



City Financing Alternative to implement Climate Change Action

**Implementing the Climate Action Plan
through Better Budgeting**

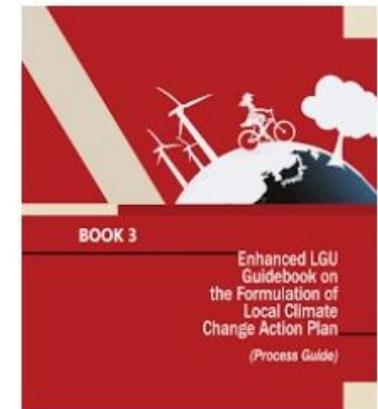
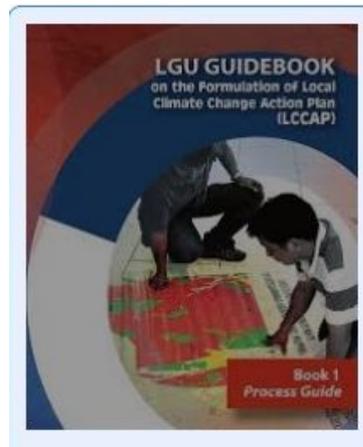
Wilfredo Prilles Jr

City Planning and Development Office, Naga City

Background Philippines

“Despite the fact that the Fund follows the enhanced direct access modality and has been in existence in the last nine years, only six adaptation projects with cumulative worth of roughly US\$6.5M are currently being implemented”

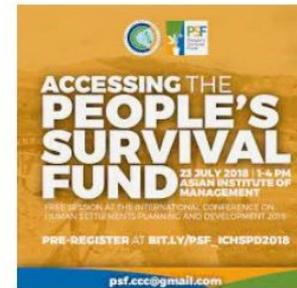
- IDRC/TDRI 2019)



By law, Philippine local governments are mandated to craft Local Climate Change Action Plans (LCCAP) under the Climate Change Act of 2009

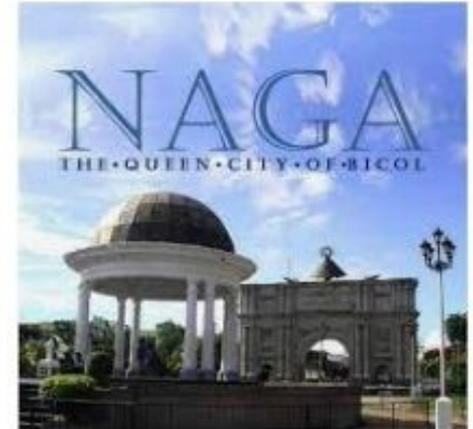
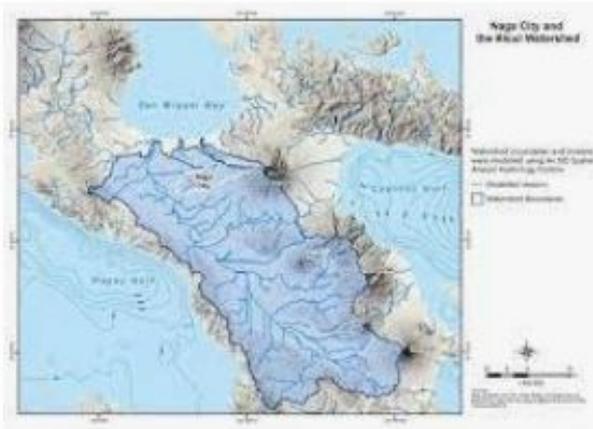
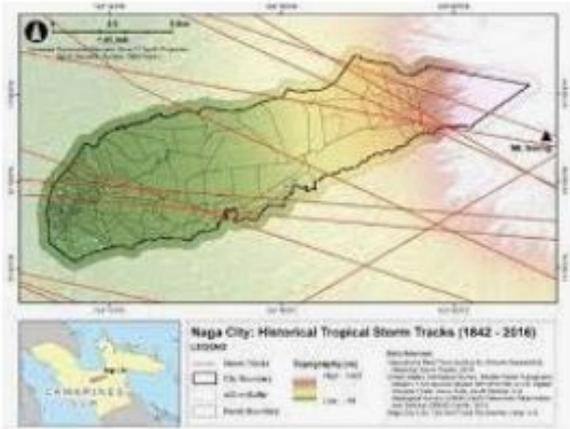


PSF
People's
Survival
Fund



By virtue of RA 10174, the People's Survival Fund (PSF) was established in 2012 to provide long stream finance for adaptation projects of local governments and community organizations. An annual allocation of at least PhP1 billion (USD 20M) goes to PSF, which can be augmented through donations, endowments, grants and contributions.

