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Lessons for the Fund for responding to Loss and Damage: Case Study on Accessibility of the People's Survival Fund in the Philippines

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KEY LESSONS BOX

- The FRLD Board should adopt access modalities consistent with the mandate of Decision 1/CP.28, para. 43–50.
- The FRLD Board should issue a non-exclusive and non-mandatory list of acceptable supporting documents containing relevant and credible data on losses and damages, which may consider various sources of knowledge.
- The FRLD Board should institutionalize capacity-building and technical assistance services for potential applicants. Moreover, requirements must be simplified so as to be sensitive to the technical capacity constraints of potential applicants.
- The FRLD Board must institutionalize mechanisms to ensure CSO participation in every step of the process and in all access modalities.
- The FRLD Secretariat, led by its Executive Director, should institutionalize information dissemination strategies that provide grassroots communities and organizations with equitable access to information about the FRLD.

INTRODUCTION

As the Board of the Fund for responding to Loss and Damage (“FRLD”) begins discussions on access modalities,¹ a key issue for stakeholders is how to make it more

¹ UNFCCC, 1/CP.28, para. 49. “49. The Board will develop various modalities to facilitate access to the Fund’s resources. These modalities may include:

- (a) Direct access via direct budget support through national Governments, or in partnership with entities whose safeguards and standards have been judged functionally equivalent to those of multilateral development banks;
- (b) Direct access via subnational, national and regional entities or in partnership with entities accredited to other funds, such as the Adaptation Fund, the Global Environment Facility and the Green Climate Fund;
- (c) International access via multilateral or bilateral entities;
- (d) Access to small grants that support communities, Indigenous Peoples and vulnerable groups and their livelihoods, including with respect to recovery after climate-related events;
- (e) Rapid disbursement modalities, as appropriate.”

easily accessible for local communities and vulnerable groups. The FRLD is a mechanism adopted by the United Nations Framework Convention on Climate Change (“UNFCCC”) Conference of the Parties (“COP”) specifically intended to provide finance flows for developing countries “that are particularly vulnerable to the adverse effects of climate change”² in responding to loss and damage.³ The FRLD Board must now look into the experiences of similar funding mechanisms, even on the regional and national levels, and consider innovative strategies to ensure that the access modalities are consistent with its objectives.

In the Philippines, the People’s Survival Fund (“PSF” or “Fund”) is a special fund established by law to finance climate adaptation programs.⁴ The PSF aims to provide funding to local government units and accredited local and community organizations in implementing climate change adaptation projects that will enhance the resiliency of vulnerable communities.⁵ In realizing these objectives, the Fund must be easily accessible for local and community organizations.

This case study shall look into the experiences of select Civil Society Organizations (“CSO”) in assisting Local Government Units (“LGU”) in drafting the proposals to access the PSF. While it does not particularly consider *direct funding access to grassroots organizations*,⁶ this study highlights the crucial collaboration between local governments and organizations in accessing funding and implementing projects at the grassroots level. Further, it will look into what challenges these organizations encountered in assisting LGUs, the gaps they have identified in terms of the overall PSF process, and the limitations on the part of their partner LGUs.

This study aims to determine whether these challenges are a result of gaps in the law, lapses in implementation, or a confluence of both or other factors. Based on this analysis, this study shall then provide its assessment as to whether the PSF, as a climate financing mechanism, has successfully ensured that vulnerable groups and communities can access funding for their adaptation programs and projects through the LGUs, and what actions may be taken to address any existing challenges.

By looking at the issues of accessibility to the PSF, this case study shall formulate recommendations for the FRLD on how it may likewise develop access modalities that ensure accessibility consistent with the options presented in 1/CP.28.⁷ By examining and integrating lessons learned from the PSF, the FRLD can hopefully craft easily accessible funding arrangements that enhance the capacity of the most vulnerable groups and communities in responding to climate-related loss and damage.

² UNFCCC, 1/CP.28, para. 42.

³ UNFCCC, *Fund for responding to Loss and Damage*, accessed at <https://unfccc.int/loss-and-damage-fund-joint-interim-secretariat>.

⁴ R.A. 10174, *An Act Establishing the People’s Survival Fund* (2012), Sec. 13 amending Sec. 18 of R.A. 9728 (The Climate Change Act of 2009).

⁵ DOF, *People’s Survival Fund*, accessed at <https://psf.dof.gov.ph/>.

⁶ This is due to the fact that no accredited community organization had been awarded under the PSF, thus far.

⁷ Operationalization of the new funding arrangements, including a fund, for responding to loss and damage referred to in paragraphs 2–3 of decisions 2/CP.27 and 2/CMA.4

METHODOLOGY

This study used two primary data-gathering methods, which included a scoping of laws, rules, and regulations issued by the Philippine government on the PSF and a series of key informant interviews with civil society organization representatives with experience on the PSF.

Particularly, representatives from the Center for Empowerment and Resource Development (“CERD”) and the CSO Development Alliance of Northern Samar were interviewed. The former CSO seeks to establish empowered communities through responsive institutions for community-based coastal resource management, while the latter works on natural resource management and biodiversity issues in the province of Northern Samar. Respondents were interviewed about their experiences in assisting the LGUs of Mondragon and Laoang, both of which are municipalities in the province of Northern Samar, in their PSF proposal in the period between 2017 and 2019.

