



Concept Paper

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Proposed Programmatic Approach and Policy-Based Loan for Subprogram 1 Republic of the Philippines: Climate Change Policy Program

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 15 November 2021)

Currency unit	–	peso/s (₱)
₱1.00	=	\$0.02
\$1.00	=	₱49.82

ABBREVIATIONS

ADB	–	Asian Development Bank
AFD	–	Agence Française de Développement
CCC	–	Climate Change Commission
tCO ₂ e	–	metric tons of carbon dioxide equivalent
COVID-19	–	coronavirus disease
DA	–	Department of Agriculture
DBM	–	Department of Budget and Management
DENR	–	Department of Environment and Natural Resources
DILG	–	Department of the Interior and Local Government
DOE	–	Department of Energy
DOF	–	Department of Finance
DOTr	–	Department of Transportation
ERC	–	Energy Regulatory Commission
FPV	–	floating solar photovoltaic
GDP	–	gross domestic product
GHG	–	greenhouse gas
LGU	–	local government unit
LLDA	–	Laguna Lake Development Authority
NDC	–	Nationally Determined Contribution
NEDA	–	National Economic and Development Authority
OP	–	operational priority
PPPC	–	Public–Private Partnership Center

NOTE

In this report, “\$” refers to United States dollars.

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PROGRAM AT A GLANCE

1. Basic Data		Project Number: 55268-001	
Project Name	Climate Change Policy Program, Subprogram 1	Department/Division	SERD/SEEN
Country	Philippines	Executing Agency	Department of Finance
Borrower	Republic of the Philippines		
Country Economic Indicators	https://www.adb.org/Documents/LinkedDocs/?id=55268-001-CEI		
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=55268-001-PortAtaGlance		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Energy	Energy sector development and institutional reform		158.33
Agriculture, natural resources and rural development	Agricultural policy, institutional and capacity development		133.34
Finance	Finance sector development		108.33
		Total	400.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		GHG reductions (tons per annum)	0.000
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Low
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability			
✓ Promoting rural development and food security		ADB Financing	
✓ Strengthening governance and institutional capacity		Adaptation (\$ million)	187.50
		Mitigation (\$ million)	212.50
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.b		Effective gender mainstreaming (EGM)	✓
SDG 2.4			
SDG 5.5		Poverty Targeting	
SDG 7.1, 7.2, 7.3		General Intervention on Poverty	✓
SDG 8.10			
SDG 10.4			
SDG 12.8			
SDG 13.a			
SDG 17.3			
4. Risk Categorization:	Complex		
5. Safeguard Categorization	Environment: C Involuntary Resettlement: C Indigenous Peoples: C		
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		400.00	
Sovereign Programmatic Approach Policy-Based Lending (Regular Loan):		400.00	
Ordinary capital resources			
Cofinancing		171.67	
Agence Francaise de Developpement - Programmatic Approach		171.67	
Policy-Based Lending (Loan) (Not ADB Administered)			
Counterpart		0.00	
None		0.00	
Total		571.67	
Currency of ADB Financing: US Dollar			

I. THE PROPOSAL

1. The proposed Climate Change Policy Program will support policy and institutional reforms for implementing the Government of the Philippines' Nationally Determined Contribution (NDC).¹ The NDC commits to peak greenhouse gas (GHG) emissions by 2030 and scale up climate adaptation and disaster resilience, conditional on substantial external support. The proposed program will build on the Asian Development Bank's (ADB) diverse projects and programs through policy actions that strengthen institutions and empower sector policies to support NDC implementation. The program will help to lay the foundation to enable ambitious climate change reforms in key NDC sectors including energy, agriculture, and transport.

2. The programmatic approach comprises two subprograms² that align ADB's support for climate actions with NDC priorities through sequenced reforms to successively strengthen institutions and integrate climate actions into sector development. The approach provides flexibility for mid-course design changes, which is important for new institutions and technologies, particularly under the evolving coronavirus disease (COVID-19) pandemic conditions. The first subprogram empowers agencies in key NDC sectors through actions expanded in subprogram 2. While subprogram 1 sets out the framework for the program and underpinning policy actions, subprogram 2 actions are defined in an indicative and directional manner, allowing for their strengthening over time. The program was prepared jointly with the Agence Française de Développement (AFD) and complements ADB's support for climate action and disaster risk management in the Philippines.

3. The program is aligned with the updated Philippine Development Plan, 2017–2022 and is anchored in ADB's Climate Change Operational Framework, 2017–2030, ADB's updated Energy Policy, and the cross-cutting theme of climate change in ADB's country partnership strategy for the Philippines 2018-2023.³ The program supports the following operational priorities of ADB's Strategy 2030: tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; addressing remaining poverty and reducing inequalities; accelerating progress in gender equality; and promoting rural development and food security.⁴

II. PROGRAM AND RATIONALE

A. Background and Development Constraints

4. **Macroeconomic context.** The Philippines has been heavily impacted by the COVID-19 pandemic. Gross domestic product (GDP) contracted by 9.6% in 2020. Government revenue fell by 9.0% in 2020, while expenditures rose by 11.3%, resulting in a widening fiscal deficit.⁵ While GDP growth is projected to reach 5.5% in 2022, the recovery is expected to be fragile because of

¹ Government of the Philippines. 2021. [Nationally Determined Contribution](#). Manila. 15 April.

² These may be followed by a third subprogram which can expand the sector coverage and deepen the areas targeted, subject to discussions with the government. Staff will formulate policy actions in 2022–2023, and share updated information with the Board through Informal Board Seminars.

³ Government of the Philippines, National Economic and Development Authority. 2021. [Updated Philippine Development Plan, 2017–2022](#). Manila; ADB. 2017. [Climate Change Operational Framework 2017-2030](#). Manila; ADB. 2021. [Energy Policy: Supporting Low-Carbon Transition in Asia and the Pacific](#). Manila; and ADB. 2018. [Country Partnership Strategy: Philippines, 2018–2023](#). Manila. The proposal for the program was not included in ADB. 2020. [Country Operations Business Plan: Philippines, 2021–2023](#). Manila. The government requested ADB's assistance in a memorandum of understanding dated 31 August 2021 as an addition to the country operations business plan. The program will require transaction TA for preparation (Appendix 2).

⁴ ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

⁵ ADB. 2021. [Asian Development Outlook 2021: Financing a Green and Inclusive Recovery](#). Manila.

pandemic-related uncertainties, while fiscal policy is expected to continue to promote growth.⁶ Ensuring this growth is inclusive and resilient, and supported by adequate public and private investment, will require the government to adopt wide ranging reforms, such as those supported under the proposed program.

5. **Climate change and development context.** Climate change impacts pose a pervasive and increasing threat to the Philippines' economic recovery from the COVID-19 pandemic. The Global Climate Risk Index ranks the Philippines fourth among the countries most affected by extreme weather (2000–2019).⁷ Up to 60% of the country's land area and 74% of the population are exposed to natural hazards.⁸ Impacts on food production also pose a major threat. Extreme weather events are expected to increase in frequency and severity through mid-century,⁹ and sea level rise could be significantly damaging.

6. **Government's response.** In response to the formidable challenges posed by climate change, the NDC seeks to accelerate a just transition for a green economy, building on the country's foundational climate policies, in particular the Climate Change Act, 2009.¹⁰

7. **Development constraints.** Climate policies have not been integrated across sectors or vertically in local government planning, and implementation has been driven by existing sector and local plans. The disproportionate impacts of climate change on poor, vulnerable and coastal communities, and on women and children, compound the challenges. Key constraints include (i) fragmented policies and capacity to ensure climate action is socially inclusive and promotes gender equality, (ii) insufficient adaptation in key sectors such as agriculture and natural resources, (iii) regulatory bottlenecks preventing low-carbon development, and (iv) insufficient access to financing, exacerbated by the COVID-19 pandemic.

