

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8918



Introduced by: Kababaihan Kabalikatan para sa Kapakanan at Kaunlaran ng Bayan (4K) Party-list
Representative Iris Marie D. Montes

AN ACT
MAINSTREAMING CLIMATE ACTION ACROSS NATIONAL DEVELOPMENT,
CREATING FOR THE PURPOSE A CLIMATE FINANCE UNIT UNDER THE
CLIMATE CHANGE COMMISSION, AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

The Climate Risk Index (CRI), which ranks countries by the human and economic toll of extreme weather, places the Philippines among countries affected by recurring extreme events.

It ranked the Philippines in the 10th place of countries most affected by extreme weather events in 1993–2022 along with Dominica, China, and Honduras as well as Myanmar, Italy, and India. The CRI described the Philippines as being “Regularly hit by typhoons, the most destructive being Typhoon Haiyan in 2013, which caused USD 13 billion in damage and 7,000 fatalities. The country endured 372 extreme events, resulting in USD 34 billion in losses”.¹

In 2009, Republic Act (RA) No. 9729, otherwise known as the “Climate Change Act of 2009”, established the Climate Change Commission (CCC) and in 2012, RA No. 10174 created the People’s Survival Fund (PSF), providing a strong policy and institutional framework for climate action in the Philippines. However, despite these mechanisms, climate finance remains fragmented, underutilized, and difficult to access—particularly for local government units (LGUs).

It has been observed that the absence of a centralized institutional mechanism for climate finance limits the country’s ability to effectively mobilize, coordinate, and deploy both domestic and international resources. While the CCC is mandated to coordinate climate policy, it lacks a dedicated operational arm focused exclusively on climate finance.

The Congressional Policy and Budget Research Department (CPBRD) in its Discussion Paper entitled, “Tracking Climate Adaptation Finance in the Philippines”, recommends the establishment of a central gateway of funds entering the country for easier tracking and monitoring, which is deemed important since at present, some grants coming from international NGOs are deployed directly to their local counterpart while others are given directly to the LGUs.²

¹ Climate Risk Index 2025: Who suffers most from extreme weather events? (<https://www.germanwatch.org/sites/default/files/2025-02/Climate%20Risk%20Index%202025%20Summary%20EN.pdf>) Accessed on 29 March 2026

² Tracking Climate Adaptation Finance in the Philippines, John Paul S. Quieta, Congressional Policy and Budget Research Department Discussion Paper, Issue No. 3 - May 2015 (https://cpbrd.congress.gov.ph/wp-content/uploads/2023/09/DP2015-03-Tracking-Climate-Final.pdf?__cf_chl_tk=GLZ4oGRZ1aU_0thzpE7ZAzY9b4tkqBto.i3SipIWFUU-1774340367-1.0.1.1-sT1SCFDtXbpKam29yNWGA_bXGAojR46QWm1ZJ45F_t8) Accessed on 29 March 2026

Hence, this bill seeks to strengthen existing laws and policies by institutionalizing a Climate Finance Unit (CFU), which in other jurisdictions are referred to as Climate Units (CU), International Climate Finance Cell (ICFC), Green Finance Unit (GFU), or Climate Hubs, within the CCC as a permanent structure responsible for climate finance strategy, access, coordination, and monitoring. It integrates climate finance into national planning, enhances LGU access, and ensures transparency and accountability.

According to a Policy Brief, "A Practical Guide to Understanding and Establishing Climate Finance Units", "the rationale for establishing CFUs is rooted in the need countries have for financing to implement their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), Long-Term Low Emission Development Strategies (LT-LEDS) and in the recognition that, without dedicated and skilled units to plan, access, coordinate, and manage climate finance, countries risk experiencing inefficient financial flows, duplicative efforts, and a lack of alignment with national climate and development priorities. CFUs enable countries to mainstream climate action into core national development and financing instruments, identify and prioritize climate investments, develop investment-ready projects, and leverage opportunities. CFUs use attractive and innovative financing vehicles and create enabling environments for private sector participation."³

Consequently, the most common functions performed by CFUs include "mobilizing and coordinating climate finance in alignment with national goals, mainstreaming climate considerations across national development and economic architecture, preparing and appraising projects, embedding gender equality and social inclusion in climate finance processes, and supporting capacity building and institutional strengthening."⁴

This measure positions the Philippines to maximize global climate finance opportunities while strengthening domestic systems for climate resilience and low-carbon development.

