



PEFA

Introduction to PEFA Climate

Virtual Open House

20 October 2020

PEFA Secretariat

www.pefa.org

#PEFA



Introducing the presenters

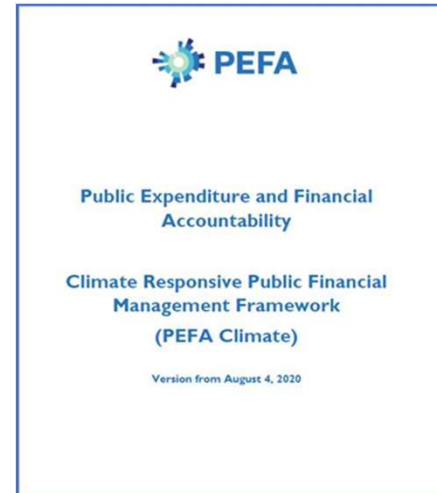


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About this presentation



**Characteristics
of PEFA Climate**

1

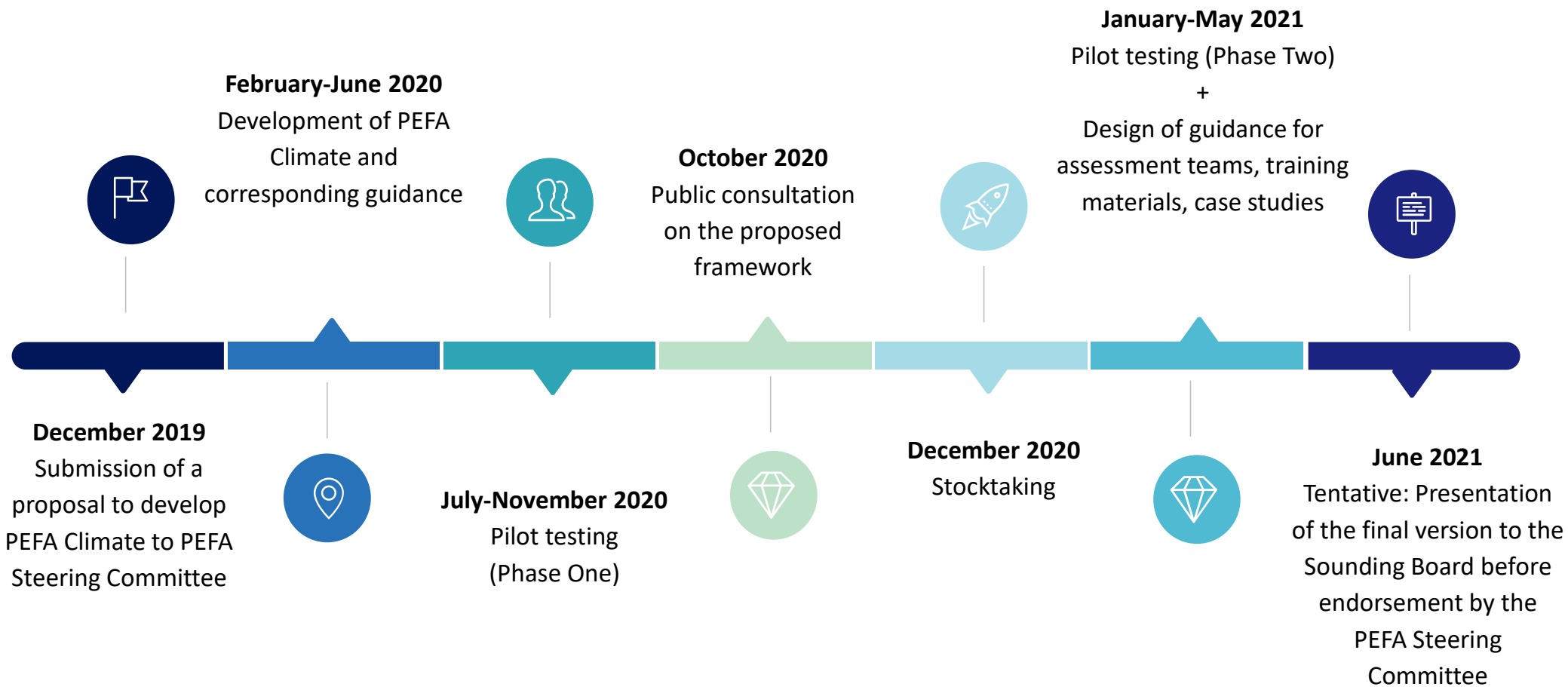