8. **Fragmented social engagement.** A whole-of-society approach to climate action requires extensive engagement by empowered people, institutions, the private sector, and the government. The Philippines is starting to build access to resources and decision-making for diverse groups, including women and vulnerable communities, but scaling up is needed.

9. **Insufficient climate adaptation and resilience in agriculture and natural resources.** Climate change influences food production through impacts on temperature, water resources, soil and pest characteristics, and availability of arable areas. An assessment of the projected agricultural impacts found that, without adequate adaptation measures, annual agriculture sector economic losses could be significant by 2050, with cereal production projected to fall by 6.1%, food prices to increase by 4%–24%, and people at risk of hunger to increase by 13%.¹¹ The government recognizes the urgent need to accelerate climate adaptation in agriculture and natural resources due to their direct impact on food security and livelihoods. Slow progress in adaptation

⁶ Before COVID-19, the Philippines sustained strong growth at 6.4% (2010–2019). The Department of Budget and Management (DBM) projects real GDP growth of 5.9%–6.8% in 2021 and 6.8%–8.7% in 2022. Government of the Philippines, DBM. [Budget of Expenditures and Sources of Financing FY 2022](#).

⁷ Germanwatch. 2021. [Global Climate Risk Index 2021](#). Berlin.

⁸ World Bank. [Climate Change Knowledge Portal: Philippines](#). Accessed 1 October 2021.

⁹ Intergovernmental Panel on Climate Change. 2021. [Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#). Cambridge University Press. In Press.

¹⁰ Republic Act No. 9729, amended by Republic Act No. 10174, established the People's Survival Fund to finance adaptation. Other important policies include the National Framework Strategy on Climate Change (2010–2022) and the National Climate Change Action Plan (2011–2028), which address gender mainstreaming, among other priorities.

¹¹ M.W. Rosegrant et al. 2015. [The Economywide Impacts of Climate Change on Philippine Agriculture](#). Policy Note. No. 1. Washington, DC: International Food Policy Research Institute.

is related to (i) an insufficiently transformative institutional framework for promoting adaptation and resilience; (ii) limited investment in research, development, and commercialization of climate-smart technologies; (iii) insufficient consideration of alternative, environmentally sustainable production systems; and (iv) limited prioritization of improved natural resources management.

10. **Bottlenecks to capturing mitigation opportunities.** The Philippines has relatively low GHG emissions, with per capita emissions of 2.2 metric tons of carbon dioxide equivalent (tCO₂e) in 2018, compared with a global average of 6.5 tCO₂e per capita.¹² With economic development, emissions have risen rapidly, increasing 139% from 1990 to 2018.¹³ Most emissions (59% in 2018) came from the energy and transport sectors, as illustrated by corresponding rise in urban air pollution, with the remainder coming from agriculture, waste, industry, and land-use change. The transition to low-carbon development has been hampered by (i) limited knowledge and experience among new stakeholders, (ii) poor electricity grid strength and limited interconnection, (iii) inefficient regulatory processes, (iv) misaligned financial risk allocations for private sector investment, and (v) uncoordinated public transportation and electric vehicle infrastructure planning.

11. **Lack of access to finance and inadequate private sector participation for climate action.** National budget allocations for climate change activities are relatively modest, estimated at 5.4% of the budget in 2020, due to competing priorities before and during the pandemic. A green recovery from the pandemic will require government financing to leverage and mobilize public and private climate finance. Recognizing the need for action on adaptation, the government created the People's Survival Fund (footnote 10), but implementation needs to be improved. International climate finance from bilateral and multilateral sources could be better leveraged to mobilize commercial investments.¹⁴ Capital markets and the financial sector could potentially support greater climate action, with increasing issuance of green bonds and more banks investing in green projects. Fragmented private investments, especially in the energy and transport sectors, could be scaled up through a stronger project pipeline.

B. Policy Reform, ADB's Value Addition, and Sustainability

12. **Government's reform strategy.** The NDC charts an ambitious path, aiming to peak emissions by 2030 and reduce GHG emissions by 75%, scale up adaptation in key sectors,¹⁵ and promote a just transition to an inclusive, low-carbon, and climate- and disaster-resilient economy. It adopts a whole-of-government approach, recognizing the need to include women, children, and others and the importance of the private sector for economic growth. However, the NDC ambition is largely conditional on adequate international support, with more than 96% of the emissions reduction target contingent on such support.¹⁶ The country needs long-term strategies to translate NDC ambitions into action, and sector policy reforms to meet targets. Such reforms, coupled with access to finance and capacity support, would help with climate ambitions and support a green recovery from the pandemic.

¹² This includes emissions from all sources including land use change, expressed per capita. Source: World Resources Institute. 2021. [Climate Watch Historical GHG Emissions](#). Washington, DC.

¹³ Total GHG emissions were 234.8 million tCO₂e in 2018 and 98.2 million tCO₂e in 1990.

¹⁴ As an example, despite having direct access to the Green Climate Fund, only one stand-alone national project has tapped it, compared to Indonesia (2 projects) and Viet Nam (3 projects).

¹⁵ These include forestry, coastal and marine ecosystems, biodiversity, health, and human security.

¹⁶ The NDC was found to contribute a "fair share" to global efforts, but its conditionality makes it inconsistent with the long-term temperature goals. New Climate Institute and Climate Analytics. [Country Summary: Philippines](#).

13. **Proposed policy reforms.** The program comprises two subprograms (footnote 2) covering the following reform areas, which also support the government to promote a green recovery: (i) social inclusion in climate action strengthened; (ii) climate adaptation in agriculture and natural resources accelerated; (iii) climate mitigation in energy, transportation, and local governments deepened; and (iv) public and private climate finance mobilized.

14. **Reform area 1: Social inclusion in climate actions strengthened.** For subprogram 1, the government undertook stakeholder consultations to inform the NDC, with meaningful participation by multiple groups including women.¹⁷ Gender was integrated into NDC monitoring and reporting systems. Under subprogram 2, the government will consolidate a climate change gender action plan and expand access to education resources that mainstream gender.

15. **Reform area 2: Climate adaptation in agriculture and natural resources accelerated.** Under subprogram 1, the government accelerated climate adaptation by (i) institutionalizing climate-resilient agriculture, (ii) enhancing research and development of climate-smart technologies, (iii) advancing organic agriculture for resilience and environmental protection, (iv) promoting rainwater catchment systems for climate adaptation; and (v) institutionalizing climate change concerns in priority environment and natural resources programs.¹⁸ Subprogram 2 will build on the reforms of subprogram 1 and accelerate pandemic recovery efforts. The Department of Agriculture (DA) will roll out institutional reforms and scale up adaptation activities at national and local level.¹⁹ The governance and regulatory framework for organic agriculture will be improved, and a policy framework for rainwater catchment systems approved. Climate change will be mainstreamed across environment and natural resources programs of the Department of Environment and Natural Resources (DENR).

