

NATIONAL CLIMATE CHANGE EXPENDITURE TAGGING

Monitoring convergence of climate actions through the public budget for a climate resilient and low carbon Philippines



BACKGROUND

The Government of the Philippines has demonstrated leadership and strong commitment in implementing a comprehensive reform agenda to respond to climate change (CC). With the goal of using the budget process to plan, prioritize, and monitor CC expenditure, the Government has mobilized the National Budget Preparation Process to tag climate change expenditures using a common policy-based typology and guidelines.

The Philippines has led the development of a standardized CC typology and coding structure for use in the planning, budgeting, monitoring, and reporting of public CC expenditures. On 27 December 2013, the Climate Change Commission (CCC) and the Department of Budget and Management (DBM) issue as Joint Memorandum Circular (JMC) 2013-01 mandating government agencies to track their climate change expenditures in their respective 2015 budget submissions using a common framework more popularly known as the Climate Change Expenditure Tagging (CCET).

The National CCET is carried out in three phases: (1) during the budget preparation process, (2) upon the proposal of the National Expenditure Program (NEP) to the Congress, and (3) upon the approval of the General Appropriations Act (GAA).

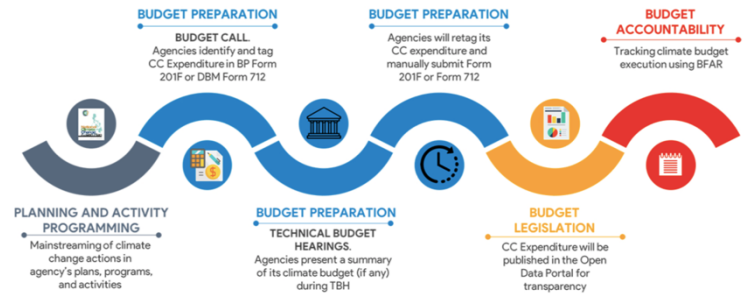


Fig. 3: Climate budget tagging process at the national level

PHP 181.9B

is the proposed climate budget under National Expenditure Program for FY2021

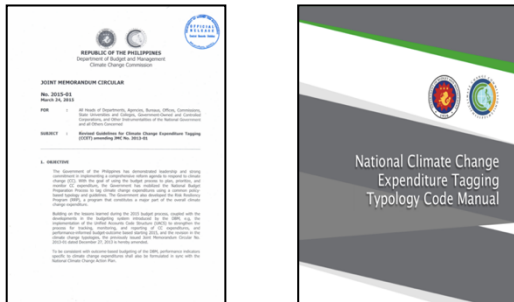
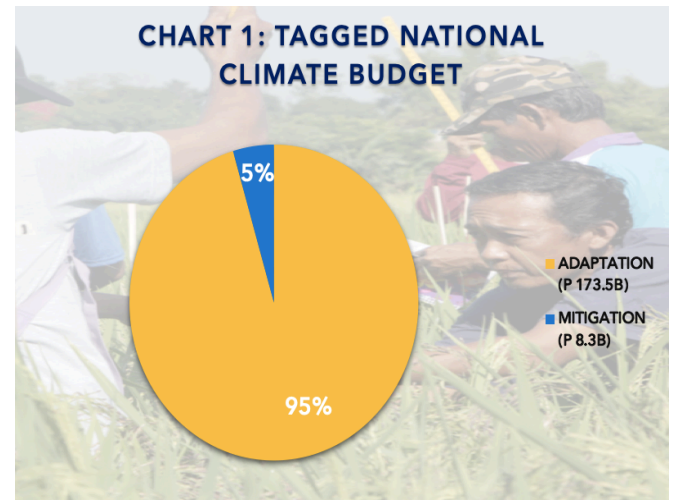


Fig. 1: (L-R) DBM-CCC JMC 2013-01; DBM-CCC National Climate Change Expenditure Tagging Typology Code Manual



Despite the imposition of community quarantines, the Philippine government did not stop delivering climate actions. Through the FY2021 National Budget Process, the National Government Agencies (NGAs), State Universities and Colleges (SUCs), and Government-Owned and Controlled-Corporations (GOCCs) guided by the CCC and DBM identified and tagged climate actions in their budget proposals.

The CCC would like to highlight that based on the National Framework Strategy on Climate Change, Climate Change Adaptation will serve as the anchor strategy. Whenever applicable, mitigation actions shall also be pursued as a function of adaptation.

