

Republic of the Philippines

National Designated Authority (NDA)		Direct Access Entities	International Access Entities	Priority Sectors	Estimated GCF Financing Needs
Department of Environment and Natural Resources (DENR)	Accredited		United Nations Development Program (UNDP); Asian Development Bank (ADB); International Finance Corporation (IFC); Food and Agriculture Organization (FAO)	For mitigation cover energy, transport, waste, forestry and industrial sectors and for adaptation agriculture, water and health sectors.	<i>To be determined</i>
	Potential	Landbank of the Philippines (LBP)			

1. Introduction

The Republic of the Philippines is located in South East Asia with a land area of 300,000ⁱ km². Philippines's Gross Domestic Product (GDP) is \$ 292.6 billion, and grew at an annual rate of 5.8% in 2015ⁱⁱ with services, agriculture, and industry being major economic sectors. With a population of 100.7 millionⁱⁱⁱ, the Philippines's per capita Gross National Income (GNI) is \$ 3540 and is classified as a lower middle income country. The Human Development Index (HDI) for the Philippines is 0.668 ranking the country at 115 out of 188 countries^{iv}. The Competitive Industrial Performance (CIP) index of the Philippines is 0.67 placing the country at 53 out of 141 countries^v. The financial sector in the Philippines is relatively small with only 59.17% domestic credit provided by the financial sector as a % of GDP compared to the global average of 180%^{vi}. Domestic credit to private sector was also low at 41.8% of the GDP compared to the global average of 132%^{vii}. The Philippines was ranked at a medium level of 99 out of 181 in ease of doing business in 2017^{viii}.

The Philippines emitted 98.23 million tCO₂e GhG emissions which translates to a per capita emission of 1 tCO₂e^{ix}. The Philippines is particularly vulnerable to the impacts of climate change and natural hazards. In the Global Climate Risk Index of Germanwatch, the Philippines ranked fifth with respect to the long-term Climate Risk Index (CRI) for the period of 1994 to 2014. In terms of the 2013 CRI, the Philippines was identified as the most affected country (ranked 1st). Climate change and natural hazards are impacting key economic sectors in the Philippines such as agriculture, fisheries, and water resource management. Increase in temperature, coupled with changes in precipitation patterns and hydrological regimes is also amplifying existing vulnerabilities in the Philippines.

Selected key climate change policies

1999	Clean Air Act
2001	Solid Waste Management Act
2004	Clean Water Act
2009	Climate Change Act
2010	National Disaster Risk Reduction and Management Law
2010	National Framework Strategy on Climate Change (NFSCC)
2011	National Climate Change Action Plan (NCCAP)
2012	Establishment of the People's Survival Fund as long-term finance streams
2014	Institutionalizing the Greenhouse Gas Inventory Management and Reporting System
2015	Intended Nationally Determined Contribution (INDC) submission to the United Nations Framework Convention on Climate Change (UNFCCC)
2016	Philippine Green Jobs Act

In its Intended Nationally Determined Contribution (INDC), Philippines has proposed conditional commitments in mitigation that cover energy, transport, waste, forestry, and industrial sectors. The INDC also articulates adaptation needs as institutional and system strengthening for downscaling climate change models, climate

scenario-building, climate monitoring and observation, science-based climate/disaster risk and vulnerability assessment process as the basis for mainstreaming climate and disaster risks reduction in development plans, programs and projects; development of climate and disaster-resilient ecosystems; enhancement of climate and disaster-resilience of key sectors of agriculture, water and health; systematic transition to a climate and disaster-resilient social and economic growth; and research and development on climate change, extremes and impacts for improved risk assessment and management. The Philippines has only made conditional commitments in its INDC as detailed in the table below:

The INDC for the Philippines is not very detailed on the mitigation possibilities although the adaptation needs have more details. The quantum of mitigation possible and the key sectors of intervention have been identified. The conditional mitigation commitment is significantly high at 70% of the GhG emissions in 2030, which may offer opportunities for GCF-supported interventions in energy, transport, waste, forestry and industrial sector. There are also adaptation opportunities in agriculture, water, and health that may be identified and supported by the GCF in the Philippines.