16. **Reform area 3: Climate mitigation in energy, transportation, and local governments deepened.** Under subprogram 1, the government coordinated mitigation efforts in carbon-intensive sectors by supporting (i) natural resources managers to host floating solar photovoltaic (FPV), (ii) local government units (LGUs) to mainstream renewables and energy efficiency, (iii) a strategic new approach to geothermal energy, (iv) new renewables and electricity reliability through enhanced grid service governance,²⁰ (v) e-mobility through electric vehicle and charging reforms, and (vi) methane emissions reductions through improved sanitation. Under subprogram 2, low-carbon measures will be adopted by government agencies and departments, including the Laguna Lake Development Authority (LLDA), Department of Energy (DOE), Energy Regulatory Commission (ERC), Department of Transportation (DOTr), and National Economic and Development Authority (NEDA). These will deepen subprogram 1 actions and accelerate COVID-19 recovery efforts.²¹

17. **Reform area 4: Public and private climate finance and action mobilized.** Under subprogram 1, the government expanded efforts to mobilize climate finance by adopting guiding

¹⁷ Consulted groups include women, youth, persons with diverse sexual orientation and gender identity, differently abled persons, indigenous peoples, older persons, local communities, civil society, local governments, and the private sector. Consultations informed equitable adaptation strategies and mitigation co-benefits.

¹⁸ A number of policy reforms under reform area 2 have significant climate mitigation co-benefits.

¹⁹ These include: (i) rolling out organizational infrastructure for its Climate-Resilient Agriculture Office; (ii) integrating climate risks in provincial commodity investment plans; (iii) scaling up decentralized adaptation initiatives; and (iv) adopting guidelines for the research, development, and commercialization of new climate-resilient technologies.

²⁰ Grid services include transmission, interconnection, ancillary services, and capacity markets.

²¹ These include LLDA adopting FPV rules and best practices; DOE adopting mechanisms to derisk geothermal energy for private investment and supporting LGUs to scale up energy efficiency and small renewables; ERC improving accountability for grid strength; DOTr enabling e-mobility through electric buses; and NEDA charting a path to achieve universal access to sanitation and climate-smart management.

principles for defining sustainable and green finance; establishing the Green Force, an interagency working group; supporting commercial banks to integrate environmental risk management practices; strengthen tracking of climate expenditures, and integrating climate risks into public–private partnership projects. Subprogram 2 will roll out a taxonomy on sustainable finance and a sustainable central banking road map, issuing the country’s first sovereign sustainability bond, and designing a green finance facility to mobilize private finance.

18. **Sustainability.** The program builds on, and complements, multiple ADB activities that address climate change in the Philippines. It will serve as an upstream policy umbrella for future downstream investments, underpinned by extensive dialogue, systematic knowledge work, and strengthening of partnerships with key stakeholders and cofinanciers.

19. **ADB value addition.** ADB’s coordination of multiple support programs across many relevant sectors leverages NDC partnership support; sector-specific policy reforms; knowledge and capacity development; public–private partnership transaction advice; and investments in priority sectors such as energy, transport, urban, agriculture and natural resources, and finance.²²

20. **Development partner coordination.** The program coordinates with partners across sectors, particularly the AFD, which will provide parallel cofinancing of €150 million for subprogram 1, the World Bank, the Energy Transition Partnership, and USAID, among others.

C. Expected Outcome of the Reform

21. The program outcome will be the accelerated implementation of (i) the gender-responsive NDC and (ii) enhanced emissions reduction and adaptation plans and targets across sectors including energy, agriculture and natural resources, urban and transport. It aligns with the development objective of a just transition to a green economy, peaking of greenhouse gas emissions by 2030, and reduced economic losses related to climate-related hazards (footnote 1). The policy reforms included in the program support the delivery of NDC targets, while the program as a whole will help accelerate its implementation, leading to increased ambition of climate actions to be reflected in future NDCs.

D. Development Financing Needs and Budget Support

22. The programmatic approach is estimated to cost \$800 million comprising policy-based loans for two subprograms of \$400 million each. The loan size is based on development financing needs and the development impact of the reform package. The government’s projected net borrowing requirement is \$45.8 billion for 2022, for which it plans about \$37.5 billion from domestic sources and \$8.3 billion from external sources, including official development assistance.²³

E. Implementation Arrangements

23. The Department of Finance (DOF) is the executing agency. The implementing agencies are the Bangko Sentral ng Pilipinas, Climate Change Commission (CCC), DA, Department of Budget and Management (DBM), DENR, DOE, DOF, DOTr, ERC, LLDA, NEDA, and Public–Private Partnership Center. A steering committee chaired by the DOF and CCC will oversee program implementation for subprogram 1 (January 2020–November 2021) and subprogram 2 (December 2021–November 2023).

²² Additional detail on the program’s alignment with other ADB financed projects and programs is outlined in the Sector Assessment linked document (Appendix 3).

²³ Government of the Philippines, DBM. [Budget of Expenditures and Sources of Financing FY 2022](#).

24. Subprogram 2 actions presented in the preliminary policy and design monitoring framework are indicative in nature and will act as a baseline and floor for reforms. Given the upcoming elections and the change in the administration, staff will work to continuously strengthen subprogram 2 actions iteratively in 2022–2023. This flexible approach will allow for increasingly ambitious actions to be agreed upon and implemented, in line with commitments made under the Paris Agreement, and reinforced at the 26th United Nations Climate Change Conference in 2021.

III. DUE DILIGENCE REQUIRED

25. Due diligence will include assessment of (i) program impacts, (ii) climate change, (iii) institutional risks, (iv) gender, (v) environment and social safeguards, (vi) social and poverty analysis, and (vii) anticorruption systems review. The program is expected to be classified Category C for all safeguard aspects. The proposed categorization of subprogram 1 is *effective gender mainstreaming*.

IV. PROCESSING PLAN

A. Risk Categorization

26. Subprogram 1 exceeds \$200 million and is thus considered complex.

B. Resource Requirements

27. Approximately 40 person-months of ADB staff inputs and 20 person-months of consultant inputs are required to process the program. This will be aided by transaction technical assistance of \$400,000, financed from ADB's Technical Assistance Special Fund (TASF-other sources).²⁴

C. Processing Schedule

28. Concept clearance and loan fact-finding mission are expected in January 2022, followed by an informal Board seminar and management review meeting in February 2022 and loan negotiations in February and March 2022. Board consideration and loan signing is expected in April 2022.

V. KEY ISSUES

29. The crosscutting nature of climate actions across sectors will require strong coordination by the executing agency and will be facilitated by the program steering committee. The anticipated national elections in 2022 will require intensified dialogue to socialize the program with officials of the new administration, and strengthen subprogram 2 policy actions towards increased ambition of future NDCs. A One-ADB team, working with AFD, will provide technical support to government agencies on policies related to mitigation, adaptation, finance and cross-cutting areas which will help strengthen the actions included under subprogram 2. This will also potentially include support for long-term strategies to guide NDC implementation for peaking emissions by 2030 and rapidly scaling up adaptation. Staff will also undertake extensive stakeholder consultations to build reform consensus and strengthen subprogram 2 actions. Within ADB, informal consultations with the Board will also help refine subprogram 2 actions.

²⁴ ADB. Southeast Asia Energy Development, Investment Planning, and Capacity Building Facility, Phase 2. Manila. Technical assistance facility utilization update is in Appendix 2.