The authors extend their gratitude to Mr. Gregorio Sarmiento of CSO Development Alliance of Northern Samar and Ms. Ailene Diaz of CERD for their extensive input on the study. The authors also acknowledge the coordinating role of Mr. Julio Tan of CERD and Fastenaktion Country Programme Philippines for this study.

Moreover, secondary sources were also considered in this study, which included research papers, studies, reports, news articles, and other accounts, as well as public information and knowledge materials released by relevant Philippine government agencies explaining the PSF and its processes.

Thereafter, insights from the various sources were consolidated to derive observations on the PSF process and draw conclusions and recommendations, some of which can be framed as inputs to the FRLD Board’s considerations on access modalities.

THE PEOPLE’S SURVIVAL FUND

Overview

Finance is vital to climate action,⁸ more particularly in climate change adaptation or actions which aim to reduce vulnerability to climate change impacts.⁹ One such example of a financial mechanism is the Philippine People’s Survival Fund, which was established through Republic Act No. 10174 in 2012. This law, which amends the earlier Republic Act No. 9792, better known as the “Climate Change Act of 2009”, was intended to specifically and primarily establish the PSF. With the intent to aid climate change

⁸ Intergovernmental Panel on Climate Change, *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* (2022), p. 2708. “Achieving progress on system transitions will be contingent on the ability of actors and institutions to access the financing they need to invest in innovation, adaptation and mitigation, and broader system change (very high confidence).”

⁹ UNDP, *What is climate change adaptation and why is it crucial?* (2024), accessed at <https://climatepromise.undp.org/news-and-stories/what-climate-change-adaptation-and-why-it-is-crucial>.

adaptation in communities, the Fund was allocated an opening balance of one billion Philippine Pesos, and thereafter its running balance must not be less than one billion Philippine Pesos, which may be augmented by donations or supplemented as deemed necessary. The PSF Board, headed by the Department of Finance (“DOF”) Secretary, oversees the general management of the Fund.¹⁰

Process

Access to the Fund is exclusive only to LGUs and community organizations accredited by the Climate Change Commission (“CCC” or “Commission”).¹¹ Various documents must be submitted upon the PSF’s call for proposals. Documentary requirements for LGUs are as follows: 1) Letter of Intent; 2) Accomplished Project Proposal Template; 3) Adaptation references, which may include any of the following: a. Climate Risk and Vulnerability assessments (“CRVA”); b. Climate change adaptation/ disaster risk reduction-enhanced Comprehensive Land Use Plans (“CLUP”) or Comprehensive Development Plans (“CDP”); c. Local Climate Change Action Plan (“LCCAP”); and 4) Annual Investment Plan (“AIP”).¹² On the other hand, different requirements are needed for accredited community organizations: 1) Certificate of Accreditation; 2) Letter of Intent; 3) Accomplished Project Proposal forms; 4) Organizational/Board Resolution; and 5) Proof of Communication with LGU of proposed beneficiaries. These documentary requirements, which have been in place since 2016, are a substantial reduction from a list of more or less fifteen (15) documents required between 2012 and 2015.¹³

These documents are then subjected to review by the PSF secretariat. The criteria for selection include the presence of multiple climate-related hazards, poverty incidence, and the presence of key biodiversity areas in the LGU.¹⁴ The Commission endorses pre-reviewed proposals to the PSF Board for its final approval.¹⁵ **Figure 1** illustrates the PSF application process.

It must also be noted that proposals can only be accepted when the PSF opens a call for proposals, the last of which was done in 2023. Otherwise stated, the PSF does not accept proposals on a rolling basis.

¹⁰ R.A. 10174, Sec. 13.

¹¹ Climate Change Commission, *PSF Proponents Handbook: A guide on how to access the People's Survival Fund* (2017), pp. 6-7, accessed at <https://climate.gov.ph/our-programs/climate-finance/peoples-survival-fund/templates-and-information-materials>.

¹² Climate Change Commission, LGU may now submit PSF Proposals until 14 April 2023 (April 1, 2023), at <https://climate.gov.ph/news/758>.

¹³ Climate Change Commission, *Beyond the Billion: The LGUs' experience in accessing the People's Survival Fund*, (2018) accessed at <https://bit.ly/AccessingPSF>.

¹⁴ See 2023 Call for Proposals. Accessed at <https://climate.gov.ph/our-programs/climate-finance/peoples-survival-fund/templates-and-information-materials>

¹⁵ *Supra* at note 11, pp. 11-12.