Table 1: Summary of INDC/NDC Targets		Estimated Resources Required USD \$
Conditional	<u>Adaptation</u> : Mainstreaming of climate change adaptation and disaster risk reduction into the country's plans and programs at all levels. Measures include, institutional and system strengthening for climate monitoring and observation and systematic transition to a climate and disaster-resilient social and economic growth.	<i>Not specified</i>
	<u>Mitigation</u> : 70% by 2030 relative to its Business As Usual (BAU) scenario. Reduction of CO2e emissions will come from energy, transport, waste, forestry, and industry sectors	<i>Not specified</i>
Unconditional	<i>None</i>	

2. Country Agenda and GCF Engagement

The first project concept from the Philippines was submitted in July 2016 through LBP as the entity. The concept note was submitted under the **Request for Proposals for Enhancing Direct Access (EDA)**. The review by the GCF suggested that the proposal be submitted as a regular direct access proposal or through the international access route. The Philippines has also submitted indicative country pipeline details for an additional three (3) projects involving a climate venture fund, building resilience of local governments against diseases and a decision support system for water allocation and regulation. It was indicated that all the three (3) projects would be submitted through LBP.

The Philippine Readiness Proposal that supports NDA strengthening and development of strategic frameworks and country program was submitted by the Climate Change Commission (CCC) as the delivery partner, and was approved in September 2015. The DENR, as the Philippine NDA to the GCF, has submitted an updated Philippine Readiness Proposal, including a Financial Management Capacity Assessment (FMCA), in April 2017.

Table 2: Country Projects/Programs Pipeline					
Project Title		Description	Accredited Entity		Submission Timeframe
Building Resilience of Philippine Communities to Climate Change		Food security through innovative food production measures, ensure water security, safeguard natural resources and managing disaster risks.	LBP		July 2016
Fund level strategic impacts			Total financing: \$ 47.4 million		Status
			GCF: \$ 18.7 million	Other: \$ 28.7 million	Concept Note submitted, reviewed, and commented by the GCF
Action			Lead		Timeline
Project Title		Description	Accredited Entity		Submission Timeframe
Philippine Innovatech		The PICVF seeks to catalyse	LBP		July 2016

Climate Venture Fund (PICVF)	thriving projects that demonstrates that Philippines can sunset irrelevant infrastructure under BAU such as fossil-fuel grids to clean energy. It will include portfolio companies with innovative technologies that impact the climate change mitigation objectives of the Fund, but will also overlap with adaptation goals.		
Fund level strategic impacts		Total financing:	Status
		<u>GCF:</u> \$ 25 million (Equity)	<u>Other:</u> <i>Not specified</i> Specified in Indicative Country Pipeline
Action	Lead	Timeline	
Project Title	Description	Accredited Entity	Submission Timeframe
Responsive and Resilient Local Government Units and Communities for Climate-Sensitive Diseases in the Philippines	This project will demonstrate how local government and communities will address climate-sensitive diseases prevalent in areas vulnerable to sea-level rise, flooding, and drought through environmental health interventions in adherence to the strategies outlined in the National Climate Change Action Plan of the Philippines (2011-2028)	LBP	Unspecified
Fund level strategic impacts		Total financing:	Status
		<u>GCF:</u> \$ 5 million (Grant)	<u>Other:</u> <i>Not specified</i> Specified in Indicative Country Pipeline
Action	Lead	Timeline	
Project Title	Description	Accredited Entity	Submission Timeframe
Decision-Support System for Water Allocation and Regulation: Managing Uncertainties due to Climate Change	Establishment of a decision-support system for water resources allocation and economic regulation that can be used by key government agencies in the water sector for policy formulation, prioritize water allocation, manage and regulate water-related activities and improve economic regulation of water utilities.	LBP	Unspecified
Fund level strategic impacts:		Total financing: \$14.44 million	Status
		<u>GCF:</u> \$ 12.64 million	<u>Other:</u> \$ 1.8 million Specified in Indicative Country Pipeline
Action	Lead	Timeline	