In view thereof, approval of this bill is earnestly sought.


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³ A Practical Guide to Understanding and Establishing Climate Finance Units, Center for Access to Climate Finance (<https://ndcpartnership.org/sites/default/files/2025-02/climate-finance-units-policy-brief.pdf>) Accessed on 29 March 2026

⁴ Ibid.

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

SECTION 1. *Short Title.* - This Act shall be known as the "Green Financing for Climate Change Act."

SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to afford full protection and the advancement of the right of the people to a healthful ecology in accord with the rhythm and harmony of nature. In this light, it recognizes that climate change poses significant risks to national development, economic stability, food and water security, and the well-being of vulnerable communities, particularly local government units exposed to climate hazards, by advancing the right of present and future generations to a climate-resilient and sustainable future.

Towards this end, the State shall strengthen institutional capacity for the mobilization, coordination, and effective utilization of climate finance from domestic, international, public, and private sources and ensure that climate finance is accessible, predictable, transparent, and accountable, and aligned with national priorities as embodied in the National Climate Change Action Plan (NCCAP) and other development frameworks.

Cognizant of the vulnerability of the Filipino people, particularly women, the elderly, and children, to potential dangerous consequences of climate change, the State shall promote equitable access to climate finance, especially for local government units, marginalized sectors, and climate-vulnerable communities and enhance the country's ability to access and leverage international climate finance mechanisms, including grants, concessional financing, and technical assistance.

SEC. 3. *Objectives.* - This Act seeks to achieve the following objectives:

(a) To establish a Climate Finance Unit (CFU) under the Climate Change Commission as the central mechanism for the coordination, mobilization, and management of climate finance in the Philippines;

(b) To strengthen the capacity of the State to access, mobilize, and leverage climate finance from domestic, international, public, and private sources, including multilateral climate funds and development partners;

(c) To ensure the efficient, transparent, and accountable utilization of climate finance, consistent with national priorities and development plans;

(d) To integrate climate finance into national and local planning, budgeting, and investment programming, including the National Climate Change Action Plan (NCCAP) and Local Climate Change Action Plans (LCCAPs);

(e) To enhance direct access of local government units (LGUs), government agencies, and other stakeholders to climate finance through technical assistance, capacity-building, and project development support;

(f) To establish and maintain a comprehensive Climate Finance Registry for tracking, monitoring, and reporting climate finance flows and impacts;

(g) To promote the development and use of innovative financing mechanisms, including green and sustainable finance instruments, blended finance, and public-private partnerships;

(h) To strengthen coordination among key agencies, including the Department of Finance (DOF), Department of Budget and Management (DBM), Department of Economy, Planning, and Development (DEPDev), and other relevant institutions, in the governance of climate finance;

(i) To enhance monitoring, evaluation, and reporting systems to measure the effectiveness, equity, and impact of climate finance interventions; and

(j) To ensure that climate finance contributes to climate resilience, low-carbon development, and the protection of vulnerable communities, in line with the principles of sustainable development and intergenerational equity.

SEC. 4. *Establishment of the Climate Finance Unit (CFU).* - There is hereby established a Climate Finance Unit (CFU) under the Climate Change Commission (CCC), which shall serve as the central coordinating, advisory, and technical body for all climate finance-related matters

The CFU shall act a central gateway of all funds coming from domestic and international sources such as bilateral institutions, multilateral institutions, special climate funds, international NGOs, private foundations, and special climate funds for purposes of identifying funding sources, establishing clear and strategic spending priorities, disbursing funds, analyzing allocation and spending patterns, determining details of programs and projects, and tracking the expenditure of these funds at the national down to the local level consistent with the National Climate Change Action Plan (NCCAP) and the National Framework Strategy on Climate Change (NFSCC).

SEC. 5. *Powers and Functions of the CFU.* -

The CFU shall have the following powers and functions:

(a) Formulate and periodically update a National Climate Finance Strategy, integrated into the NCCAP and Philippine Development Plan;

(b) Serve as the national designated authority/focal point for international climate finance mechanisms, including but not limited to Green Climate Fund (GCF), Global Environment Facility (GEF), and Adaptation Fund.