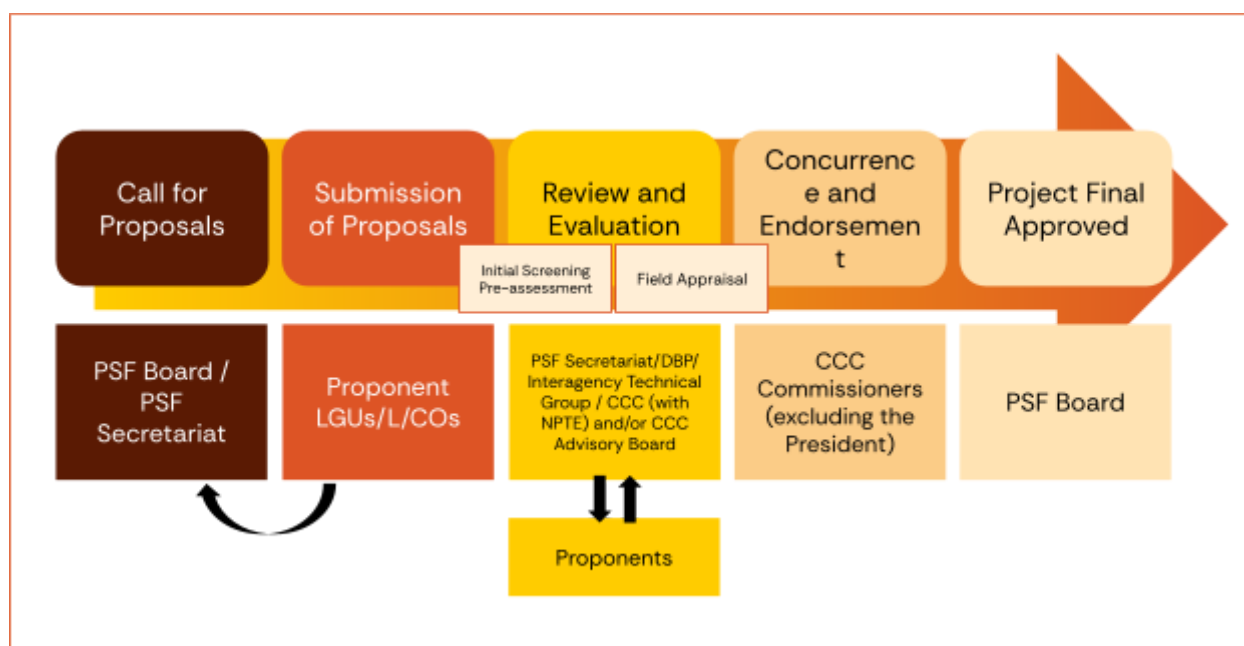


Figure 1. Application process flowchart for the PSF.¹⁶

Literature on the PSF explains some key issues faced by proponents during the proposal process. For instance, a joint study described the issues behind failed access attempts of LGUs. Proposal rejections had been attributed to activities within the proposal not having climate change adaptation themes.¹⁷ This resembles the perennial challenge in broader international climate financing mechanisms like the Green Climate Fund of stating the ‘climate rationale’, or “the linkages between climate and climate impacts, climate action, and societal benefits fully ground[ed] in the best available climate data and science.”¹⁸

Incomplete documents have also been a recurring reason behind proposal rejections. However, a deeper look showed that difficulties with LGU officials’ cooperation and stakeholders’ acceptance of proposed projects hindered progress on proposal approvals. Furthermore, a study commissioned by the CCC¹⁹ shows that there are cases of delayed disbursement despite orders to proceed with a project. Environment Clearance Certificates (“**ECC**”)²⁰ and Certification on Non-Coverage (“**CNC**”)²¹, both prerequisites for disbursement, have also been found to hinder implementation due to their fees.²²

¹⁶ Reprinted from PSF Proponent’s Handbook, *Supra* at note 11.

¹⁷ Yanquiling, R.S., *Analysis of the People’s Survival Fund: Insights on Climate Finance Delivery in the Philippines*, (2019), Thailand Development Institute, accessed at https://tdri.or.th/wp-content/uploads/2020/04/Revised_Final_Research_Report_Yanquiling_Rhomir.pdf

¹⁸ World Meteorological Organization, *Climate Rationale for GCF Project Design*, accessed at <https://unfccc.int/sites/default/files/resource/0.9WMOClimate-Rationale.pdf>

¹⁹ *Supra* at note 13.

²⁰ An ECC is an administrative requirement for any person or entity prior to operating any project or undertaking deemed environmentally critical, See P.D. 1586 (1978).

²¹ A CNC is an administrative requirement for projects or undertakings not covered by the requirement of an ECC, See EMB Memorandum Circular No. 2014-005.

²² *Supra* at note 17.

The Project Development Grant

The Project Development Grant (“PDG”) is a sub-financing window of the PSF created by the PSF Board in 2016 to assist LGUs in preparing their project funding proposals.²³ Because of the highly technical requirements and the rigorous proposal preparation process, the PDG recognizes the need for funding support towards the development of quality project proposals for the PSF, particularly activities that are necessary for the identification and development of projects eligible for the PSF.²⁴ Sixty (60) million Philippine Pesos is allocated to the PDG, with a maximum grant of 2 million Philippine Pesos per proponent.

Only municipalities,²⁵ are eligible for the PDG, thus excluding other LGUs such as provinces, cities, and barangays. Required documents for the grant include a letter of intent, concept note, climate-related plans or assessments,²⁶ and a budget breakdown.

Upon approval of the PDG, a third-party consultant may be brought in for activities necessary to develop a full proposal. These activities include feasibility studies, climate risk assessments, cost-benefit analysis, consultations, technical advisory services, or any other justifiable activity for the proposal. Should the LGUs fail to submit a complete PSF proposal within the approved timeline, they are required to reimburse the PSF Board with the grant amount.