PRELIMINARY POLICY DESIGN AND MONITORING FRAMEWORK

<p>Country's Overarching Development Objective Just transition to a green economy with climate-smart, disaster-resilient, and low-carbon development accelerated (Nationally Determined Contribution)^a Greenhouse gas (GHG) emissions peaked by 2030 Economic losses attributed to climate-related hazards reduced (SDG 1,11, 13)</p>		
<p>Outcome Implementation accelerated of (i) the gender-responsive NDC and (ii) enhanced emissions reduction and adaptation plans and targets across sectors including energy, agriculture and natural resources, urban and transport.</p>		<p>Risks and Critical Assumptions R: Leadership changes weaken approach to climate actions. R: COVID-19 pandemic diminishes the government's ability to allocate sufficient resources. A: Key actions required to deliver NDC targets are implemented without delays.</p>
<p>Indicative Policy Actions: Subprogram 1 (January 2020–November 2021)</p>	<p>Indicative Policy Actions: Subprogram 2 (December 2021–November 2023)</p>	<p>Outcome Indicators</p>
<p>Reform Area 1: Social inclusion in climate actions strengthened</p>		
<p>1.1 To promote an inclusive, pro-poor, and decentralized approach to climate action, the government (i) approved its first NDC, committing to reduce GHG emissions and adapt to the impacts of climate change through a gender-mainstreamed, inclusive, and whole-of-society manner;^b and (ii) initiated accountability by incorporating gender into the domestic monitoring, reporting, and verification database.^c [CCC]</p>	<p>2.1 To deepen the inclusion commitments of the NDC, the CCC will reduce gender gaps and improve equality in NDC implementation by (i) adopting a NDC Gender Action Plan with gender mainstreaming requirements and targets, developed through a participatory approach;^d (ii) rolling out a gender monitoring and evaluation toolkit for agencies and stakeholders; and (iii) publishing education materials that enable broadened social engagement with integrated gender elements of climate change adaptation and mitigation. [CCC]</p>	<p>By 2024:</p> <p>a. 50% of short-term activities in the NDC Gender Action Plan under implementation^e (2020 baseline: 0%) (Source: CCC and PCW)</p>
<p>Reform Area 2: Climate adaptation in agriculture and natural resources accelerated</p>		
<p><i>Institutionalization of climate-resilient agriculture</i> 1.2 To embed CRA across sector operations, the government (i) established a Climate-Resilient Agriculture Office within the DA, mainstreamed inclusive climate-informed advisories at regional level, and transformed AMIA villages into market-oriented, climate-resilient enterprises;^f (ii) approved the integration of CRVA in province-led activities;^g (iii) mandated, with immediate effect, the adjustment of rice cultivation calendars in response to extreme climate events;^h and (iv) established an approach for policy direction on GESI by creating a new position of Program Director for GESI.ⁱ [DA]</p> <p><i>Research and development for climate-smart agricultural technology</i> 1.3 To enhance adaptive technology for climate-smart agriculture, the government approved a resolution on plant breeding innovations and new technologies,^j which</p>	<p><i>Institutionalization of climate-resilient agriculture</i> 2.2 To expand CRA across sector operations, the government will (i) implement a permanent organizational structure, staffing, budget, and CRA action plan for the DA Climate-Resilient Agriculture Office;^p (ii) scale up CIS as well as AMIA enterprises to town, province and regional levels, with attention to economic opportunities for women;^q (iii) on the basis of a DA-LGU implementation management agreement, integrate CRVA in gender-responsive agro-enterprises funded and implemented based on provincial/LGU commodity investment plans;^r and (iv) synchronize the adjustment of DA rice cultivation calendars and NIA irrigation services. [DA, DILG and NIA]</p> <p><i>Research and development for climate-smart agricultural technology</i> 2.3 To scale up adaptive technology for climate-smart agriculture,^s the government will (i) adopt guidelines for</p>	<p>b. The number of AMIA villages increased to 150 (2019 baseline: 77), with at least 50 villages piloting projects that enhance the adaptive capacity of women and socially vulnerable groups (2019 baseline: 0). (Source: CRAO, DA)</p> <p>c. The number of DA RFOs providing weather-based farm advisories to municipalities in their jurisdictions increased to 15 (2019 baseline: 0) (Source: CRAO, DA)</p>

<p>facilitate the development of new climate-resilient crop varieties. [DA and its partner agencies under the NCBP]^k</p> <p>Climate resilience and environmental protection through organic agriculture</p> <p>1.4 To promote climate resilience and carbon sequestration through organic agriculture, the government (i) promulgated a Republic Act on Organic Agriculture, an amendment to the Organic Agriculture Act of 2010, to improve its regulatory and institutional framework and enhance its scope;^l and (ii) approved the establishment of organic agriculture hubs and prescribed the rules and regulations governing their operation and monitoring.^m [DA]</p> <p>Climate adaptation through rainwater catchment systems</p> <p>1.5 To promote climate adaptation through improved natural resource management, the government approved the strategic direction and regulations for the planning, implementation, funding and monitoring of rainwater harvesting facilities in response to changing rainfall patterns caused by climate change.ⁿ [DA]</p> <p>Institutionalization of climate change concerns in environment and natural resources programs</p> <p>1.6 To mainstream, cascade, and institutionalize climate change considerations in the environment and natural resources, the government through DENR approved a new policy to ensure the climate-responsiveness of environment and natural resources priority programs, adopted a set of climate-related outcome and output indicators to be applied by DENR, and stipulated the climate-related roles and responsibilities of concerned DENR offices.^o [DENR]</p>	<p>implementing and monitoring the application of plant breeding innovations and new technologies; and (ii) commence the implementation of a new road map for the research, development, and commercialization of climate-resilient crop, livestock, and fishery technologies.^t [DA]</p> <p>Climate resilience and environmental protection through organic agriculture</p> <p>2.4 To scale up climate resilience and carbon sequestration through organic agriculture, the government will issue the Implementing Rules and Regulations of the Republic Act on Organic Agriculture, which will, among others, establish a new functional office to serve as the secretariat of a multi-agency board for the governance of the subsector.^u [DA]</p> <p>Climate adaptation through rainwater catchment systems</p> <p>2.5 To scale up climate adaptation through improved natural resource management, the government will issue an Executive Order and Implementing Rules and Regulations on rainwater harvesting facilities in response to changing rainfall patterns caused by climate change. [DA]</p> <p>Institutionalization of climate change concerns in environment and natural resources programs</p> <p>2.6 To scale up climate change considerations in the environment and natural resources, the government through DENR will adopt and commence the implementation of the climate-responsiveness policy, climate-related outcome and output indicators, and climate-related roles and responsibilities across all DENR programs, including biodiversity programs. [DENR]</p>	<p>d. At least 5 research projects on developing new climate-resilient crop varieties and fish strains using the new breeding techniques initiated in public research institutions (2019 baseline: 0) (Source: DA)</p> <p>e. At least three organic agriculture hubs covering crops, livestock, and/or fisheries, with focus on the domestic market and climate resilience, established (2019 baseline: 0) (Source: NOAP-NPCO)</p> <p>f. Rainwater harvesting facilities included in the investment plans of 10% of the LGUs at provincial level (2019 baseline: 0) (Source: DA)</p>
<p>Reform Area 3: Climate mitigation in energy, transportation, and local governments deepened</p>		
<p>Renewable energy and efficiency</p> <p>1.7 To increase access to new clean energy technologies, the government adopted a resolution to pursue the sustainable development of commercial FPV on Laguna de Bay, initially on pilot basis.^v [LLDA]</p> <p>1.8 To drive energy savings and localized clean energy, the DOE and DILG issued a joint rule for LGUs to integrate</p>	<p>Renewable energy and efficiency</p> <p>2.7 To promote new renewable technologies, LLDA will (i) adopt the implementing rules and regulations to host FPV on Laguna de Bay with environmentally and socially responsible management, and (ii) commence FPV implementation in priority locations in a phased manner.^{ee} [LLDA]</p>	<p>g. First commercial-scale FPV lease area contracted on Laguna de Bay (2020 baseline: 0 commercial scale FPV lease areas contracted)</p>