(c) Coordinate with the DOF on fiscal policy, debt instruments, and climate-related financial risk management;

(d) Work with the DBM to institutionalize climate budget tagging and expenditure tracking across all agencies;

(e) Collaborate with the DEVDep to ensure integration of climate finance in public investment programming;

(f) Provide technical assistance and accreditation support to national agencies, government-owned and controlled corporations (GOCCs), and LGUs for direct access to climate funds;

(g) Establish and maintain a National Climate Finance Registry, integrated with existing government financial management systems;

(h) Develop and promote innovative climate financing mechanisms, including green, blue, and sustainability bonds; blended finance; risk-sharing instruments; and public-private partnerships;

(i) Develop safeguards and standards consistent with international best practices on environmental and social governance (ESG);

(j) Monitor, evaluate, and report on the effectiveness, equity, and impact of climate finance flows;

(k) Embed gender equality and social inclusion in climate finance processes; and

(l) Perform such other functions as may be necessary to carry out the objectives of this Act.

SEC. 6. *Composition of the CFU.* - The CFU shall be composed of a Director and such number of technical, administrative, and support personnel as may be necessary for the effective performance of its functions.

The CFU shall include, but not be limited to, the following core divisions:

(a) Climate Finance Strategy and Policy Division;

(b) Project Development and Facilitation Division;

(c) Monitoring, Reporting, and Verification (MRV) Division;

(d) Partnerships and Resource Mobilization Division; and

(e) Administrative and Finance Division.

The CCC may, as necessary, create additional divisions or units to respond to emerging climate finance priorities.

SEC. 7. *Powers and Functions of the CFU Director.* -

The Director of the Climate Finance Unit (CFU) shall be the chief executive and administrative officer of the Unit and shall exercise the following powers and functions:

(a) Provide overall leadership, strategic direction, and supervision over the operations of the CFU, ensuring alignment with national climate policies, including the NCCAP;

(b) Oversee the formulation, implementation, and periodic updating of the National Climate Finance Strategy, subject to the approval of the CCC;

(c) Lead efforts to mobilize climate finance from domestic and international sources, including multilateral climate funds, bilateral partners, and private sector investments;

(d) Represent the Philippines in climate finance-related negotiations, partnerships, and engagements with international financial institutions and development partners;

(e) Ensure effective coordination with key government agencies, including the DOF, DBM, DEPDev, and other relevant bodies;

(f) Approve, endorse, or recommend climate finance projects and programs, consistent with established criteria, safeguards, and national priorities;

(g) Oversee the provision of technical assistance to national agencies, local government units (LGUs), and other stakeholders in project development and access to climate finance;

(h) Ensure the establishment, maintenance, and integrity of the National Climate Finance Registry, and approve official reports on climate finance flows and impacts;

(i) Supervise systems for monitoring, evaluation, and learning to assess the effectiveness, efficiency, and equity of climate finance utilization;

(j) Exercise administrative and financial management authority over the CFU, including budget preparation, execution, and accountability, in accordance with government rules;

(k) Appoint, assign, supervise, discipline, and, where appropriate, recommend the removal of CFU personnel in accordance with civil service laws, rules, and regulations;

(l) Establish and strengthen partnerships with the private sector, civil society, academe, and international organizations to advance climate finance objectives;

(m) Issue internal rules, guidelines, and operating procedures necessary for the efficient discharge of CFU functions, subject to approval of the Climate Change Commission where required;

(n) Delegate functions to division heads or authorized personnel, as may be necessary, without relinquishing accountability; and

(o) Perform such other duties and functions as may be assigned by the Climate Change Commission or as may be necessary to carry out the objectives of this Act.

SEC. 8. *Appointment, Qualifications, Term of Office, Compensation and Benefits of the CFU Director and Personnel.* -

A. Appointment.

(1) The Director of the CFU shall be appointed by the President of the Philippines upon the recommendation of the Climate Change Commission.

The Director shall have a rank, salary grade, and privileges equivalent to an Executive Director or its equivalent in government, subject to existing laws, rules, and regulations.

(2) All other personnel of the CFU shall be appointed in accordance with civil service laws, rules, and regulations.