Currently, there is insufficient data to assess whether the PDG adequately addresses the limitations on the part of proponents in the project proposal phase.

Utilization of the Fund

Utilization of the Fund has been limited. As of mid-2024, there are only nineteen (19) total approved projects²⁷ and grants²⁸ under the PSF – 13 projects and 6 grants.²⁹ These projects span all three island groups of the Philippines and cover a wide range of project types at the barangay, municipal, and provincial levels of administration. Examples of projects range from capacity-building activities and management systems to flood control measures and renewable energy infrastructure.³⁰

²³ Climate Change Commission – Communities for Resilience (CCC-CORE), *Accessing the People's Survival Fund Training Manual*, accessed at <https://climate.gov.ph/files/3-PSF.pdf>

²⁴ See *Revised Implementing Guidelines of the PSF Project Development Grant*, accessed at <https://climate.gov.ph/our-programs/climate-finance/peoples-survival-fund/revised-implementing-guidelines-for-project-development-grant>

²⁵ Second income class or below, as per the Revised Implementing Guidelines. See note 23.

²⁶ These may be in the form of the Local Climate Change Action Plan, Risk Vulnerability Assessment, Climate Disaster Risk Assessment, or Comprehensive Land Use Plan.

²⁷ Projects, in the context of the PSF, are defined as activities undertaken by beneficiaries in order to support climate change adaptation activities of local governments and communities. See Proponent's Handbook p. vii accessed at <https://climate.gov.ph/our-programs/climate-finance/peoples-survival-fund/templates-and-information-materials>

²⁸ Grants are those which are awarded under the Project Development Grant program.

²⁹ Gozum, I., *Explainer: What is the People's Survival Fund?*, 11 November 2024, Rappler.com, Accessed at <https://www.rappler.com/environment/explainer-peoples-survival-fund/>

³⁰ See Annex A and B for the list of projects and grants approved by the Commission.

The slow pace of approving projects is apparent from the fact that only 13 projects have been approved since 2012. This indicates an approval rate of only one project per year. In addition, projects are approved in batches, which depend on the period of the call for proposals. For instance, there is a noteworthy gap between projects approved from 2016 to 2018 and projects approved in 2023. No project was approved in between such periods.³¹

While adaptation projects are certainly needed throughout the country, very few LGUs have had the opportunity to access the PSF as shown in **Figure 2**. This illustrates how the PSF has largely been underutilized since its implementation. Studies have indicated that this may be attributed to a lack of clear guidelines, gaps in knowledge and capacity of proponents, limited support from higher offices, and problems with administrative coordination affecting proper implementation at an institutional and operational level.³²

Ultimately, it is alarming that no accredited community organization has directly received funding from the PSF, thus far. Strictly viewed from a direct access lens, this implies that the PSF Board has not yet operationalized such access modality in favor of accredited community organizations.³³ However, the possibility that the LGUs with approved projects may have involved local CSOs in the development and implementation of such initiatives cannot be discounted, similar to the experience of the CSOs whose experiences were considered in this study.

³¹ *Supra* at note 29.

³² *Supra* at note 17.

³³ *Supra* at note 17 p. 154.

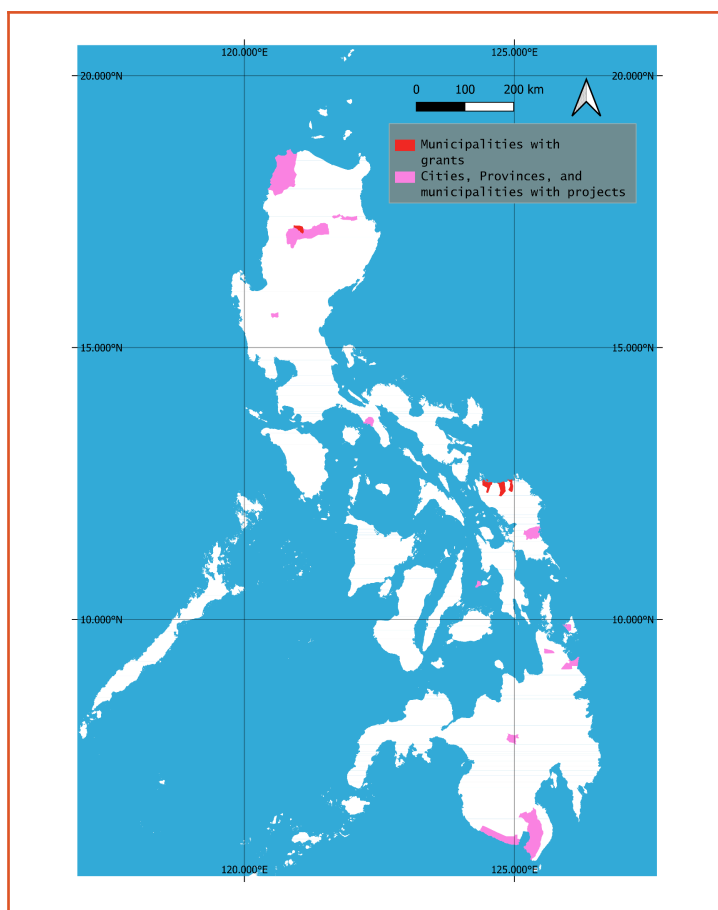


Figure 2. Map of cities, municipalities, and provinces with PDGs or approved projects.