<p>national policies into local development plans, including on energy efficiency, resiliency, and planning. Requirements for LGUs include: (i) incorporating renewable energy resources in spatial plans where relevant;^w (ii) streamlining energy permit processes; and (iii) conducting education campaigns on energy issues, such as efficiency and safety.^x [DOE]</p> <p>1.9 To increase large-scale, stable renewable energy supplies, DOE approved a strategic new approach to geothermal energy through a set of strategic actions that are to be developed to incentivize investment, which include: (i) priority dispatch treatment for geothermal in the electricity market, (ii) an innovative insurance scheme to mitigate key exploration risks for investors; and (iii) increased value of electricity generated under the renewable portfolio standard.^y [DOE, ERC]</p> <p>Electricity grid strength for clean energy</p> <p>1.10 To ensure stable grid operations with increased shares of renewables, ERC adopted rules for the GEOP, allowing end-users to source renewable energy directly.^z which was supported by DOE's adoption of new requirements for competitive and transparent grid services procurement.^{aa} [ERC, DOE]</p> <p>Low-carbon transport and green cities</p> <p>1.11 To open up markets for EVs and develop the enabling environment, the government adopted rules for comprehensive classification and registration of EVs^{bb} and a policy framework regulating the development, establishment, and operation of EV charging stations.^{cc} [DOTr and DOE]</p> <p>1.12 To improve sanitation services in cities, which reduces direct methane emissions and waterborne diseases, the NEDA Infrastructure Committee adopted the <i>Philippine Water Supply and Sanitation Master Plan</i>, incorporating cross-departmental consultation and initiatives.^{dd} [NEDA]</p>	<p>2.8 To enable clean energy in urban areas, the government will support compliance with the LGU energy rules by publishing action guidance for LGUs to (i) directly plan, procure, and finance small-scale renewables and energy efficiency projects; (ii) facilitate local clean energy market development in a gender-sensitive manner; and (iii) comprehensively mainstream such energy planning into annual municipal planning cycles.^{ff} [DOE]</p> <p>2.9 To initiate the geothermal derisking approach, DOE will adopt implementation plans and policies for financial derisking that are built-out from the identified strategic actions with a focus on the critical exploration and pre-development phases.^{gg} [DOE]</p> <p>Electricity grid strength for clean energy</p> <p>2.10 To support renewable energy generation from GEOP, among other programs, improve electricity reliability, and build toward a competitive grid services market, ERC will adopt new rules for grid services procurement^{hh} that will improve accountability, transparency, and competition. [ERC]</p> <p>Low-carbon transport and green cities</p> <p>2.11 To initiate new models for efficient public transportation systems that deploy e-mobility at scale and implement the new EV classification rules, DOTr will adopt a gender-sensitive and inclusive design standard for EV buses as part of an integrated e-mobility public transportation system.ⁱⁱ [DOTr]</p> <p>2.12 To implement the new masterplan, NEDA will submit a sanitation action plan to the NEDA Infrastructure Committee for approval. The sanitation action plan will aim to achieve gender-sensitive universal access to sanitation, including guidance on deployment of new business models, access to finance, climate resiliency, and climate-smart technologies.^{jj} [NEDA]</p>	<p>(Source: DOE)</p> <p>h. Number of LGUs with Energy Efficiency and Conservation Officer increased to 1,032 (2021 baseline: 45 LGUs)^{kk} (Source: DOE)</p> <p>i. First electric bus, incorporating inclusive design, procured (2020 baseline: 0 electric buses in the Philippines) (Source: DOTr)</p> <p>j. Philippine Annual Poverty Indicators Survey tracks data on female-headed households and their sanitation service levels (baseline in 2021: sex-disaggregated data not tracked) (Source: DOH/PSA)</p>
<p>Reform Area 4: Public and private climate finance and action mobilized</p>		
<p>Green and sustainable finance market development</p> <p>1.13 To harmonize green and sustainable finance policy across financial markets, the government (i) through the</p>	<p>Green and sustainable finance market development</p> <p>2.13 To scale up green and sustainable finance market development and promote further harmonization, the</p>	<p>k. At least one green, climate, or sustainable sovereign</p>

<p>ISTF, prepared gender-mainstreamed guiding principles to define green finance sectors;^{ll} and (ii) coordinated policymaking across financial regulators through a new high-level interagency task force on sustainable finance, also known as “Green Force”, that will oversee the development and roll out of sustainable finance strategies.^{mmm} [DOF, CCC]</p> <p>1.14 To promote greening of the financial sector, (i) BSP approved regulations that rolled out the integration of climate change and other environmental and social risks in credit and operational risk management,ⁿⁿ and (ii) the government submitted a bill to Congress to establish the policy for inclusive green financing of agriculture and fisheries sectors, by amending the Agri-Agra Credit Law.^{oo} [BSP]</p> <p>Scaling up public climate finance at national and local government level</p> <p>1.15 To support financing of gender-sensitive climate actions and improve the governance of climate finance, the government (i) maintained the allocation of funds for climate change responses in the national budget during the economic downturn in 2020 and 2021, through Republic Acts 11465 and 11518;^{pp} and (ii) rolled out a quality assurance mechanism to validate climate-tagged expenditures, including for gender, and improve the transparency, consistency, and credibility of climate tagging across agencies and sectors.^{qq} [DBM, CCC]</p> <p>1.16 To develop a pipeline of climate-friendly public–private partnerships across the country, PPPC (i) integrated gender-responsive climate resilience considerations into the assessment of PPPs through a dedicated project development unit on climate resilience, a knowledge hub on gender, and application of climate risk assessment to PPP projects, and (ii) supported LGUs and project developers to originate PPPs in low-carbon sectors and apply GAD analysis into proposal development by implementing an ongoing capacity building program.^{rr} [PPPC]</p>	<p>government (i) will implement a gender-sensitive taxonomy for green finance, through BSP (in collaboration with SEC and IC as part of the ITSF); (ii) adopt a framework for the issuance of the country’s first sovereign sustainability bond (BTr, DOF); and (iii) adopt a gender-sensitive NDC financing strategy, through DOF and CCC (as part of ITSF).</p> <p>2.14 To demonstrate the government’s role in greening the financial sector, BSP will implement a Sustainable Central Banking Roadmap to mainstream climate change considerations into central banking operations.</p> <p>Scaling up public climate finance at national and local government level</p> <p>2.15 To deploy public finance for effective implementation of the NDC, the government will (i) continue to prioritize and allocate sufficient budget at national and local level for climate change responses in support of a gender-responsive green recovery in 2022 and 2023, and (ii) streamline access to climate funds from multilateral and bilateral sources by adopting a coordinated approach to match funds with projects, including for activities that advance gender equality and a just transition [DBM, CCC, DOF].</p> <p>2.16 To scale up the pipeline of bankable climate change projects at the local government level, DOF will implement a road map to: (i) establish a green finance vehicle to de-risk and mobilize financing for LGU climate projects, linking to the People’s Survival Fund and related platforms; and (ii) support issuance of local government sustainability bonds [DOF, CCC].</p>	<p>bond issued (Baseline 2021: 0). (Source: SEC)</p> <p>I. 100% of domestic, universal, and commercial banks reporting to BSP on climate and other environmental and social risk exposure and management strategies (Baseline 2020: 10%). (Source: BSP)</p> <p>m. \$100 million of financing committed by multilateral climate funds (aggregate) for activities in the Philippines (Baseline 2017–2019: \$37 million) (Source: OECD DAC Statistics)</p> <p>n. Climate risk assessment applied to 100% of projects supported by PPPC during project development (Baseline 2020: 49%) (Source: PPP Center)</p> <p>o. 100% of PPPC-supported projects incorporate specific measures in draft PPP contracts to reduce gender gaps (Baseline 2020: 0) (Source: PPPC)</p>
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Budget Support

