

Philippines

Coordinating national climate change action

Activity	Effective national coordination of climate change action through a national Climate Change Commission, Climate Change Act, National Framework Strategy on Climate Change, and National Climate Change Action Plan
Country	Philippines
Sector(s) involved	All
Time frame	2008–2013

Case summary The Philippines has over the years significantly overhauled its climate policy framework, from a number of stand-alone laws passed during 1997–2008, to the current comprehensive, nationally integrated climate policy architecture guided by the 2009 Climate Change Act (CCA).

The CCA calls for the systematic integration of climate change in various phases of policy formulation, development plans, poverty reduction strategies, and other development tools used by all government agencies and departments. It also led to the establishment of the Philippines Climate Change Commission (CCC) for coordinating policy integration. Subsequently, the National Climate Change Action Plan (NCCAP) strategically established the Philippines' first long-term climate agenda from 2011–2028, divided into three six-year phases. The duration of these phases coincides with the terms of the Philippine Development Plan (PDP) and the Philippines' electoral and planning cycles.

The Philippines is a good example of political leadership and long-term vision for comprehensive and integrated climate policy demonstrated through: (1) the fact that the origins of climate policy initiatives are rooted in the national democratic movement which led to change in the political structure of the country; (2) substantial budgetary support despite financial constraints; and (3) the proactive approach to consult and take help in both improving the policies as well as implementing them from international agencies.



Model low-carbon, livable city display by the Philippines Climate Change Commission and USAID Philippines, at the open space session on "Tools and Practices for Implementing LEDS and Green Growth" October 1, 2013 at the Asia LEDS Forum, Manila. © USAID LEAD Program 2013

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Background

As a country highly vulnerable to climate change, the Philippines is already feeling the impacts in the increased frequency of extreme weather-related events, earthquakes, and sea level rise. The urban centres of economic activity and coastal areas are particularly high-risk areas. In order for the Philippines to “bring sustainable development to the people”, which was part of the electoral campaign of the country’s current President, it is necessary to address the country’s vulnerabilities to climate change (Alvarez 2014).

To effectively respond to climate change, the Philippine government enacted the national legislation in the form of the 2009 Climate Change Act, which led to the establishment of a Climate Change Commission (CCC) tasked to coordinate and guide all policies related to climate change. In 2011, the CCC was made the Secretariat to the Cabinet Cluster on Climate Change Mitigation and Adaptation. This is one of five Cabinet Clusters announced to give new direction to economic development through Presidential Executive Order 43 in pursuit of the ‘Social Contract’ enshrined in the 1987 Constitution (Presidential Executive Order 43, 2011) adopted by the national democratic movement (Alvarez 2014, Birosel 2014). The CCC was mandated to formulate a National Framework Strategy on Climate Change (NFSCC), which defines the overall parameters for developing a National Climate Change Action Plan (NCCAP). The NCCAP serves as the Government’s road map for climate action and is the lead policy document guiding the climate agenda at all levels of government (CCC, 2011).

Prior to this, climate activities in the Philippines focused on mitigation. The new agenda reflects convergence between growth, mitigation, climate change adaptation and disaster risk reduction and management (DRRM), by mainstreaming DRRM and CCA in development processes (World Bank 2013).