KEY FINDINGS

This section presents vital themes that emerged during the key informant interviews with the CSO representatives.

Excessive requirements

The interviewees generally agree on the excessiveness of requirements to apply for PSF financing, which they perceive as a significant barrier to accessing the Fund. Required documents and data are often challenging to obtain for involved LGUs. For instance, one of the LGUs assisted by the CSO representatives had successfully submitted a proposal, but it was rejected due to incomplete requirements.³⁴ Despite being given another opportunity to submit the missing requirements, the said LGU later decided to no longer pursue the proposal because of their continued incapacity to comply.

The sheer number of requirements has also been a point of discouragement for prospective LGUs looking to access the Fund. For example, another LGU had started writing a proposal, but decided not to push through because of the high number of required documents. The interviewees also spoke about how, during a workshop with the

³⁴ Interviewee notes that the incomplete requirements were the LCCAP and other 'baseline data.'

CCC about the PSF, a number of LGUs echoed the same concern. Thus, LGUs are discouraged at the onset from even attempting to access the Fund in recognition of their own technical and resource limitations to comply with the requirements.

Moreover, the interviewees highlighted the need to simplify the requirements and the process for accessing PSF funding. One respondent shared that some documentary requirements were similar in substance, indicating that there is room for simplification or streamlining of requirements. They further noted that the reduction of documentary requirements may be accomplished without compromising the substance of what these documents contain in terms of providing baseline data.

Gaps in the technical capacity of LGUs

Respondent interviewees also discussed the limitations on the technical capacity of LGUs to produce proposals. Some of the LGUs lacked the baseline data necessary for proposals, which indicates a major limitation of LGUs in terms of monitoring relevant climate indicators at an institutional level. While other LGUs do possess some data, they would often be incomplete, outdated, or lacking in important data points that render them unusable for their proposals. Others struggle with data management: some LGUs experienced losing, misplacing, or damaging physical records of their data. In other cases, LGUs needed the technical assistance of CSOs or other external organizations to gather the baseline data on their behalf.

As observed by the interviewees, LGUs, including those that they assisted, struggled with the proposal writing itself. Given their limited capacity, any potential proposal that these LGUs would produce on their own would most likely lack the quality that would guarantee its approval. This prompts LGUs to seek assistance from external stakeholders such as CSOs and consultants. However, in areas where there are no organizations that can provide technical assistance, LGUs would not have an opportunity to craft proposals even if they wanted to.

Ideally, CSOs only carry out a supporting role in assisting LGUs throughout the proposal writing process. However, some LGUs expect their partner CSOs to do the heavy lifting in the actual drafting of the proposal text. Worse, there have been cases where LGUs would hire third-party consultants to produce the proposal in its entirety for them, as opposed to receiving mere technical assistance to enable them to craft the proposal independently. In these cases, it is expected that LGUs would have little to no input in the proposal writing process, which might be counterintuitive to what the PSF aims to achieve.

One interviewee pointed out that the gaps in the technical capacity of LGUs may be attributed to their lack of technically proficient personnel and insufficient capacity development programs, especially those geared toward climate action and climate adaptation. Insufficient resources may be allocated towards capacity-building opportunities and the employment of skilled personnel. Moreover, they have also noted that such technically skilled employees, such as those needed in this case, often lack

security of tenure as they are engaged only on a project basis. Furthermore, changes in the administration affect the organizational structure of the LGU and could lead to discontinuities in government programs, including those related to climate change adaptation, which for most LGUs are not yet mainstreamed.

DISCUSSION

Upholding the governing law's mandate

A review of Republic Act No. 10174, the law that establishes the PSF, reveals that it does not contain a provision ensuring that the funds are *easily accessible* to LGUs, CSOs, and communities. The amendment to the *Declaration of Policy* of the Climate Change Act of 2009 does not refer to the manner by which the PSF may be accessed, nor does it provide a guiding principle as to how the implementing agency should ensure its accessibility.³⁵ The law simply provides for the Fund's creation,³⁶ the sources of the Fund,³⁷ and its uses.³⁸ It also creates the PSF Board³⁹ and its powers and functions.⁴⁰ While it discusses the role of the Commission,⁴¹ the law merely states that the Commission shall "ensure transparency and public access to information regarding funding deliberations and decisions" and "develop guidelines to accredit local organizations seeking to access the fund."

Moreover, while the law identifies funding allocation priorities to guide the PSF Board in determining a criteria for selection⁴² and allows⁴³ participation of "community representatives and/or NGO counterparts"⁴⁴ in the process, there is no provision that specifically provides for access modalities or guidelines on how to ensure ease of access for identified grantees. The lack of any reference to or guiding principles for ensuring accessibility of the Fund is an evident gap in the law itself, as this gives the implementing agency far too broad discretionary authority on how it can operationalize the Fund. Its implications can be seen, unfortunately, in the absence of any PSF funding for accredited community organizations.