Asian Development Bank

Subprogram 1: \$400 million (policy-based loan)

Subprogram 2: \$400 million (policy-based loan, indicative)

A = assumption, AMIA = Adaptation and Mitigation Initiative in Agriculture, BSP = Bangko Sentral ng Pilipinas, BTr = Bureau of Treasury, CCAM-DRR = Cabinet Cluster on Climate Change Adaptation, Mitigation and Disaster Risk Reduction, CCC = Climate Change Commission, CIS = Climate Information System, COVID-19 = coronavirus disease, CRA = Climate Resilient Agriculture, CRAO = Climate-Resilient Agriculture Office, CRVA = climate risk vulnerability assessment, DA = Department of Agriculture, DBM = Department of Budget and Management, DENR = Department of Environment and Natural Resources, DILG = Department of the Interior and Local Government, DOE = Department of Energy, DOF = Department of Finance, DOH = Department of Health, ERC = Energy Regulatory Commission, EV = electric vehicle, FPV = floating solar photovoltaic, GAD = Gender and Development, GEOP = Green Energy Option Program, IC = Insurance Commission, ITSF = Interagency Technical Working Group on Sustainable Finance, LGU = local government unit, LLDA = Laguna Lake Development Authority, NCBP = National Committee on Biosafety of the Philippines, NDC = Nationally Determined Contribution, NIA = National Irrigation Administration, NOAP-NPCO = National Organic Agriculture Program – National Program Coordinating Office, OECD DAC = Organization for Economic Co-operation and Development’s Development Assistance Committee, PCW = Philippine Commission on Women, PPP = public-private partnership, PPPC = Public-Private Partnership Center, PSA = Philippine Statistics Authority, PV = photovoltaic, R = risk, RFO = regional field office, SEC = Securities and Exchange Commission.

^a Republic of the Philippines. 2021. Nationally Determined Contribution Communicated to the UNFCCC. Manila. 15 April.

^b Republic of the Philippines. 2021. Nationally Determined Contribution Communicated to the UNFCCC. Manila. 15 April. The NDC specifically names the National Climate Change Action Plan 2011-2028 as the implementation vehicle, which mainstreams gender across its seven priority action sectors, as highlighted by the Women’s Environment and Development Organization (WEDO)2020. Spotlight on gender in NDCs: An analysis of Parties’ instruments, plans and actions supporting integration of gender equality principles and practices. New York. The formulation of the NDC was based on extensive consultations with civil society.

^c The National Integrated Climate Change Database Information and Exchange System (NICCDIES) has been established as the national monitoring, reporting, and verification database for the NDC. CCC has incorporated gender into the NICCDIES through integration of gender-related indicators as well as establishment of a platform for additional information and reporting on Climate Change and Gender within the NICCDIES website (as of 15 April, 2021).

^d Participatory approach includes engagement with civil societies, among other stakeholders.

^e The draft NDC Gender Action Plan (GAP) is being structured around short-, medium-, and long-term action categories. To catalyze immediate action and bake-in accountability to the GAP, short-term actions will be prioritized for the outcome.

^f DA Memorandum Circular 04, Series of 2020, Institutionalization of Climate Resilient Agriculture, 20 February 2020. Mainstreaming of climate and weather-informed advisories refers to the preparation and dissemination of farm and fishery advisories based on climate and weather outlook, as a new critical basic service to be provided by DA RFOs. This Memorandum Circular is considered to be inclusive as DA RFOs will disseminate the advisories to LGUs and farmers, fisherfolk, organizations, associations, and groups through all possible platforms including social media, radio, bulletins, text/short messages service, and meetings. AMIA villages include gender mainstreaming in CRA actions.

^g DA Memorandum. 2020. Protocol for Integrating Climate Risk Vulnerability Assessment (CRVA) in Province Led Activities. 11 January 2020, and its attachment entitled CRVA-PCIP Integration Process.

^h DA Memorandum Order, Series of 2021. Guidance for the Attainment of Higher Rice Production in 2022, Going Beyond the 2020 and 2021 Rice Production. 28 September 2021.

ⁱ DA Special Order No. 740, Series of 2020. Designation of Deputy Executive Director Anrray V. Rivera of Philippine Fiber Industry Development Authority (PHILFIDA) as Program Director for Gender Equality and Social Inclusion (GESI).

^j NCBP, Resolution No. 001, Series of 2020. The Regulation of Plants and Plant Products from the Use of Plant Breeding Innovations (PBIs) or New Plant Breeding Techniques (NBTs). 8 May 2020.

^k DA’s partner agencies under the NCBP are the Departments of Science and Technology, Environment and Natural Resources, Health, Interior and Local Government, Trade and Industry, and Foreign Affairs. The committee also includes representatives of scientific disciplines, consumers, industry and communities.

^l Republic Act No. 11511, An Act Amending Republic Act No. 10068 or the Organic Agriculture Act of 2010. 27 July 2020. The aim is to promote organic agriculture systems and value chains that enrich soil fertility, increase productivity, diversify farm incomes, reduce pollution and destruction of the environment, and prevent the depletion of natural resources.

^m DA Memorandum Circular 03, Series of 2021. Implementing Guidelines for the Establishment of Organic Agriculture Hub or “Organic Konek.” 25 March 2021.