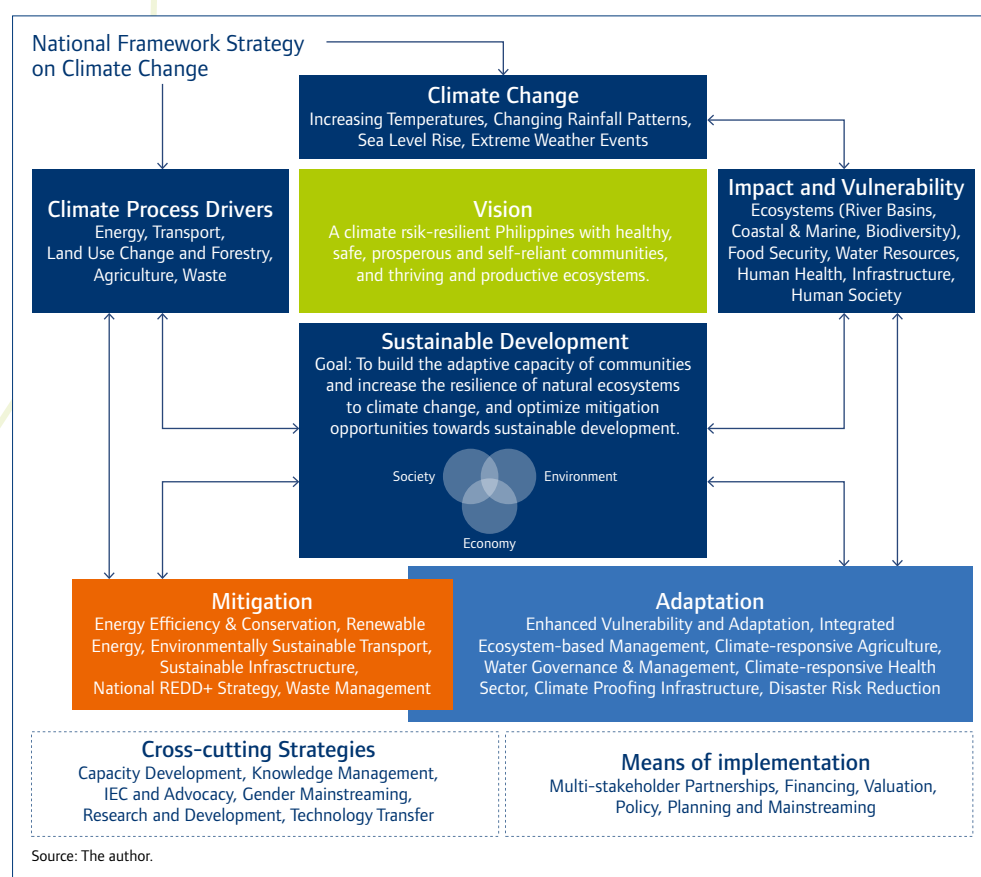
Activities

- » **Reformulation of approach and political direction:** With the CCA, the previously fragmented sectoral approach to address climate change was modified into a long-term approach for coordinated national integration of sectoral initiatives. Building on the previously introduced acts such as the Agriculture and Fisheries Modernisation Act (1997), the Philippine Clean Air Act (1999), the Ecological Solid Waste Management Act (2000), the Philippine Clean Water Act (2004), the Biofuel Act (2006), and the Renewable Energy Act (2008), the CCA paved the way for the overarching National Framework Strategy of Climate Change (2010) and the Disaster Risk Reduction and Management Act (2010). This provided a political direction for the prioritisation of policy objectives.
- » **Development of long-term implementation plans:** Following its mandate the CCC developed the NCCAP (2011) around seven thematic priorities aimed at two ultimate outcomes: (1) to enhance adaptive capacity of communities, resilience of natural ecosystems, and sustainability of built environment to climate change; and (2) to achieve a successful transition to climate-smart development. The new strategy, in light of increasing frequency of natural disasters, also included development of the National Disaster Risk Reduction and Management Plan (2011). The seven thematic priorities include food security, water sufficiency, ecological and environmental stability, human security, climate-smart industries and services, sustainable energy, and knowledge and capacity development. The NCCAP provides a detailed results matrix that includes 92 activities (supported by 328 sub-activities) in 41 output areas.
- » **Provision of funds:** Initially, the CCC was not supported with budget provision. Upon the request of one of the Commissioners, the President allocated USD eight million from the Presidential Fund (Alvarez, 2014). Later, the People’s Survival Fund (2012) was established with a dedicated USD 160 million to implement programs, projects and activities based on the NFSCC. However, the Final Implementing Rules and Regulations restricted the scope of activities supported by the Fund to activities of the local government units (LGUs) and communities only.