Background Naga



- In 2019, Naga adopted its enhanced LCCAP 2021-25
 - The plan needs P1.4 billion (USD 28M) in additional funding to implement
- In 2021, the city council approved an local development investment program amounting to PhP8.5 billion (USD170M), 65% of which are tagged as climate change expenditures.
- We have submitted a project package amounting to PhP700 million (USD14M) to the PSF for possible funding, to no avail.
- Lesson learned: it may be foolhardy to depend on national, international fund facilities for climate funding

The People's Budget

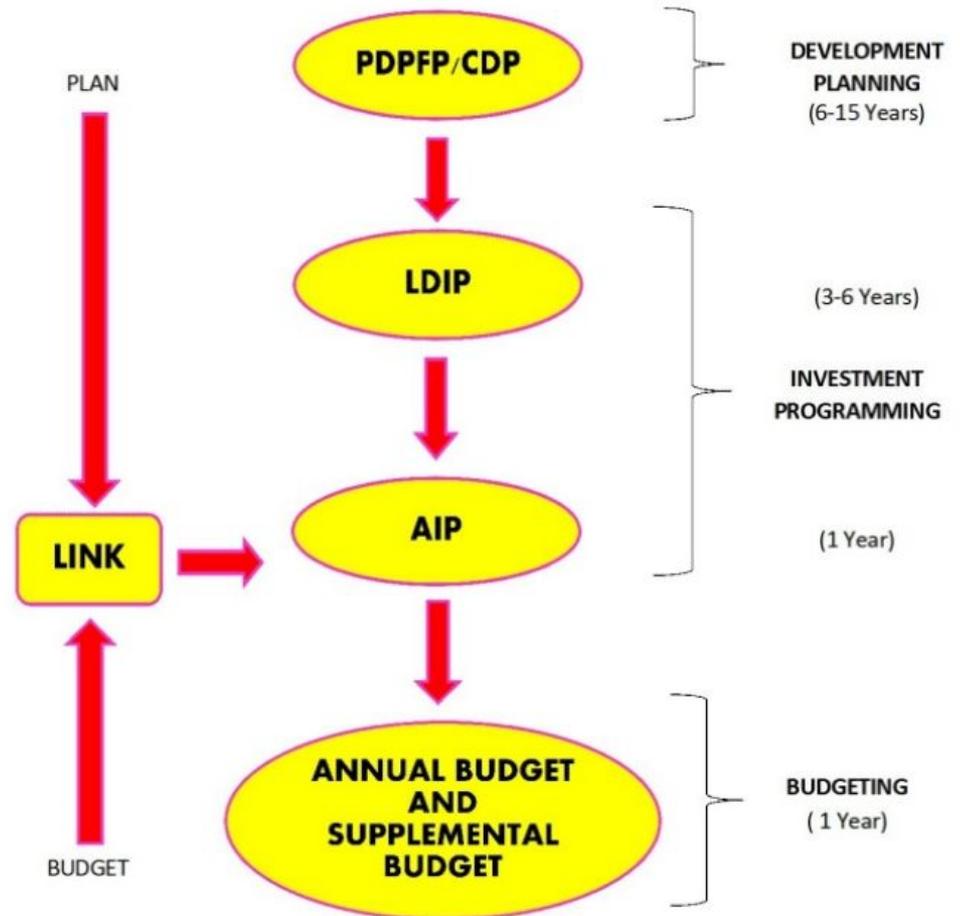
- In 2017, City Government adopted a new policy that revolutionized the way planning and budgeting is being done in the city
 - **Ordinance No. 2017-072**, also known as the **People's Budget Ordinance of Naga City**
- On top of national government issuances on local planning and budgeting, this new policy **governed preparation of city budgets starting in 2019**

Guiding principles

- **Evidence-based policymaking**
 - Annual budget shall respond to challenges facing the city and local communities captured by the Community Based Monitoring System (CBMS) and other indicators
- **Citizen feedback**
 - Constituents shall have the opportunity to comment on the proposed budget, which shall be considered by city leaders before its finalization and approval
- **Explicit plan-budget link**
 - Annual budget shall be based on local plans and annual investment programs formulated with participation of citizens, other interest groups in the community

Plan-budget link

- Budgets must be based on local plans crafted participatively
- **Annual Investment Program (AIP) is central**
 - Endorsed by the City Development Council (local planning body, 25% of members belong to NCPC)
 - Approved by the Sangguniang Panlungsod prior to budget proposal preparation
- MOV: certification from city planning department **that all individual office/department/project unit AIPs are responsive to CBMS, SDGs**



Plan-Budget Link in the Philippines

Mandated budget presentation, public consultations

- Section 8 of People's Budget Ordinance is the heart of whole process
- Provides for a **two-level system of presentation and consultation of proposed budgets to assemblies organized by the NCPC**
- MOV: certification from NCPC **that all city departments, offices and program units, as well as the city budget office, have fully satisfied requirements of Section 8**

SECTOR/ DEPARTMENT

1

- Department, office or program unit is required to present its proposed budget, explain how it operationalizes investment program, and key results it will generate
- Before citizens and representatives of interest groups invited by NCPC

CITY LEVEL

2

- City budget officer, after consolidating all budget proposals, presents proposed expenditure program of the city government
- Budget officer should also explain how proposed budget operationalizes city's annual investment program and key results it will generate
- All-sector consultation also arranged by NCPC.