- ⁿ DA Memorandum Circular No. 25, Series of 2021, Accelerating the Implementation of Rainwater Harvesting Facilities to Improve Agricultural Productivity. 10 November 2021. Rainwater harvesting systems will store water for small-scale irrigation purposes, strengthen flood control, reduce soil erosion and siltation, recharge groundwater, and support aquaculture and livestock production.
- ^o DENR Administrative Order No. 2021-22, Guidelines on Mainstreaming, Cascading and Institutionalizing Climate Change Concerns in the Environment and Natural Resources (ENR) Priority Programs. 13 July 2021.
- ^p The purpose is to guide climate adaptation and disaster risk reduction. The CRAO agenda will include implementing CRA, mainstreaming climate- and weather-informed advisories, enhancing commodity road maps, transforming AMIA pilot villages into climate resilient agriculture-fishery technology-based enterprises, carrying out climate risk and vulnerability assessments, and improving disaster risk reduction financing and risk transfer.
- ^q Through the climate information system (CIS) (a common database to generate timely and reliable data for disaster risk reduction, planning and management under development through two stages: first, vulnerability and risk assessments of productive areas, and the second agro-meteorological (Agromet) stations in highly-vulnerable areas), policy guidance will be provided for targeted and localized interventions to adapt to weather risks and optimize productivity.
- ^r The Provincial Agricultural and Fisheries Extension System will be applied to strengthen and support this integration.
- ^s Policy action 2.3 is a follow up to the Resolution approved and enacted under policy action 1.3 under subprogram 1.
- ^t Neither ADB nor the cofinancier (Agence Française de Développement) will finance research on, or the purchase, promotion or multiplication of, genetically modified seeds.
- ^u The new functional office (named as the National Organic Agriculture Program – National Program Coordinating Office) will, among others, formulate policies on the regulation, registration, accreditation, certification, and labeling of organic agriculture; provide research and development for sustainable climate-, environment- and gender-sensitive organic agriculture; promote the production and commercialization of organic fertilizers, bio-control agents, organic soil amendments and appropriate farm inputs; and implement organic agriculture programs, projects and activities.
- ^v LLDA is a government owned and controlled corporation. LLDA Board Resolution No. 576, Series of 2020, approved (i) the use of the Laguna de Bay for renewable energy generation by means of FPV in commercial scale, initially on pilot basis, for data gathering purposes; and (ii) the creation of a technical working group to develop its implementing rules and regulations. The scope of ‘commercial scale’ will be determined by the technical working group in consultation with developers and experts on environmental assessment.
- ^w These requirement for LGUs are applicable only where renewable energy projects have been identified within the area of the relevant LGU’s jurisdiction
- ^x ADB has been supporting DOE to roll out the new Energy Efficiency & Conservation law since hosting the first of 12 forums for LGU leaders at ADB headquarters on 11 November 2019. Deepening implementation, DOE and DILG issued a Joint Memorandum Circular No. 2020-01 Guidelines for LGUs to Facilitate the Implementation of Energy Projects, JMC2020-01, which became effective on 15 May 2021.
- ^y Geothermal represents the largest renewable energy source in the Philippines, but production has been stagnant since the passage of the foundational Philippines Electric Power Industry Reform Act of 2001 (“EPIRA”). EPIRA privatized electricity generation, resulting in a misaligned financial risk profile of geothermal exploration activities for private investment. Recognizing the unique risk profile and historic market failures of geothermal pre-development, the secretary of the DOE signed the Proposed Key Strategic Actions to Boost Investment in Geothermal Energy Development on 23 March 2021, representing a significant shift in the government’s approach to geothermal since EPIRA was passed. ADB will support the investigation of specific mechanisms for geothermal derisking that are appropriate for the local market conditions, which will be issued under subprogram 2.
- ^z ERC issued Resolution No. 08, Series of 2021, A Resolution Adopting the Rules for the Green Energy Option Program (GEOP), on 22 April 2021. Rules became effective 3 September 2021. This was supported by DOE’s adoption of new requirements for competitive and transparent grid services procurement: DOE adopted rules “Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary Services by the System Operator” on 4 October 2021, which are effective 31 October 2021. Improved ancillary services procurement can support stable grids and increased renewable energy penetration.
- ^{aa} DOE adopted rules “Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary Services by the System Operator” on 4 October 2021, which are effective 31 October 2021. Improved ancillary services procurement can support stable grids and increased renewable energy penetration.
- ^{bb} DOTr Administrative Order 2021-039. Consolidated Guidelines in the Classification, Registration, and Operation of All Types of Electric Motor Vehicles. 11 May 2021.
- ^{cc} DOE Department Circular No. DC2021-07-0023 Providing for a Policy Framework on the Guidelines for the Development, Establishment, and Operation of Electric Vehicle Charging Stations (EVCS) in the Philippines, effective 19 August, 2021.
- ^{dd} NEDA. 2021. Philippines Water and Sanitation Master Plan. Manila. The plan expressly affirms the UN Declaration on the Right to Water (Resolution 64/292), which covers domestic and personal use. The plan also, among others, directs national and local government interventions in areas with high incidence of

- waterborne diseases (“Pursue Presidential issuance directing national government and/or local government interventions in areas with high poverty incidence, low level of access, and high incidence of water-borne diseases.” 6.9, p. 61); thus contributing to reducing burden of women’s care work.
- ^{ee} Subproject 4 (Capacity-building Assistance for the Development of the Regulatory Framework for Floating Solar Photovoltaic Generation Project at the Laguna Lake) under ADB’s technical assistance (TA 9292-REG: Strengthening Project Preparation Capacity in Asia and the Pacific – Supporting Preparation of Infrastructure Projects with Private Sector Participation in Asia Pacific), provided by ADB’s Office of Public–Private Partnership, is supporting LLDA to (i) develop appropriate environmental and social management approaches, (ii) assess carrying capacity and priority locations for a phased introduction of FPV, (iii) draft LLDA’s implementing rules and regulations, and (iv) build LLDA staff capacity.
- ^{ff} DOE will work closely with PPPC and DILG to build-out the initial guidelines issued, including specific actionable procedures for LGUs.
- ^{gg} Policy action 2.8 under subprogram 2 is a follow up to the Strategic Action Plan approved under policy action 1.8 under subprogram 1.
- ^{hh} Grid services here refers to ancillary services, specifically.
- ⁱⁱ Most cities in the Philippines have private, fuel-combusting, inefficient transportation options with inconsistent and overlapping routes. ADB is supporting DOTr to develop one of the country’s first centrally and efficiently planned urban public transportation systems that will demonstrate the use of e-busses in the country. ‘Inclusive design’ means designs that accommodate for a range of users; for example, frail and aged, women with children, and/or people with disabilities. Design features can include seating at a range of heights, provision for wheelchair access and tethering, storage for prams or shopping, accessible emergency stop devices, or disability inclusive access and egress points, among others.
- ^{jj} Policy action 2.11 under subprogram 2 is a follow up to the Master Plan adopted under policy action 1.11 under subprogram 1.
- ^{kk} The Energy Efficiency and Conservation Office (EECO) refers to the office to be established in each LGU mandated to oversee and monitor the implementation of their respective Local Energy Efficiency and Conservation Plan (LEECP), which may be part of the planning and development office. Energy Efficiency and Conservation Officer (EEC Officer) refers to the head of the EECO responsible for overseeing the implementation of the LEECP at the local government level, who may be designated from the existing personnel of the LGU.
- ^{ll} ITSF, 2021. The guiding principles were prepared and published by the ITSF through the DOF website in October 2021.
- ^{mmm} Climate Change Commission, Resolution No. 2021-02, Resolution creating the Interagency Technical Working Group for Sustainable Finance.
- ⁿⁿ This is a supplementary policy document issued to support the implementation of BSP, Circular No. 1085, Sustainable Finance Framework aimed at banks, and includes guidelines on the integration of environmental and social risks into credit and operational risk management.
- ^{oo} House Bill no. 6134, An Act mandating banking institutions to strengthen the financing system for agricultural, fisheries and rural development in the Philippines.
- ^{pp} Budget allocations are set out in the General Allocations Act, with allocations figures for climate-tagged expenditures for 2020 and 2021 (₱233 billion and ₱282 billion, respectively) set out in Climate Change Budget Briefer 2021, published by the CCC. Figures presented are for general allocations, not actual disbursement. Climate change-related activities identified, prioritized and tagged in the annual budget, includes gender-sensitive activities as set out in the typology of activities classified as climate-related, according to the Guidelines on Tagging/Tracking Government Expenditures for Climate Change in the Budget Process (DBM-CCC JMC 2015-01). Gender-related climate activities are not tagged separately.
- ^{qq} DBM issued National Budget Memorandum 138 (series of 2021) and 141 that requires that every agency must secure CCC approval of quality assurance reports for climate expenditures, and CCC issued Memorandum Circular 2021-01, which outlines the timeline and process for the quality assurance reporting mechanism.
- ^{rr} PPPC GAD Report for 2020 shows that to improve GAD-responsiveness of PPP projects, including more equitable access of women and men to PPP project benefits (communication, technology, goods and services), PPPC “capacitated implementing agencies on GAD analysis as component of PPP project study/proposal” and developed a system collaboration tool and dedicated section of the PPPC website on GAD analysis.
- Source: Asian Development Bank.