Lesson for FRLD: The FRLD Board should adopt access modalities consistent with the mandate of Decision 1/CP.28, para. 43-50. Guidelines for accessibility must emphasize the effective involvement of institutions and stakeholders, particularly women, indigenous peoples, and vulnerable communities to ensure that approved projects are responsive and context-specific.

³⁵ R.A. 10174, Sec. 1 amending R.A. 9729, Sec. 2.

³⁶ *Id* at Sec. 18.

³⁷ *Id* at Sec. 19.

³⁸ *Id* at Sec. 20.

³⁹ *Id* at Sec. 21.

⁴⁰ *Id* at Sec. 22.

⁴¹ *Id* at Sec. 23.

⁴² *Id* at Sec. 24.

⁴³ *N.b.* allows but not requires

⁴⁴ R.A. 10174, Sec. 1 amending R.A. 9729, Sec. 25.

Streamlining the process and requirements

As discussed above, the process for requesting access to PSF funding was already simplified in 2016.⁴⁵ It merely requires four documentary requirements, which include a Letter of Intent and the Project Proposal, among others. For the Project Proposal, a template is accessible through the Commission's official website.⁴⁶ LGUs have an additional requirement of submitting an AIP and any adaptation references, such as vulnerability or risk assessments, CLUP or CDP, and LCCAP.

Notably, LGUs are already mandated by law or regulation to regularly craft their respective CLUP,⁴⁷ CDP,⁴⁸ and LCCAP.⁴⁹ Likewise, vulnerability and risk assessments may take the form of the local disaster risk reduction and management plan,⁵⁰ local disaster risk assessment,⁵¹ climate and disaster risk assessment,⁵² or climate change vulnerability assessment,⁵³ which are also already required by law or regulation. Thus, the process and requirements for accessing the PSF already appear simple, *at least on paper*.

Notwithstanding the streamlined requirements for requesting access to the Fund and the presumption that the requirements are all readily available, LGUs still find it difficult to comply. For example, LGUs lack the baseline data necessary to craft a comprehensive project proposal. The absence of baseline data, such as those relating to demographics, climate risk and vulnerability assessment, and other relevant data, makes it difficult to identify the appropriate adaptation measures that need to be implemented in the communities. Ideally, the existence of a climate and vulnerability risk assessment should provide sufficient baseline data to identify the needed adaptation projects or programs for each community. However, LGUs generally do not have the capacity to gather this data or to craft the risk and vulnerability assessments and corresponding response plans.

It bears noting that some of the requirements, such as the CLUP and CDP, have been mandated by law since 1991, yet LGUs continue to struggle with crafting them or keeping them updated. A 2019 study found that very few LGUs had CLUPs and CDPs that were recent and had the correct years of coverage.⁵⁴ Only 5.10% of respondent LGUs in the study were found to have had the correct years of coverage for their CLUP, while only 35.69% had correct years of coverage for their CDPs. This data indicates the

⁴⁵ *Supra* at note 13.

⁴⁶ *Supra* at note 11.

⁴⁷ R.A. 7160, *The Local Government Code of 1991*, Sec. 20(c).

⁴⁸ *Id* at Sec. 106.

⁴⁹ R.A. 9729, *The Climate Change Act of 2009*, Sec. 14.

⁵⁰ R.A. 10121, *Philippine Disaster Risk Reduction Management Act of 2010*, Sec. 12.

⁵¹ HLURB, *Supplemental Guidelines on Mainstreaming Climate Change and Disaster Risks in the Comprehensive Land Use Plan* (2015), accessed at <https://niccdies.climate.gov.ph/files/documents/Supplemental%20Guidelines%20for%20Mainstreaming%20CC-DRR%20in%20the%20CLUP%20-CDRA-.pdf>

⁵² *Ibid*.

⁵³ *Ibid*.

⁵⁴ Sicat, C.J.D., et al., *Assessment of the Philippine Local Government Planning and Budgeting Framework* (2019), accessed at https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1918.pdf?fbclid=IwAR3zdOysAqMcSupofWkRWvQOFisqq50gGrOkSmF8QRhTfeq2anM6m0_DuRY

difficulty for LGUs to comply with crafting and updating comprehensive plans that have been legally mandated for more than three decades. The same difficulty would be expected for other data and plans that have only been recently mandated, such as the local disaster risk response and management plan, and disaster and climate risk and vulnerability assessments.

For the LCCAP, however, the Commission claims that LGUs have a compliance rate of 88.98% as of August 2024.⁵⁵ The target is for at least 90% of LGUs to submit their LCCAPs by December 2024 and aims for 100% compliance by 2025.⁵⁶ The compliance of LGUs with their LCCAPs should be sufficient to provide them with the appropriate baseline data necessary to craft their respective proposals for requesting access to the PSF. This would mean that by 2025, all LGUs should be eligible to access the PSF, subject to the submission of their Project Proposals, along with their existing LCCAP, updated AIP, and the Letter of Intent being a mere *pro forma* requirement.

Lesson for FRLD: The FRLD Board should issue a non-exclusive and non-mandatory list of acceptable supporting documents containing relevant and credible data on losses and damages, which may consider various sources of knowledge. Requirements must be streamlined and based on any documents that are readily available to proponents, such as those that are already institutionally mandated. Alternative documents that tend to credibly provide the necessary and relevant data, such as independent research or studies, should be allowed in the absence of primary sources of data.