Table 3: Country Projects Preparation Pipeline			
Project Title	Description	Accredited Entity	Submission Timeframe
Mangrove Forest Rehabilitation and Protection for Resiliency of Coastal Ecosystems and Human Communities to Climate Change Impacts	The proposed project will focus on mangroves which provide important ecosystem services as well as goods such as breeding, feeding, and nursery grounds for many shellfish, fish, and other wildlife.	UNDP	<p>Concept Note to be submitted by end of April 2017</p> <p>Funding Proposal to be submitted by end of June/ July 2017</p>

Fund level strategic impacts:	Improving mangrove cover in critical coastal areas in the country will increase their resiliency to climate change impacts particularly storm surges, flooding and erosion and to some extent sea level rise. Mangroves are also believed to help reduce the wave force of tsunamis. Decline in mangrove cover is projected to exacerbate the impacts of climate change on coastal habitats, fisheries and human communities.	Total financing: \$97,749,080	Status Concept Note currently being developed in-country
		GCF: \$32,000,000	Other: \$65,749,080
Action	Lead	Timeline	
Concept Note Development	Ecosystems Research and Development Bureau (ERDB), DENR as the Executing Entity and UNDP	April 2017	
Funding Proposal Development		June/ July 2017	
Project Title	Description	Accredited Entity	Submission Timeframe
Bamboos for Resilience	Reforestation of 1 million hectares of bamboos within the 143 critically denuded watersheds supporting 165 components of the National Irrigation System with a total area of about 4.3 million hectares.	FAO	Concept Note to be submitted by end of November 2017.
Fund level strategic impacts:		Total financing: <i>To be determined</i>	Status Research being conducted in-country
	Bamboos sequester 400% more carbon per unit area and give off thirty five percent more oxygen than trees. Planting 1 million hectares of bamboos will generate 2.3 million green jobs benefitting 11.5 million households, which means that it could also help in alleviating poverty in upland communities.	GCF: <i>Not specified</i>	Other: <i>Not specified</i>
Action	Lead	Timeline	
Concept Note Development	FAO	November 2017	

Table 4. Country Readiness Program Pipeline

Title	Description	Delivery Partner	Submission Timeframe
NDA Strengthening and Country Programme Development	Establishing and strengthening the NDA and having stakeholder consultation mechanisms. Development of a country programme for Philippines.	DENR as the NDA to the GCF	April 2017
		Total Financing \$ 300,000.00	Status Philippine Readiness Proposal and FMCA being reviewed by the GCF Secretariat; Grant Agreement to be revised

Action	Lead	Timeline
Submission of FMCA application	DENR	April 2017

3. Structured Dialogue

The Philippines attended the structured dialogue during the Readiness Week in April 2016 in Songdo, Republic of South Korea. Discussions were held with the NDA representatives to discuss and identify a set of three (3) pipeline projects that will be submitted through LBP. In February 2017, the Executive Director and Chief Financial Officer (CFO) of the GCF Secretariat visited the Philippines and held strategic discussions with the Senate Committee Chair on Climate Change and Finance, and the Secretary of the DENR as the head of the NDA. It was also agreed that the Philippines will develop and submit a concept note and proposal to seek GCF funding on Mangrove Forest Rehabilitation and Protection for Resiliency of Coastal Ecosystems and Human Communities to Climate Change Impacts with UNDP as the Accredited Entity.

ⁱ United Nations, <http://data.un.org> accessed October 2016

ⁱⁱ World Bank, <http://data.worldbank.org/> accessed October 2016

ⁱⁱⁱ World Bank, <http://data.worldbank.org/> accessed October 2016

^{iv} UNDP, <http://hdr.undp.org> accessed October 2016

^v UNIDO, 2016, Industrial Development Report 2016

^{vi} World Bank, <http://data.worldbank.org/> accessed October 2016

^{vii} World Bank, <http://data.worldbank.org/> accessed October 2016

^{viii} World Bank, <http://www.doingbusiness.org> accessed October 2016

^{ix} United Nations, <http://data.un.org> accessed October 2016