TECHNICAL ASSISTANCE FACILITY UTILIZATION UPDATE

1. This appendix provides an update on the technical assistance (TA) facility utilization for reform area 3. Updates on TA facilities under reform areas 1, 2 and 4 will be documented separately.
2. The TA facility for Southeast Asia Energy Development, Investment Planning, and Capacity Building Facility, Phase 2 was approved on 22 November 2021 in an amount of \$2,760,000. As of 23 November 2021, no contract awards and disbursements were made yet.
3. The regional transaction technical assistance (TA) facility will support clean energy projects for (i) project feasibility and due diligence, (ii) capacity development and implementation support, and (iii) cross-departmental green energy project pipeline development. For (i), the facility will conduct project preparation activities for the projects and/or programs, which includes the Philippines Climate Change Policy Program. Preparatory due diligence activities include preliminary technical design, economic analysis, financial assessment, safeguards due diligence, procurement risk assessment, and strategic planning. Program preparation also requires climate change assessment, climate finance analysis, and gender analysis and action planning. The TA facility aims to deliver the following output specifically for the ensuing Climate Change Policy Program.
4. **Program due diligence prepared.** The TA facility will support projects and/or program preparation activities, including: (i) technical feasibility studies, design, and cost estimates; (ii) economic analysis; (iii) financial management assessments and financial analysis; (iv) procurement risk assessments and preparation of strategic procurement plans, and preparation of bidding documents; (v) gender analysis and preparation of gender action plans; (vi) risk assessment and management plan; (vii) preparation of safeguards documents on environment, involuntary resettlement, and indigenous peoples; (viii) integrity due diligence; (ix) initial poverty and social analysis; (x) climate and disaster resilience measures, climate risk and adaptation assessment, and disaster risk assessment; (xi) climate financing analysis; (xii) sector assessment; and (xiii) other documents required for program approval.
5. **Resources under the technical assistance facility.** The updated consultants' input allocation from the TA facility is presented in Table A2.1. It is confirmed that (i) the TA facility has adequate resources, and (ii) the existing terms of reference for consultants are sufficient to undertake the activities required to deliver the outputs for the ensuing Climate Change Policy Program.

Table A2.1: Updated Consultants' Input Allocation from the Technical Assistance Facility
(person-month)

	Total	Output 1			Output 2		Output 3		
		CAM GRP	PHI CCP	TIM PGSP	INO SREAP	INO DAMRI	CAM WtE	THA Wind	VIE BESS
		Low	Complex	Low	Complex	Low	Low	Complex	Low
A. International Positions									
Battery energy storage specialist	1	0	0	0	0	0	0	0	1
Electric vehicle specialist	2	0	0	0	0	2	0	0	0
Energy efficiency specialist	1	0	1	0	0	0	0	0	0
Energy specialist	7	0	1	0	3	0	1	1	1
Geothermal specialist	1	0	1	0	0	0	0	0	0
Power system planner	5	2	1	2	0	0	0	0	0
Renewable energy specialist	1	0	1	0	0	0	0	0	0
Smart grid/grid integration specialist	4	1	1	1	0	0	0	0	1
Solid waste specialist	1	0	0	0	0	0	1	0	0
Transmission and distribution line engineer	4	2	0	2	0	0	0	0	0
Transmission and distribution substation engineer	4	2	0	2	0	0	0	0	0
Wind technology specialist	1	0	0	0	0	0	0	1	0
Energy market analyst	1	0	1	0	0	0	0	0	0
Energy regulatory specialist	4	0	1	0	0	0	1	1	1
Legal expert	2	0	2	0	0	0	0	0	0
Public–private partnership specialist	3	0	0	0	0	0	1	1	1
Climate finance specialist	4	1	1	1	0	0	1	0	0
Climate risk and vulnerability assessment specialist	7	1	1	1	4	0	0	0	0
Energy economist	8	2	1	2	3	0	0	0	0
Environment safeguard specialist	11	3	2	3	0	0	1	1	1
Financial analysis specialist	6	2	2	2	0	0	0	0	0
Gender specialist	3	1	1	1	0	0	0	0	0
Procurement specialist	8	2.5	2	2.5	0	1	0	0	0
Social resettlement safeguard specialist	10	2.5	2	2.5	0	0	1	1	1
Editor	4	1	1	1	0	1	0	0	0
Knowledge development specialist	1	0	1	0	0	0	0	0	0
Program coordinator	3	0	3	0	0	0	0	0	0
Resource person	4	1	1	1	0	1	0	0	0

	Total	Output 1			Output 2		Output 3		
		CAM GRP	PHI CCP	TIM PGSP	INO SREAP	INO DAMRI	CAM WtE	THA Wind	VIE BESS
		Low	Complex	Low	Complex	Low	Low	Complex	Low
Total international	111	24	28	24	10	5	7	6	7
B. National Positions									
Energy specialist	4	1	0	0	0	0	1	1	1
Electrical engineer	4	2	0	2	0	0	0	0	0
Renewable energy specialist	4	0	0	1	0	0	1	1	1
Financial analysis specialist	3	1	0	1	0	1	0	0	0
Environment safeguard specialist	9	2	2	2	0	0	1	1	1
Social resettlement safeguard specialist	9	2	2	2	0	0	1	1	1
Gender specialist	5	1	2	1	0	1	0	0	0
Climate change specialist	4	0	0	0	4	0	0	0	0
Coordinator	8	2	2	2	0	0	0	1	1
Total national	50	11	8	11	4	2	4	5	5
Grand total	161	35	36	35	14	7	11	11	12

CAM GRP = Cambodia Grid Reinforcement Project with Additional Financing, CAM WtE = Cambodia Waste-to-Energy Project, INO DAMRI = Indonesia Sustainable Energy Transition - DAMRI E-bus Project, INO SREAP (RBL) = Indonesia Sustainable and Reliable Energy Access Program (Result-based Loan), PHI CCP = The Philippines Climate Change Policy Program, subprogram 1, THA Wind = Thailand Offshore Wind Power Project, TIM PGSP = Timor-Leste Power Grid Strengthening Project, VIE BESS = Viet Nam Battery Energy Storage System.

Source: Asian Development Bank estimates.

Table A2.2: Updated Budget Allocation from the Technical Assistance Facility
(\$'000)

Item	Total	Output 1			Output 2		Output 3		
		CAM GRP	PHI CCP	TIM PGSP	INO SREAP	INO DAMRI	CAM WtE	THA Wind	VIE BESS
Updated risk category		Low	Complex	Low	Complex	Low	Low	Complex	Low
Training, seminars, and conferences ^a	11.20	2.64	2.03	2.64	1.06	0.41	0.81	0.81	0.81
Miscellaneous administration and support cost ^b	6.80	1.60	1.23	1.60	0.64	0.25	0.49	0.49	0.49
Contingencies	99.90	23.53	18.10	23.53	9.41	3.62	7.24	7.24	7.24

CAM GRP = Cambodia Grid Reinforcement Project with Additional Financing, CAM WtE = Cambodia Waste-to-Energy Project, INO DAMRI = Indonesia Sustainable Energy Transition - DAMRI E-bus Project, INO SREAP (RBL) = Indonesia Sustainable and Reliable Energy Access Program (Result-based Loan), PHI CCP = The Philippines Climate Change Policy Program, subprogram 1, THA Wind = Thailand Offshore Wind Power Project, TIM PGSP = Timor-Leste Power Grid Strengthening Project, VIE BESS = Viet Nam Battery Energy Storage System.

^a The trainings, seminars, conferences include: (i) facilitators; (ii) participants from governments; and (iii) travel cost of ADB project team acting as a resource persons in accordance with ADB (Budget, Personnel, and Management Systems Department; and Strategy and Policy Department). 2013. Use of Bank Resources: Regional Technical Assistance and Technical Assistance vs. Internal Administrative Expenses Budget. Memorandum. 26 June 2013 (internal).

^b The miscellaneous administration and support costs include (i) publication costs; (ii) translation and interpretation expenses; (iii) O365 or other necessary software licenses; and (iv) direct hire of non-consulting services to support the project.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=55268-001-ConceptPaper>

1. Initial Poverty and Social Analysis
2. Sector Assessment (Summary): Climate Change