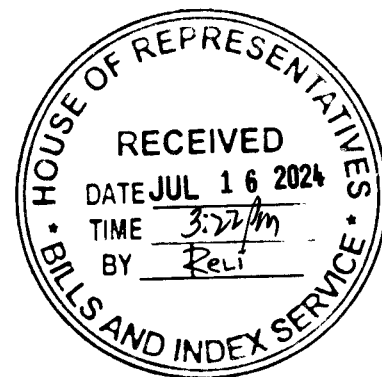


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Nineteenth Congress
Third Regular Session

House Bill No. **10642**



Introduced by **REP. JOEY SARTE SALCEDA**

AN ACT
GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE
BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE
PHILIPPINES

EXPLANATORY NOTE

The establishment of the Fund for Responding to Loss and Damage (L&D Fund) and its hosting by the Philippines is the culmination of this country's years of work in the various Conferences of Parties (COPs) on climate change. The country's delegations to such conferences have pushed strongly for the principle that countries like the Philippines are disproportionately affected by lasting and inevitable effects of climate change, despite accounting for far fewer emissions on a per capita basis than developed countries.

In particular, the Fund is the logical next step to the United Nations Green Climate Fund (UN-GCF) which this representation chaired in 2013-2014, as its first Asian co-chair.

The country's hosting of the L&D Fund will ensure that the Philippines optimizes access to the necessary financing to make the country more climate-resilient.

This bill establishes the legal framework necessary to confer juridical personality, legal capacity, tax exemptions, and administrative support to the L&D Fund Board. The timely passage before August 9, 2024, underscores the Philippines' readiness to fulfill its hosting responsibilities and advance global climate resilience efforts.

In view of the foregoing, the approval of this bill is urgently sought.

A handwritten signature in black ink, appearing to read "JOEY SARTE SALCEDA".

JOEY SARTE SALCEDA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Nineteenth Congress
Third Regular Session

House Bill No. **10612**

Introduced by REP. JOEY SARTE SALCEDA

AN ACT
GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE
BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE
PHILIPPINES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title* – This Act shall be known as "The Loss and Damage Fund Board Act."

SEC. 2. *Declaration of Policy* – It is the policy of the State to advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature and to protect the climate system for the benefit of humankind.

As a party to the United Nations Framework Convention on Climate Change ("UNFCCC") and the Paris Agreement, the State strongly supports the creation of the Fund for Responding to Loss and Damage ("L&D Fund") to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events.

Under the UNFCCC Decision 1/CP.28, 5/CMA.5 on the "Operationalization of the new funding arrangements, including a fund, for responding to loss and damage referred to in paragraphs 2-3 of decisions 2/CP.27 and 2/CMA.4", the Governing Instrument of the Loss and Damage Fund ("L&D Fund") was approved, and the Board of the Fund ("Board") will be conferred with legal personality and the legal capacity as necessary for discharging its roles and functions, in particular the legal capacity to negotiate, conclude and enter into a hosting arrangement with the World Bank as interim trustee and host of the Fund's secretariat. Noting further Section III C.2 of the Governing Instrument, the Board will serve the objectives and purpose of the Fund and steer its operations so that they evolve with its scale and maturity.

At the second meeting of the Board held on July 9, 2024, the Board adopted a unanimous decision, selecting the Philippines as the host country of the Board of the Fund.

To facilitate the establishment and operationalization of the Fund, the State hereby grants juridical personality and legal capacity to the Board.

SEC. 3. *Juridical Personality and Legal Capacity of the Loss and Damage Fund Board* – The Board, as the governing body of the Fund established by the Meeting of Parties to the Paris Agreement under the UNFCCC, shall be granted juridical personality with the total legal capacity to:

- (a) Contract;
- (b) Acquire and dispose of immovable and movable property;
- (c) Institute legal proceedings;
- (d) Negotiate, conclude, and enter into a hosting arrangement with the World Bank as interim trustee and host of the Fund's secretariat; and
- (e) Undertake related or necessary activities to carry out the purpose for which the Board was created.

SEC. 4. *Exemption from Taxation* – The Property, operations, and transactions of the LDF and its Board shall be exempt from paying all taxes, duties, and other charges imposed by the Government and local authorities. The LDF and its Board shall also be exempt from any obligation for the payment, withholding, or collection of any tax or duty.

The LDF and its Board shall be exempt from the payment of all taxes, duties, and other charges imposed by the Government and local authorities, except charges for storage, transport, and services supplied, on the importation of equipment, machinery, motor vehicles, and materials intended for use in the board meeting. The same shall be processed in the manner and under existing procedures applied by the Department of Finance in similarly situated cases.

The non-Filipino LDF Officials and invited Experts and Observers shall be exempt from the payment of income tax on salaries, stipends, emoluments, indemnities, and sickness and accident benefits received from the LDF, regardless of the currency used. The Government retains its right to tax its nationals. They shall likewise not be subject to taxes on their local purchases in the quantity as appropriate for the duration of the board meeting.

The non-Filipino LDF Officials and invited Experts and Observers shall be exempt from the payment of all taxes, duties, and other charges imposed by the Government and local authorities, except charges for storage, transport, and services supplied, on the importation of personal effects in the quantity as appropriate for the duration of the board meeting.

Goods released tax-free and duty-free under this Agreement shall be subject to applicable taxes and duties if sold, transferred, or exchanged in the Philippines to non-exempt persons or entities, computed based on the value of the goods at the time of the importation pursuant to existing Government rules and regulations.

SEC. 5. *Repealing Clause* – All laws, presidential decrees, executive orders, administrative orders, and rules and regulations inconsistent with this Act are hereby repealed, modified, or amended accordingly.

SEC. 6. *Effectivity* – This Act shall take effect immediately upon its publication in the Official Gazette or at least two (2) newspapers of general circulation.

Approved,