**Understanding
PEFA Climate**

2

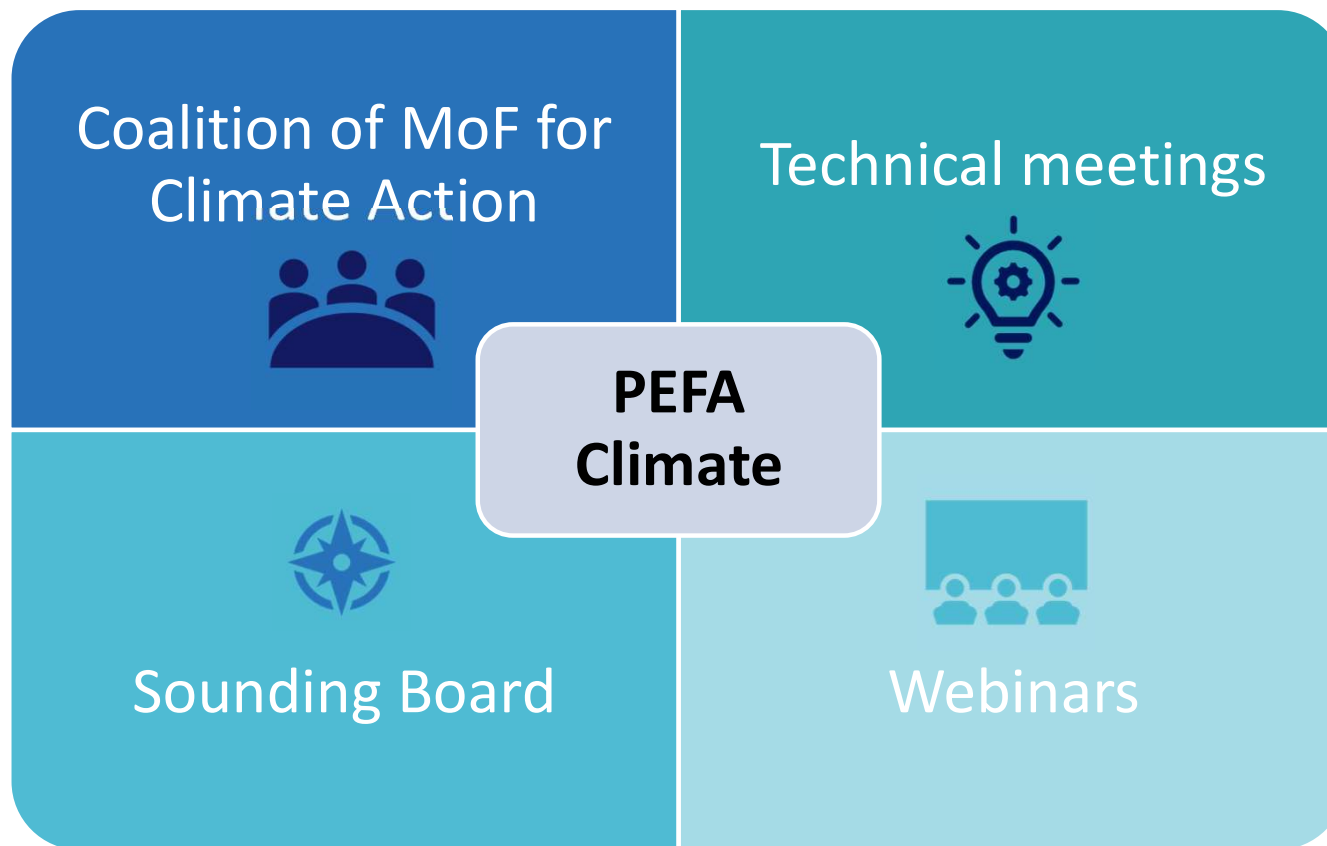
1 | CHARACTERISTICS OF PEFA CLIMATE



Steps in the Design of PEFA Climate



PEFA Climate: A public international good federating many stakeholders





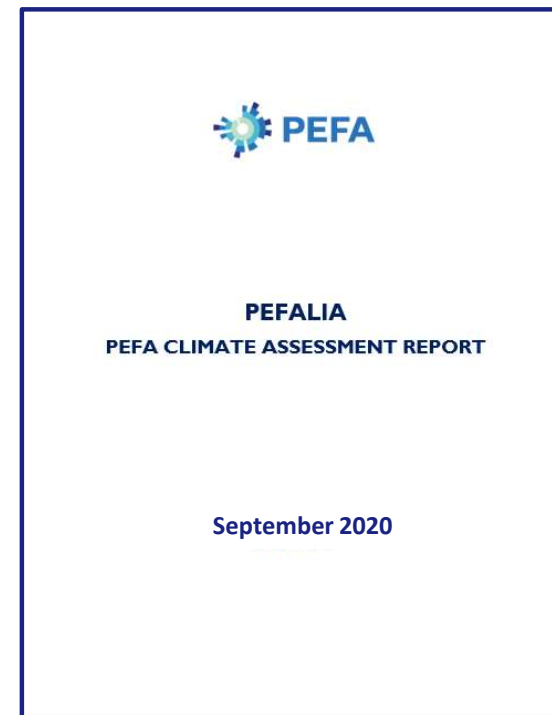
Public Expenditure and Financial
Accountability