TIMELINE

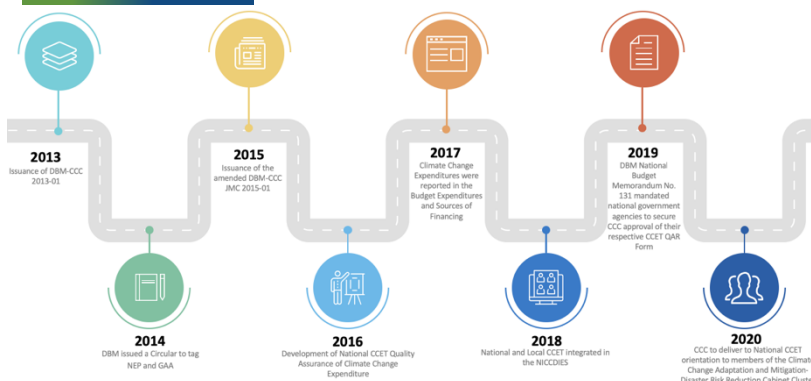


Fig. 2: Milestones of the CCET

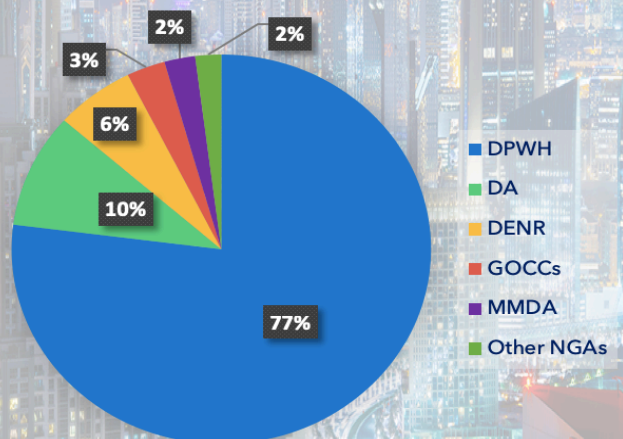
Surviving climate impacts requires the government's undivided attention. The Philippines has, therefore, placed adaptation at the core of our long-term development strategies and has promoted national the focus on climate change adaptation to avert losses and build resilience.

Despite that the Philippines have a miniscule carbon footprint – only 0.37% of the global emissions, a small amount is invested for climate change mitigation. This supports the nation's vision to pursue a development path consistent with the 1.5°C global target under the Climate Change Paris Agreement.

KEY ANALYTICS FOR NATIONAL CLIMATE CHANGE TAGGING (CCET) EXPENDITURE FIGURES FOR NEP FY2021-LEVEL



CHART 2: TOP AGENCIES ON CCET (NEP LEVELS)



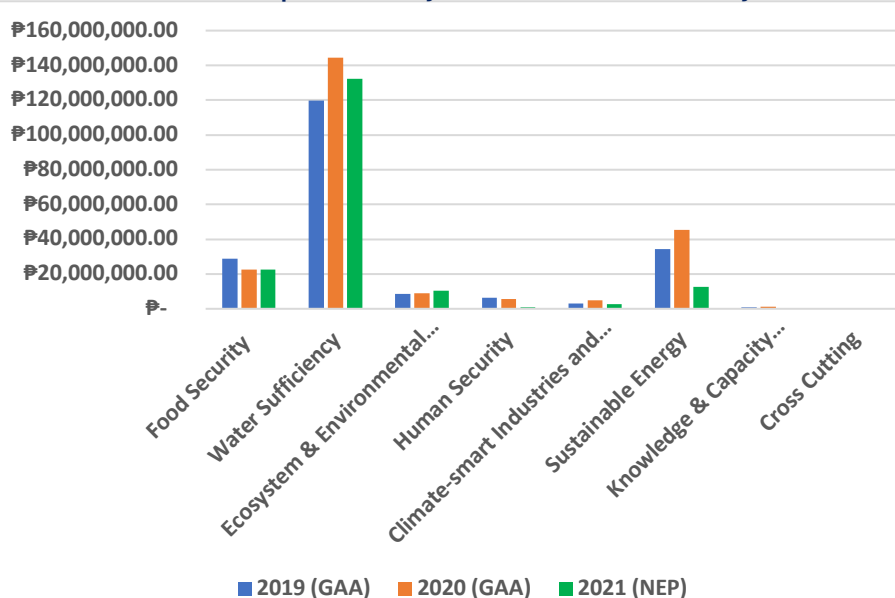
For FY2021 agency-request level, these agencies have the most contributions to the CCET:

Agency	CCET Allocations ('000)	% of CCET Allocations
1. DPWH	PHP 140,064,119	77%
2. DA	PHP 17,265,014	9.49% (10%)
3. DENR	PHP 11,156,395	6.13% (6%)
4. GOCCs	PHP 5,419,036	2.98% (3%)
5. MMDA	PHP 4,340,619	2.37% (2%)

It is worthy to note that while these agencies have tagged their actions to climate change, they have been also tagged their proposed climate-tagged to the Program Convergence Budgeting of the Cabinet Cluster on Climate Change Adaptation and Mitigation-Disaster Risk Reduction and aligned their programs to the national development strategies (i.e. *PDP, Build, Build, Build, We Recover As One NEDA Report*).

This symbolizes the continued commitment of agencies to address the challenges posed by the climate change through a whole-of-government approach.

CHART 3: 2019-2021 Cumulative CC Expenditure by NCCAP Thematic Priority



NCCAP strategic priorities such as water sufficiency, sustainable energy, and food security make up the majority of the cumulative climate investments for FY2019-2021.

Investments in the water sector are related to incorporating Climate Change in design standards for flood control and drainage systems and related water infrastructures and constructing/expanding water supply infrastructure.

Sustainable energy investments respond to incorporating risks in transportation system planning and constructing new roads, ports, airports, and aviation infrastructure to CC-resilient design standards.

Lastly, investments in the food sector correspond to development of resilient crop and livestock production systems and technologies, incorporating CC considerations in agricultural production and distribution systems policies/planning, constructing/repairing/rehabilitating irrigation systems, dams, and water storage systems to account for climate change, and introduction of rules and regulations on climate mitigation.

Climate Change Tagged Budget by NCCAP Thematic Priority for Fiscal Year 2021 (NEP figures)

The Climate Change Commission, as the National CCET Helpdesk, commits to continuously monitor and provide technical assistance to NGAs on climate budget tagging. For FY2021, the total climate tagged budget in the NEP is PHP 181,896,073,000.00, which comprises of the following:

- Water Sufficiency: PHP 132,331,173,000
- Sustainable Energy: PHP 12,449,608,000
- Food Security: PHP 22,436,689,000
- Ecosystem & Environmental Stability: PHP 10,359,661,000
- Human Security: PHP 693,788,000
- Climate-Smart Industries and Services: PHP 2,715,248,000
- Knowledge & Capacity Development: PHP 881,942,000
- Cross-Cutting: PHP 27,964,000