Addressing the technical capacity of proponents

The most significant challenge identified by the respondents in this study is the limitations of LGUs in terms of crafting their project proposals and complying with requirements. Gaps in the technical capacity of local governments are generally attributed to the lack of personnel equipped with the skills and knowledge required to gather baseline data, accomplish requirements such as CDP, CLUP, and LCCAP, and even craft project proposals. These then snowball into the failure of LGUs to acquire and update their baseline data and legally mandated comprehensive plans and risk assessments.

These challenges heavily indicate the lack of resource prioritization at the local government level to ensure that they have the personnel to accomplish these functions. In more remote LGUs, there may be a lack of personnel due to the general insufficiency of a technically equipped workforce in the area. It may further be attributed to the general lack of prioritization of local governments in investing in hiring technically equipped personnel and providing capacity development programs for existing human resources. It has also been noted that the usual lack of security of tenure for the highly

⁵⁵ Climate Change Commission, *CCC strengthens LGU resilience through climate action plan writeshop* (2024), accessed at <https://climate.gov.ph/news/948#:~:text=The%20CCCC's%20ACT%20Local%20Programme%20aims%20to,in%20alignment%20with%20the%20Philippine%20Development%20Plan>.

⁵⁶ *Ibid.*

technical positions discourages qualified individuals from taking on employment in local government.

Moreover, changes in the administration and political considerations also result in changes in the composition of a local government's organizational structure, from its leadership level down to the rank-and-file. This creates a lack of sustainability and continuity of long-term plans and programs, including human resource capacity development and the LGUs' comprehensive plans. Changes in local government administration also result in an inconsistent prioritization of climate change-related programs.

The PDG also opens an opportunity to LGUs whose technical capacities are limited. The experience of one of the LGUs assisted by the respondents in this study shows the potential of leveraging the PDG. While the municipality of Mondragon was able to accomplish the drafting of its proposal, it was discouraged from pushing through with the process when it was required to submit further requirements and data, which it did not have. However, the municipality applied again and was eventually awarded a 2-million grant under the PDG, hopefully giving it an additional push to craft a full proposal under the Fund.

Lesson for FRLD: The FRLD Board should institutionalize capacity-building and technical assistance services for potential applicants. This may include capacity building at the national level that may be translated and devolved to the local and community level. **Moreover, requirements must be simplified to be sensitive to the technical capacity constraints of potential applicants.**

Strengthening the role of CSOs

Civil society is crucial in addressing the gaps in technical capacity of proponents. Although civil society participation is spread across the PSF application process, the focus herein is on the role of civil society in proposal development, more particularly of LGUs. This comes from the recognition of some CSOs that PSF funding, if awarded, would be better channeled to LGUs, because of their stability over a long-term implementation period of a PSF-funded project. However, this also does not disregard the fact that there have been limited calls for proposals that cater to accredited community organizations, which might be the driver for this inclination to merely support or assist LGUs.

In the short term, CSOs may continue to provide technical assistance to local governments, at least at the project proposal phase, as a joint endeavor. Further, CSOs may also provide capacity development programs to the LGUs to enhance the latter's capability to gather baseline data, comply with the PSF requirements, craft the proposals, and eventually implement the projects.

In the long term, however, LGUs must develop their own independent technical capabilities, which they would need not only for the PSF, but for local climate action in

general. The crafting of the LCCAP, for example, is a legally mandated output, and LGUs must have adequate capacity to craft and implement the document without overly relying on CSOs. Accomplishing the LCCAP would mean that the LGU would already be technically equipped to comply with all the other requirements for accessing the PSF. Ideally, CSOs would provide further assistance only if more specific skill sets or technical knowledge are required for a particular project. Doing so compels the local governments to invest in their technical workforce, advance their internal capacity development, and ensure the continuity and sustainability of long-term development plans.

Moreover, there is a clear need to leverage the crucial collaboration between LGUs and CSOs. Insofar as proposal evaluation and review are concerned, an additional criterion could be institutionalized where proposals that are prepared and submitted by LGUs through a joint effort with accredited community organizations would be preferred. It could also go as far as indicating that CSOs play a role not only in the project proposal phase, but also in the actual implementation of the PSF project. Consequently, this would further drive civil society inclusion in participatory local climate action, which could improve local climate governance therein.

Lesson for FRLD: The FRLD Board must institutionalize mechanisms to ensure CSO participation in every step of the process and in all access modalities. CSO participation may be mandated in the form of technical assistance for project proposals or capacity building programs to potential applicants. Preferential approval for applications that have been developed in collaboration with accredited CSOs may likewise be considered. Moreover, CSOs may also play a crucial role in evaluating the proposals to broaden the Board's horizon in its decision-making process.

Ensuring equitable access to information

In the administration of the PSF, the Commission, as Secretariat of the PSF, has made multiple knowledge products about the Fund available online through its website. Among these products include a Proponent's Handbook,⁵⁷ brochures,⁵⁸ informational videos,⁵⁹ and a proposal template.⁶⁰ The availability of these knowledge products would generally enhance the Fund's accessibility as pertinent information can easily be accessed online. Institutions, communities, and organizations that have stable internet access can conveniently look up the PSF funding process online, allowing them to understand the process easily. The same cannot be said, however, for communities and organizations without stable internet access or the capacity to understand the technical aspects of the PSF funding process discussed in the said materials. These include the most vulnerable and isolated communities. In any case, online availability of knowledge

⁵⁷ *Supra* at note 11.

