HELSINKI PRINCIPLE 4
TAKE CLIMATE CHANGE INTO ACCOUNT IN MACROECONOMIC POLICY, FISCAL PLANNING, BUDGETING, PUBLIC INVESTMENT, AND PROCUREMENT PROCESSES

PAOLA SHERINA A. ALVAREZ
Assistant Secretary
Department of Finance, Philippines
PH AMONG MOST DISASTER PRONE

**UN Office for Disaster Risk Reduction 2015 Global Assessment Report**
Fifth most vulnerable country in terms of disaster risk implications for development capacity

**THE HUMAN COST OF WEATHER RELATED DISASTERS**
Fourth in the world among countries hit by the highest number of disasters over the past 20 years

**LOCATED ALONG THE PACIFIC RING OF FIRE**

**LOCATED ALONG THE NORTHWEST PACIFIC BASIN**

**NATURAL DISASTERS**

**PHILIPPINES CONTEXT**

**THE HUMAN COST OF WEATHER RELATED DISASTERS**

**Fifth most vulnerable country in terms of disaster risk implications for development capacity**

**UN Office for Disaster Risk Reduction 2015 Global Assessment Report**

**PHILIPPINES CONTEXT**

**Fourth in the world among countries hit by the highest number of disasters over the past 20 years**
### PHILIPPINES DEMOGRAPHICS

#### MAPPING DISASTER RISKS

<table>
<thead>
<tr>
<th>Region</th>
<th>Population 2015</th>
<th>Median Age 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>LUZON</td>
<td>57.47 million</td>
<td>24-25</td>
</tr>
<tr>
<td>VISAYAS</td>
<td>24.14 million</td>
<td>19-20</td>
</tr>
<tr>
<td>MINDANAO</td>
<td>19.37 million</td>
<td>19-20</td>
</tr>
<tr>
<td>Total</td>
<td>100.98 million</td>
<td>19-20 2010 / 24.3 2019</td>
</tr>
</tbody>
</table>
NATURAL DISASTERS
PHILIPPINES CONTEXT
THE NEW NORMAL

Typhoons Ondoy (Ketsana), Pepeng (Parma), Sendong (Washi) and Pablo (Bopha)

CASUALTIES: 3000+
AFFECTED: 10 million+
ECONOMIC DAMAGE
PHP256 billion (USD5.77 billion)

Typhoon Yolanda (Haiyan)

CASUALTIES: 6201
ECONOMIC DAMAGE
PHP571 billion (USD12.87 billion)
Philippines is expected to incur PHP177 billion ($3.49 B) per year in losses to public and private assets due to typhoons and earthquakes.

- **20%** chance of experiencing a loss exceeding PHP 1.525 trillion ($30.04 B)
- **40%** chance of experiencing a loss exceeding PHP 989 billion ($19.48 B)
THE PHILIPPINE STRATEGY
## DRFI STRATEGY AND CC Mitigation and Adaptation Plan

<table>
<thead>
<tr>
<th>STRATEGIC PRIORITIES</th>
<th>CLIMATE CHANGE MITIGATION AND ADAPTATION PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NATIONAL LEVEL</strong></td>
<td>CLIMATE CHANGE ACT OF 2009</td>
</tr>
<tr>
<td>Improve the financing of post-disaster emergency response, recovery, and reconstruction needs</td>
<td>➔ Framework Strategy on Climate Change 2010-2022 (FSCC)</td>
</tr>
<tr>
<td>LOCAL LEVEL</td>
<td>➔ National Climate Change Action Plan 2011-2028 (NCCAP)</td>
</tr>
<tr>
<td>Provide local governments with funds for post disaster recovery and reconstruction efforts</td>
<td>Cabinet Cluster on Climate Change Adaptation and Mitigation, and Disaster Risk Reduction and Mitigation (CCAM-DRR)</td>
</tr>
<tr>
<td>E.g., Parametric Insurance Pilot for provinces and Philippine City Disaster Insurance Pool for cities</td>
<td>Nationally determined Contribution (NDC)</td>
</tr>
<tr>
<td>INDIVIDUAL LEVEL</td>
<td>Technical Working Group (TWG)</td>
</tr>
<tr>
<td>Empower poor and vulnerable households and owners of MSMEs to quickly restore their livelihoods after a disaster</td>
<td></td>
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</tbody>
</table>
Under the PDP 2017-2022, strategies to achieve sustainable development and environmental protection—including climate change adaptation and mitigation, and disaster risk reduction—are already espoused.