The hiring of personnel shall be based on merit, fitness, and competence, with due regard to gender balance, regional representation, and multidisciplinary expertise.

The Climate Change Commission may engage consultants, technical experts, and advisers on a contractual or project basis, subject to existing procurement and civil service rules.

B. Qualifications.

(1) Director.

The Director of the CFU must possess the following minimum qualifications:

- (a) A Filipino citizen of proven integrity, competence, and independence;
- (b) At least a master's degree in economics, finance, public administration, environmental science, climate policy, development studies, or a related field;
- (c) At least ten (10) years of relevant professional experience in climate finance, public finance, development finance, environmental policy, or related fields, with at least five (5) years in a managerial or leadership capacity;
- (d) Demonstrated experience in working with international financing institutions, multilateral climate funds, or development partners;
- (e) Proven track record in policy development, program management, or financial governance; and
- (f) Must not have been convicted of any crime involving moral turpitude.

(2) Division Heads and Technical Personnel.

Division heads and technical personnel shall have:

- (a) Relevant academic qualifications in finance, economics, environmental science, engineering, public administration, or related disciplines;
- (b) At least five (5) years of relevant experience for division heads, and three (3) years for technical staff;
- (c) Demonstrated competence in areas such as project development, financial analysis, climate policy, monitoring and evaluation, or resource mobilization; and
- (d) Familiarity with national and international climate finance frameworks, where applicable.

C. Term of Office.

The Director shall serve for a term of six (6) years, unless sooner removed for cause, reappointed, or separated from service in accordance with law.

D. Compensation and Benefits.

The Director and personnel of the CFU shall receive compensation and benefits in accordance with existing laws, rules, and regulations, and may be entitled to additional incentives subject to budgetary approval and applicable government policies.

All officials and personnel of the CFU shall adhere to the highest standards of public service, transparency, and accountability, and shall be subject to the provisions of Republic Act No. 6713 and other applicable laws. They shall disclose any potential conflicts of interest, particularly in relation to climate finance transactions and project approvals.

SEC. 9. *Establishment of Climate Finance Registry.* - The CFU shall establish a National Climate Finance Registry, which shall:

- a. Track all domestic and international climate finance flows;
- b. Integrate with DBM's budgeting systems and COA audit frameworks;
- c. Ensure transparency through a publicly accessible digital platform;
- d. Support climate budget tagging and performance monitoring; and
- e. Avoid duplication and fragmentation of funding.

SEC. 10. *Strengthening Local Government Access to Climate Funds.* -

- a. Mandate the CFU to provide dedicated support to LGUs in preparing climate finance proposals;
- b. Establish regional climate finance hubs or help desks;
- c. Require integration of climate finance strategies into Local Climate Change Action Plans (LCCAPs); and
- d. Enable LGUs to access direct international climate finance, subject to national oversight.

SEC. 11. *Institutional Strengthening of the CCC.* - The Climate Change Commission is hereby authorized to create plantilla positions necessary for the CFU; hire technical experts in climate finance, economics, and project development; and establish partnerships with multilateral institutions, development partners, and the private sector.

SEC. 12. *Appropriations.* - The amount necessary to implement the provisions of this Act shall be charged against the appropriations of the Climate Change Commission under the General Appropriations Act.

SEC. 13. *Annual Report.* - The CFU shall submit to both Houses of Congress, not later than March 30 of every year following the effectivity of this Act, a report giving a detailed account of the status of the implementation of this Act, a progress report on the implementation of the National Climate Finance Strategy and recommend legislation, where applicable and necessary.

SEC. 14. *Implementing Rules and Regulations.* - Within ninety (90) days after the approval of this Act, the CFU shall, upon consultation with government agencies, LGUs, private sector, NGOs and civil society, promulgate the implementing rules and regulations of this Act: Provided, That failure to issue rules and regulations shall not in any manner affect the executory nature of the provisions of this Act.

SEC. 15. *Separability Clause.* – If for any reason any section or provision of this Act is declared as unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SEC. 16. *Repealing Clause.* – All laws, ordinances, rules and regulations, and other issuances or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 17. *Effectivity.* – This Act shall take effect after fifteen (15) days following its complete publication in a national newspaper of general circulation.

Approved,