Sector/department budget assembly

August-September 2019



Accounting



Solid Waste Management



Social Welfare



Treasury



Public Market



Children's Office

Plan/budget assembly during covid

August-September 2021

Last-day presenters



City Government of Naga PUBLIC PRESENTATION

2022 ANNUAL
INVESTMENT PLAN

September 8, 2021

Presenters

9:00 AM

Sangguniang Kabataan (SK)

Naga City Youth
Development Office

Education, Sports and
Scholarships Office (ESSO)

Naga City Hospital

1:00 PM

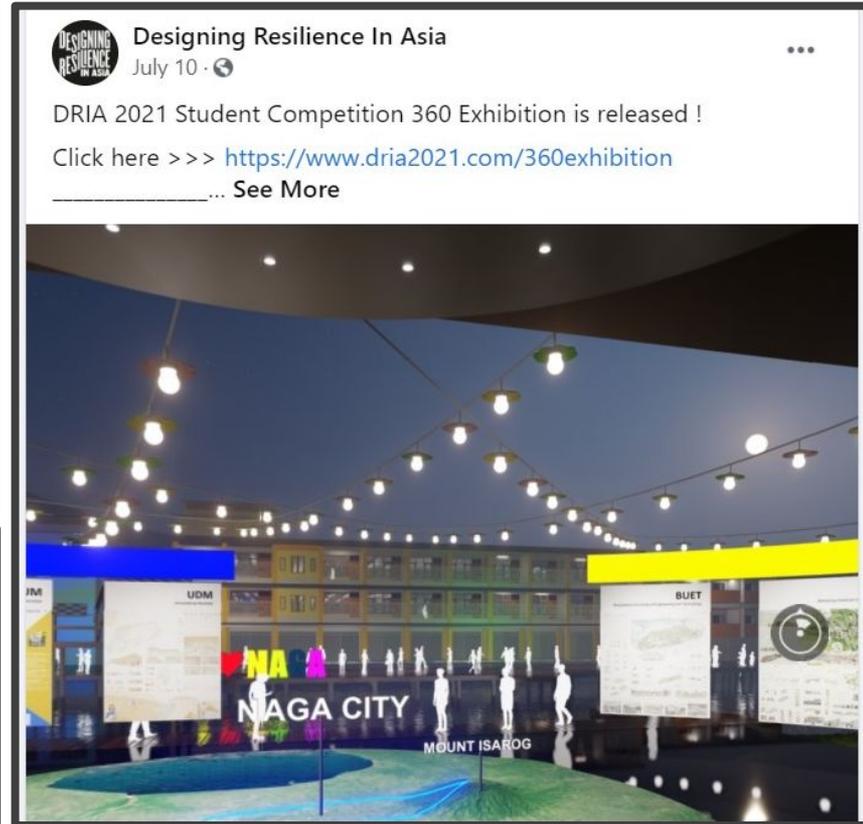
Liga ng mga Barangay

Office of the Vice Mayor

Office of the City Mayor



DRIA 2020-21



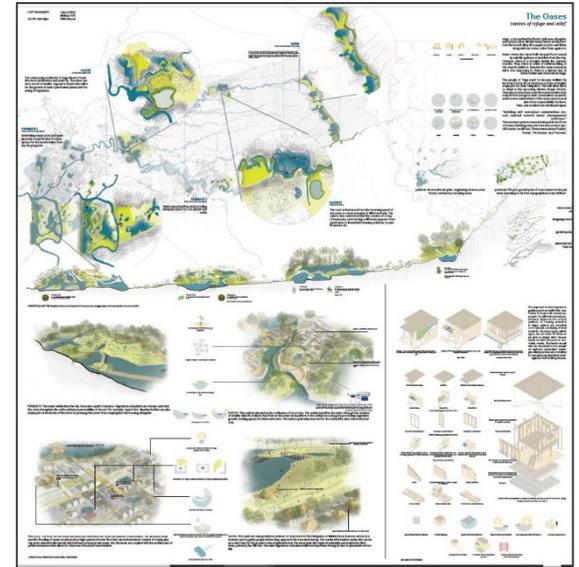
- Bandung Institute of Technology
- Bangladesh University of Engineering and Technology
- Bicol State College of Science and Technology
- Centre for Environmental Planning and Technology University
- King Mongkut University of Technology Thonburi
- Kyushu University
- National Cheng Kung University
- South China University of Technology
- Technical University of Darmstadt
- Technical University of Munich
- Université de Montréal
- Vishwakarma Institute of Technology Pune



WINNERS

- Centre for Environmental Planning and Technology University CEPT (Best Regenerative and Mitigation Design)
- Bangladesh University of Engineering and Technology or BUET (Community and Socially Resilient Design)
- South China University of Technology or SCUT (Best Resilient Building Technology Design)

Key inputs to SUDP, 2021-50



Insights

- **It is not wise to wholly depend on others** to fund your local climate action plan
- Mechanisms for greater participation in **governance process—especially for marginalized groups and individuals, and both at planning and budgeting phase**—are essential.
 - They suffer the brunt of climate change impacts
- Naga's **People's Budget Ordinance** is one good mechanism that can be looked at