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- » **Mainstreaming climate strategy into development planning:** The NCCAP is divided into three phases of six years each, aligned with the cycle of the Philippines Development Plan (PDP). Since, the NCCAP and the PDP (2011–2016) were developed simultaneously, many of the directives of the Climate Change Act and NFSCC were integrated into the PDP, keeping two factors in mind: (1) the process of developing institutions to implement climate reforms can be lengthy, whereas the actions were needed immediately; and (2) many climate change activities are also good development policies. For example, reforms in the energy sector promoting renewable sources and energy efficiency contribute directly to energy security and can lower energy costs and improve competitiveness. Similarly, significant opportunities exist to increase employment in the fields of agriculture, infrastructure, and energy. Labor-intensive activities, such as the development of small-scale sustainable and climate resilient farming activities or retrofitting infrastructure for flood control, will build resilience while increasing employment opportunities and food security. Through the PDP, the Philippines aims to accelerate annual economic growth to 7–8% in a climate resilient manner.



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- » **Decentralisation of implementation:** The Climate Change Act requires LGUs to develop Local Climate Change Action Plans, an integral part of which is to have comprehensive land use plan including climate change concerns. The LGUs are guided and aided by the Department of Interior and Local Governance.
- » **Monitoring of implementation:** Prior to the NCCAP, performance of various departments was measured and monitored against their Major Final Outputs using the Organisational Performance Indicators. The government is in the process of developing a comprehensive monitoring framework for NCCAP, a unified and integrated results-based performance management system across all departments and agencies within the Executive Branch to address existing shortcoming, with expected improvements in reporting and auditing systems.
- » **Coordination and consultation with other departments and development partners:** A core activity of the CCC is to build dialogue and trust among different government departments and other agencies. A major step in this direction was to include the Department of Finance and DBM in the advisory board of the CCC. In addition the Philippines has established the Philippines Development Forum where representatives of government, development partners and multilateral agencies meet and discuss the developmental challenges and needs of country. The Forum is jointly chaired by the Finance Ministry and the World Bank. In 2011, the Forum also set up a Technical Working Group (TWG) focusing on issues of climate change co-chaired by the CCC and UNDP. The TWG conducts technical and institutional analysis including co-benefits assessments, methodology developments, MRV, cost-benefit analysis, GHG inventories etc. It coordinates and synthesises the work undertaken by sectoral TWGs. This not only helps in building technical and institutional capability but also enables informed and integrated decision making.
- » **External advice on policy coordination:** The CCC and the Department of Budget and Management (DBM) approached the World Bank to conduct a mid-term Climate Public Expenditure and Institutional Review (CPEIR) of the NCCAP along with the PDP in 2012. The objective of CPEIR was to give recommendations on financial, institutional and policy planning to integrate and successfully implement NCCAP and the PDP in their respective next cycles (World Bank 2013).

Institutions involved	Climate Change Commission (CCC); People's Survival Fund Board (PSFB); Department of Budget and Management (DBM); House of Representatives Ecological Committee; National Disaster Reduction and Management Council (NDRMC); National Economic and Development Authority (NEDA); National Council on Sustainable Development; Local Government Units (LGU).
Cooperation with	World Bank; United Nations Development Programme (UNDP); Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); USAID; French Agency for Development (AFD); Asian Development Bank (ADB); Global Green Growth Institute (GGGI); German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB); Japan International Cooperation Agency (JICA); European Commission (EC); UK Department for International Development (DfID).
Finance	Between 2008 and 2012, climate appropriations increased in real terms from USD 2 billion to 6 billion. Currently, it accounts for 1.9 percent of the national budget. Accordingly, domestic resources have funded on average 82 % of climate expenditures during 2008–2011 (World Bank 2013) across departments primarily through the General Appropriations Act, Special Purpose Funds, and Special Accounts in General Funds. Most departments are funded from the GAA, except for the Department of Energy (DOE), where a third of funding is from special accounts. Other than the DPWH, about 94 % of the climate expenditures in departments are financed from local sources.

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External funding has been catalytic, the bulk of which supports flood control protection and is managed by the Department of Public Works and Highways (DPWH), accounting for more than a third of the department's total climate expenditures and 80% of total development aid. Other departments mostly receive support through off-budget small-scale, innovative grants.

