

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

TWENTIETH CONGRESS
Second Regular Session

House Bill No. **11284**



Introduced by **Representative ERIC G. YAP**

EXPLANATORY NOTE

This bill seeks to establish a Climate Finance Unit (CFU) under the Climate Change Commission. This institutionalizes a comprehensive national climate finance framework and enhances access to multilateral climate financing mechanisms and public-private partnerships.

The Philippines remains among the countries most vulnerable to the adverse impacts of climate change. Increasingly frequent and severe typhoons, floods, droughts, sea level rise, and extreme heat continue to threaten lives, livelihoods, infrastructure, food security, and economic development. While the country has adopted key climate policies, access to and coordination of climate finance remain fragmented across government agencies and local government units, limiting the timely implementation of climate adaptation and mitigation initiatives.

The proposed measure likewise integrates climate finance into national and local development planning, promotes innovative financing instruments, and strengthens monitoring and reporting systems to ensure that public investments generate measurable climate resilience and sustainable development outcomes. Establishing a centralized climate finance mechanism shall improve resource mobilization, strengthen fiscal accountability, and accelerate the implementation of climate-resilient programs nationwide.

In view of the foregoing, the immediate approval of this measure is earnestly sought.



HON. ERIC G. YAP

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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

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 “*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:

- a. Establish a Climate Finance Unit (CFU) under the Climate Change Commission (CCC) as the central mechanism for the coordination, mobilization, and management of climate finance in the Philippines;
- b. 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. Ensure the efficient, transparent, and accountable utilization of climate finance, consistent with national priorities and development plans;
- d. 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. 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. Establish and maintain a comprehensive Climate Finance Registry for tracking, monitoring, and reporting climate finance flows and impacts;
- g. Promote the development and use of innovative financing mechanisms, including green and sustainable finance instruments, blended finance, and public-private partnerships;
- h. 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. Enhance monitoring, evaluation, and reporting systems to measure the effectiveness, equity, and impact of climate finance interventions; and
- j. 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.* – There is hereby established a Climate Finance Unit (CFU) under the 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 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, 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 CCC 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 CCC 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.

i. 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.

ii. 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.

i. Director. The Director of the CFU must meet the following minimum qualifications:

1. Must be a Filipino citizen of proven integrity, competence, and independence;
2. Holds at least a master's degree in economics, finance, public administration, environmental science, climate policy, development studies, or a related field;
3. Possesses a minimum of 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;
4. Demonstrates hands-on experience working with international financing institutions, multilateral climate funds, or development partners;
5. Holds a proven track record in policy development, program management, or financial governance; and
6. Must not have been convicted of any crime involving moral turpitude.

ii. Division Heads and Technical Personnel. Division heads and technical personnel shall have:

1. Relevant academic qualifications in finance, economics, environmental science, engineering, public administration, or related disciplines;
2. At least five (5) years of relevant experience for division heads, and three (3) years for technical staff;
3. Demonstrated competence in areas such as project development, financial analysis, climate policy, monitoring and

evaluation, or resource mobilization; and

4. 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, otherwise known as the “*Code of Conduct and Ethical Standards for Public Officials and Employees*”, 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.* – To facilitate access to funding, the CFU shall:

- a. 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 any portion or provision of this Act is declared invalid or unconstitutional, other provisions hereof shall remain in full force and effect.

SEC. 16. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

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

Approved,