By 2022, the targets intend to make individuals and communities resilient by reducing exposure to hazards, mitigating impact of risks and accelerating recovery after disasters.
## STEPS UNDERTAKEN

<table>
<thead>
<tr>
<th>STATUS</th>
<th>POLICIES/INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MACRO-ECONOMIC POLICY</strong></td>
<td><strong>POLICIES/INITIATIVES</strong></td>
</tr>
<tr>
<td>● Two are under consideration: Macro-economic forecast and Fiscal Risk Assessment</td>
<td>● Green Jobs Act of 2016</td>
</tr>
<tr>
<td>● Two are not in place: Debt Sustainability Analysis and Assessment of Tax expenditures</td>
<td>● Renewable Energy Law of 2009</td>
</tr>
<tr>
<td></td>
<td>● Climate Change Act of 2009</td>
</tr>
<tr>
<td></td>
<td>● National Climate Change Action Plan (NCCAP) 2011-2028</td>
</tr>
<tr>
<td></td>
<td>● RA 10121 “Philippine Disaster Risk Reduction Management Act” Sec. 21</td>
</tr>
<tr>
<td></td>
<td>● Philippine Disaster Risk Financing and Insurance Strategy</td>
</tr>
<tr>
<td><strong>FISCAL POLICY</strong></td>
<td><strong>FISCAL POLICY</strong></td>
</tr>
<tr>
<td>● Expenditure and spending reviews is already operational</td>
<td>● Budget Priorities Framework (BPF)</td>
</tr>
<tr>
<td>● Two are under consideration: Fiscal plans and Frameworks, and Program Evaluations</td>
<td>● IRA of LGUs and Guidelines on the Preparation of the FY 2020 Annual Budget of LGUs</td>
</tr>
</tbody>
</table>
# STEPS UNDERTAKEN

## STATUS

### BUDGETING
- Generally operational except for inter-governmental transfers

### PUBLIC INVESTMENT MANAGEMENT
- Generally Operational with shadow pricing for carbon still under consideration

## POLICIES/INITIATIVES

### BUDGETING
- 2020 General Appropriations Act, Sec. 36 “Mainstreaming of Disaster Risk Reduction and Climate Change Adaptation and Mitigation in All Agency Programs and Projects”; Sec. 37 “Energy Efficiency”; and Sec. 39 “Protection of Biodiversity”
- Program Convergence Budgeting

### PUBLIC INVESTMENT MANAGEMENT
- Presidential Decree 1586 “Philippine Environmental Impact Statement System”
- Resolution No. 2019 - 2011 “Adopting a National Climate Risk Management Framework to Urgently Address the Intensifying Adverse Impacts of Climate Change”
- RA 9729 “Climate Change Act of 2009” Sec. 13 which provides for the creation of the NCCAP
- RA 10174 which established the People’s Survival Fund (PSF)
### STEPS UNDERTAKEN

<table>
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<th>PROCUREMENT</th>
<th>POLICIES/INITIATIVES</th>
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| ● Already Operational | ● Resolution No. 20-2016 - supports the incorporation of minimum energy performance standards for equipment, products and devices in crafting technical specifications for the procurement of goods by government agencies.  
● Resolution 25-2017 - Green Public Procurement Roadmap and green specifications for the first tranche of Common-Use Supplies and Equipment (CSE) and non-CSE  
● Life-Cycle Costing |
The *National Government is on top of policy planning and implementation* of initiatives and actions to achieve the country’s NDC.

Various *Development Partners have provided support* through grants and technical assistances.

However, *there are still challenges to overcome*: high risk of investments for sustainable infrastructure, gaps in policy and fiscal planning, unavailability of data, and others.
A “WHOLE-OF-GOVERNMENT APPROACH”
TOWARDS A CLIMATE CHANGE-RESILIENT PHILIPPINES

Helsinki Principle 4

Cabinet Cluster on Climate Change Action and Mitigation - Disaster Risk and Reduction

Green Force

CLIMATE CHANGE ADAPATION AND MITIGATION
LONG TERM GOALS FOR INCREASING RESILIENCY

Continue working with Development Partners and the Private Sector on strengthened implementation of the DRFI and CC Strategy, across the national, local, and individual levels.

Draft Bills establishing the Department of Disaster Resiliency.

Creation of the Inter-Agency Group for Sustainable Finance which will oversee the development of a green and sustainable country.
THANK YOU