The LGUs receive about 70% (90% in case of poorer LGUs) of their resources from the Internal Revenue Allotment, a direct transfer of resources from the national government accounts to LGUs depending upon their area and population instead of vulnerability. However, the Local Government Code provides that the LDF can only be used to finance projects that are explicitly identified in the local development plans; climate programs, projects and activities often compete against the many other development priorities of LGUs.

In addition, the Alternative Budget Initiative, an 8-year old CSO which specialized in lobbying the congress and senate for agriculture, health, environment and climate change programs and projects for inclusion in the annual government appropriations, has mobilised increasing national budgets (from USD 0.8 million in 2008 to 9.7 million in 2013) for education, agriculture, fisheries, health and climate change.

Impact of activities

- » **Integration of adaptation:** within the overall goal of low-carbon, climate smart development marking a paradigmatic shift away from disaster response to prevention (CCC 2011).
- » **Initiation of many low emission capacity building projects, programmes and activities:** Enhancing Capacities for Low Emission Development Strategies (USAID); Low Emission Capacity Building (LECB)-Philippines project (EU, Australia and Germany through UNDP); The Regional Capacity Building Project for Sustainable GHG Management Systems in South East Asia-Phase II (US and UNFCCC); Eco-town demonstration project (GGGI, GIZ, USAID, ADB); Clean Energy (USAID/IRG); Momentum for Low Carbon Development (Germany BMU); Carbon Footprint in transport (AFD); and NAMA in the waste sector (GIZ).
- » **Development of monitoring and evaluation (M&E) system:** Although the M&E system is not operational yet, its development has already started to show positive impacts such as the involvement of different sectoral agencies in how far their sector based M&E systems already reflect climate change issues (gap analysis) and exploration of the needs to better connect different government performance monitoring systems and harmonise indicators (Gaddi & Balota, 2013). Overall, the Philippines have come up with a comprehensive GHG Inventory Implementation Plan.
- » **Integration into mainstream development strategy:** Even though the PDP was launched as the NCCAP was still being developed, five chapters in the PDP include extensive discussions on climate change. Since both plans are scheduled for updates in mid-2013, an opportunity exists for improved alignment.

Why is it good practice

- » Through reorganizing Cabinet Clusters and introducing new institutions with the CCC as a **coordinating agency across various departments**, the Philippines has shown **strong commitment and leadership at the highest political level** for mainstreaming climate change into national development planning. Although at present the NCCAP and the PDP are only partially aligned, the **long-term vision** as articulated in the three NCCAP phases aligned with the cycle of development planning not only links the NFSCC to **existing political processes** but also make it a **dynamic document** allowing it to **adjust short and medium term policy objectives and measures** based on the practice of **advice from national and international institutions**.

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Success factors	<ul style="list-style-type: none"> » Political leadership: the President of the Philippines linked the creation of the CCCC to the spirit of the Constitution and provided initial logistics support to the functioning of the CCC at the Presidential Palace. As part of the Social Contract, the President declared mitigation and adaptation as one of the five key result areas. » Proactive approach of the CCC: the CCC proactively approached different departments at the ministerial level to build positive collaborative relationship through personal visits and consultations at higher level. The fact that the Commissioner holds the ministerial rank, allows the Commission to approach these departments at highest level in a more effective manner. » Targeted public funds through Republic Acts: the Philippines has set up specific funds to different types of climate programs, projects and activities through legislation, a substantial part of which is provided through budgetary provisions and disbursed through LGUs. This sends a strong signal for action at the decentralised level. » Reflects immediate vulnerabilities: being among the most vulnerable countries to climate change and increasing extreme weather events in past few years has raised climate change high in the political and public agenda. » Regular dialogue among government departments, development partners and multilateral agencies: an inclusive and consultative approach to include national and international stakeholders and expertise, particularly through the Philippines Development Forum and the TWGs has been very helpful in developing a comprehensive understanding of national needs and available international support. Most important dialogue and partnership to be established are between CCC and Department of Finance, and between civil society and government.
Overcoming barriers/ challenges	<p>What were the main barriers/challenges to delivery? How were these barriers/challenges overcome?</p>
Capacity	<p>The CCC is a national agency with limited local presence, and lacks the capacity to engage with all LGUs. The CCC uses indirect channels of communication through coordinating with various departments, which are part of the Cabinet Cluster on Climate Change.</p>
Financial	<p>Due to multiple levels and types of financial support (with different sets of rules and processes, eligibility criteria, and cost-sharing requirements) the management, coordination, and mobilization of finance has been a challenge.</p> <p>New institutions are being mobilized to fill the existing institutional gaps in strategic climate financing oversight and coordination. The Climate Finance Group, currently an ad-hoc informal group, plays an important role in enabling climate financing readiness at the national level. In addition PSFB, chaired by NEDA, provides experience to develop and strengthen climate financing institutions and policies while also readying the Philippines to receive climate financing. This entails developing national and local institutions that can meet fiduciary standards at the project and the portfolio levels and can effectively plan, prioritise, and implement climate action.</p> <p>The LGUs are required to develop Local Climate Change Action Plans, which puts additional financial burden on them.</p> <p>The CCC encouraged LGUs to incorporate their LCCAPs into their Comprehensive Development Plans and Comprehensive Land Use Plans and is working toward developing supporting guidelines.</p>

