into key aspects of procurement management. It measures the extent to which the government is prepared to purchase goods, services and works that cause minimal adverse impacts on climate change. It also evaluates resilience and responsiveness of the procurement system to climate induced risks, and responsiveness of the system to climate induced disasters.

CRPFM. 9

Climate-responsive tax administration

This indicator measures the government's capacity to implement tax policies aimed at reducing GHG emissions and increase resilience. It also evaluates the extent to which climate tax collection generates arrears.

CRPFM. 10

Compliance of climate-related expenditure

This indicator measures the extent to which efficient control systems are in place to verify the compliance of payments with climate change criteria.

CRPFM. 11

Climate-responsive fiscal decentralization framework

This indicator measures the extent to which fiscal decentralization arrangements factor climate change and facilitate local climate policies conducted by subnational governments, ensuring a vertical integration of climate change objectives.

CRPFM. 12

Climate-related performance information

This indicator measures the extent to which information on planned and achieved performance covers the climate change adaptation and mitigation policies and is included in budget documentation.

CRPFM. 13

Climate-related evaluation

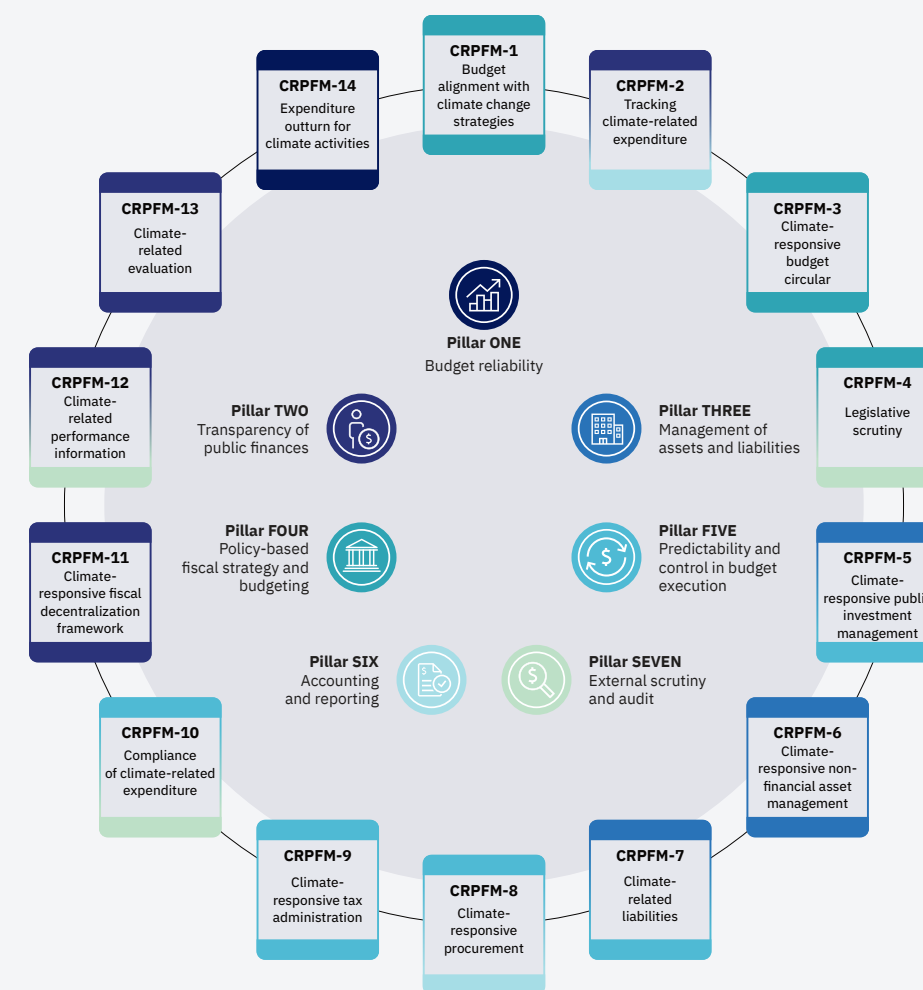
This indicator measures the existence of an evaluation of the climate change related programs as well as the inclusion of climate change in the evaluation of other programs. It covers both expenditure and taxes.

CRPFM. 14

Expenditure outturn for climate actions

This indicator measures the extent to which climate-related expenditures reflect the amounts originally approved, as defined in government budget documentation and end-of-year reports, both at the aggregate level and in terms of composition.

Overview of climate responsiveness of public financial management systems



KEYS:

- (i) The color of the indicator reflects the color of the pillar of the corresponding PEFA 2016 indicator or dimension.
- (ii) Indicators with more than one color indicate that in addition to (i), some requirements or dimensions are also linked to another pillar (e.g., CRPFM-4. has one dimension linked to Pillar 3 and one dimension linked to Pillar 7).