Climate Responsive Public Financial
Management Framework
(PEFA Climate)

Version from August 4, 2020

- **PEFA Climate** provides a standard methodology for assessing how well PFM systems can support the implementation of government climate change policies
 - Make countries PFM Systems more climate responsive
 - By using an internationally recognized methodology
 - To assess strengths and challenges against a benchmark of performance
 - And identify opportunities to foster PFM systems supporting climate initiatives

- PEFA Climate is an **assessment methodology** undertaken
 - At the request of a government
 - With a mix of PFM and Climate change expertise
 - By a team that can comprise government officials to foster ownership and capacity building
- The assessment findings are summarized in a **PEFA Climate assessment report**



2 | UNDERSTANDING PEFA CLIMATE

Key elements of the assessment



AN INCEPTION QUESTIONNAIRE

The inception questionnaire will enable to create country
“Climate change profile”

3 OUTCOMES, 7 PILLARS, 14 INDICATORS and 29 DIMENSIONS

Performance indicators cover the full budget cycle and are further
disaggregated into dimensions

EVIDENCE BASED

TOOLKIT

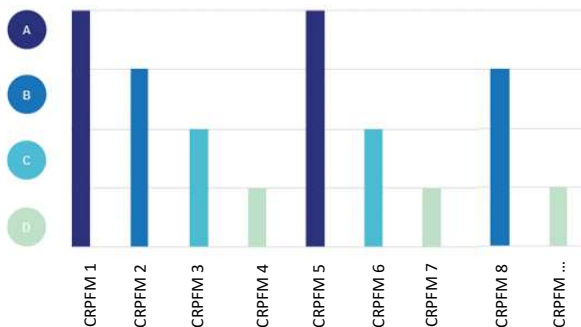
PEFA Climate Report Structure

1. INTRODUCTION

- Purpose
 - Expected results from the assessment and follow-up activities
- Background
 - Legal and policy framework
 - Institutional structures
 - Coordination mechanisms
 - Capacity for climate mainstreaming

2. OVERVIEW OF ASSESSMENT FINDINGS

- Includes country climate profile



3. DETAILED ASSESSMENT OF CLIMATE RESPONSIVE PFM

- C** Alignment with climate change strategies
- B** Budget circular
- B** Tracking climate related expenditure
- ...
- A** Climate expenditure outturn

Annex 1: Summary of performance indicators

Annex 2: Sources of information

INDICATORS

CRPFM-1 Budget alignment with climate change strategies
CRPFM-2 Tracking climate related expenditure
CRPFM-3 Budget circular
CRPFM-4 Legislative scrutiny
CRPFM-5 Climate responsive public investment management
CRPFM-6 Climate responsive non-financial asset management
CRPFM-7 Climate related liabilities
CRPFM-8 Climate responsive procurement
CRPFM-9 Climate responsive revenue administration
CRPFM-10 Compliance of climate related expenditure
CRPFM-11 Climate responsive fiscal decentralization framework
CRPFM-12 Climate related performance information
CRPFM-13 Climate related evaluation
CRPFM-14 Expenditure outturn for climate activities

LEVEL OF CRPFM PRACTICE ON A FOUR-POINT ORDINAL SCALE

Score	Level of practice
A	Climate change issues and the policy response are mainstreamed in the relevant PFM institutions, processes, or systems
B	Climate change issues and the policy response are partially mainstreamed in the relevant PFM institutions, processes, or systems
C	Initial efforts have taken place to mainstream climate change issues and the policy response in the relevant PFM institutions, processes, or systems
D	Performance is less than the basic level of performance

EXAMPLE OF INDICATOR: CRPFM-3.1. BUDGET CIRCULAR

SCORE	MINIMUM REQUIREMENTS FOR SCORES
A	The budget circular provides a methodology to track climate change related expenditure, as well as expenditures that are counter to climate policy. It contains guidance on how to factor climate change mitigation and adaptation planned expenditure into budget proposals, and on how to limit expenditures that are counter to climate. It refers to the national climate change strategies.
B	The budget circular provides a methodology to track climate change related expenditure. It contains guidance on how to factor climate change mitigation and adaptation planned expenditure into budget proposals and refers to the national climate change strategies.
C	The budget circular contains guidance on how to factor climate change mitigation or adaptation planned expenditure into budget proposals.
D	Performance is less than required for a C score.

Happy to answer your questions.
Thank you!