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Institutional

There is no guidance or list of indicators on assessing progress hindering the process of monitoring the integration of the NCCAP across development plans, which impedes an evaluation of results across climate programs, projects and activities.

The Government introduced a unified and integrated results-based Performance Management System across all departments and agencies within the Executive Branch to address existing shortcoming, with expected improvements in reporting and auditing systems. Currently the Philippines is developing a system of research-based MRV with support from GIZ.

The LGUs are mandated to develop local disaster risk reduction management plans. However, in practice there are no guidelines on how to operationalize their agreement with central agencies.

The CCC and the National Disaster Risk Reduction and Management Council (NDRRMC) are required to work with each other on their engagement with the LGUs, and the two agencies have signed an MOU affirming their collaboration to harmonize and coordinate with each other in supporting the LGUs, and to develop a joint work plan.

In practice, the PDP work programs are not linked to the NCCAP outcomes and activities and have also not been used to identify climate programs, projects and activities for the key result areas under PDP.

The mid-term Climate Public Expenditure and Institutional Review by the World Bank was requested to update the PDP as well as NCCAP.

Lessons learned

- » **Focus on policy planning and evaluation simultaneously:** The Philippines approach is ambitious and backed by strong political will. However, it has almost exclusively focused on developing institutional structures for coordinated policy making and planning. An effective procedure for monitoring and measuring the progress and impacts is yet to be developed.
- » **Consider finance needs for implementation at an early stage:** Despite noticeable budgetary support, a lack of financial resources and necessary capacities hinder implementation of the overall strategy, particularly the coordination across governance levels. Although these aspects are being addressed in the process, it could have benefited from early stage considerations.

How to replicate this practice

- » **Aim at transforming policy making architecture and processes.**
- » **Send clear signals for change in direction:** through strong political leadership and commitment.
- » **Provide initial budgetary support:** along with mechanisms to receive international support. In this direction it is important to have the departments of economy (or finance) on board, at least in an advisory role.
- » **Synchronise climate actions with development planning:** over a long period, allowing for the allocation of higher budgetary resources to climate action.
- » **Establish regular communication and dialogue:** among various government agencies, development agencies, private sector and civil society with a view to understand their needs and challenges and how they can help each-other. In that the CCC's approach to include different departments as advisors or tell them that CCC's intention is to "expand the mandate" of the concerned department instead of imposing climate change agenda onto their mandates is a very useful way of establishing cooperative dialogue (Recabar 2014).

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Further key resources	<ul style="list-style-type: none"> » Philippine Development Plan 2011-16 http://neda5.net/PHIL_DEVT_PLAN/PDP2011_2016.pdf » National Climate Change Action Plan (NCCAP): http://climate.gov.ph/index.php/documents/category/11-national-climate-change-action-plan-nccap
Website(s)	<ul style="list-style-type: none"> » www.climate.gov.ph » www.investphilippines.info/arangkada/category/progress-reports/legislative-tracker-progress/
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