⁵⁸ Climate Change Commission, *PSF Main Brochure* accessed at <https://climate.gov.ph/our-programs/climate-finance/peoples-survival-fund/templates-and-information-materials>

⁵⁹ Climate Change Commission, *PSF Information Video* accessed at <https://climate.gov.ph/our-programs/climate-finance/peoples-survival-fund/templates-and-information-materials>

⁶⁰ Climate Change Commission, *PSF Proposal Template*, accessed at <https://climate.gov.ph/our-programs/climate-finance/peoples-survival-fund/templates-and-information-materials>

products and resources is a commendable step towards ensuring accessibility, but it must still be complemented with direct and institutionalized information dissemination strategies to grassroots communities and organizations. Needless to say, equitable access to information is a determinant of access to funding.

Lesson for FRLD: The FRLD Secretariat, led by its Executive Director, should institutionalize information dissemination strategies that provide grassroots communities and organizations with equitable access to information about the FRLD. Guidelines, knowledge products, toolkits, and other relevant information must be made available online. However, conventional, yet effective, information dissemination strategies must still be utilized, such as coordinated information campaigns facilitated by local government units, community-based organizations, and civil society to ensure equity in information.

CONCLUSION

With only 19 total approved projects and grants for the PSF as of mid-2024, the continuing inaccessibility of the Fund is revealed and highlighted. Nearly thirteen years have passed since the PSF was established, and yet very few communities have benefited directly from it. While efforts have been made to streamline the PSF application process flow, simplify requirements, and address other limitations on the part of proponents, factors related to implementation and practical challenges persist. Consequently, the Fund remains widely inaccessible to the most vulnerable communities despite these policy changes.

At a broader level, the governing law of the PSF should be amended to include a provision that mandates the ease of access of funding for stakeholders and to provide guidance for the implementing agency to ensure accessibility. The implementation of the Project Development Grant program must also be reevaluated to determine if it sufficiently addresses the problems encountered by proponents at the project proposal phase.

Steps taken to streamline the PSF process and simplify requirements are notable developments. To build upon these changes, enhanced information dissemination and knowledge-sharing should be implemented at the grassroots level, consequently ensuring that stakeholders from the most isolated communities are aware of the PSF and capable of gaining access to it. The funding disbursement process should also be reviewed to ensure the swift but judicious disbursement of funds to prevent delays in the implementation of projects.

The more significant problem with PSF accessibility remains with the technical capacity of proponents at the local level. Considering that LGUs currently require outside technical assistance from civil society, efforts should be made to strengthen the cooperation between LGUs and CSOs, at the very least for the purpose of drafting project proposals and ensuring that they contain climate change adaptation themes.

However, the continued reliance of LGUs on the technical assistance of CSOs would present itself as a challenge in the long-term that needs to be addressed institutionally. Seeking to ensure that they can independently and sustainably access the PSF, LGUs must provide appropriate capacity development programs for their personnel and allocate adequate resource mobilization. The lack of prioritization for climate change programs at the local level remains a significant challenge across the board that is reflected in the inability of LGUs to allot adequate resources for their adaptation programs.

Further, LGUs must invest in gathering data, crafting their LCCAP, and ensuring that they have personnel equipped with the necessary technical knowledge and skills to achieve their climate adaptation targets, including the ability to access funding from the PSF. Security of tenure for the technical workforce appears to be an important element in ensuring the sustainability and continuity of the LGU's long-term climate-related projects and programs.

With these challenges in the PSF unpacked, this study presents perspectives and insights that must be considered by the FRLD Board in designing the accessibility aspects of the FRLD, most especially the access modalities. While there are a variety of models for climate financing mechanisms from which the FRLD Board may learn, it is through tangible lessons at the grassroots and local levels, such as those from the PSF, that actual considerations on operationalizing a climate finance scheme may be uncovered. After all, the FRLD is intended for developing countries "that are particularly vulnerable to the adverse effects of climate change"; thus, it is only appropriate to primarily consider developing-country and Global South constraints in climate finance.

ANNEXES

Annex A

List of approved projects under the PSF⁶¹

Area	Level	Project	Amount	Year Approved
Del Carmen, Surigao del Norte	Municipality	Siargao Climate Field School for Farmers and Fisherfolk	P80,705,896.80	2016
Lanuza, Surigao del Sur	Municipality	Disaster Risk Reduction and Mechanism Response as Coping Mechanism to Resiliency	P39,048,000.00	2016
San Francisco, Cebu	Municipality	Building Resilience through Community Based Ecological Farming	P33,891,670.00	2017
Gerona, Tarlac	Municipality	Promoting a Climate-Informed Gerona	P38,100,000.00	2017
Kitcharao, Agusan del Norte	Municipality	Establishment and Sustainable Management of River Ecosystem in Kitcharao	P112,983,416.01	2018
Sarangani	Province	Saub Watershed Ecosystem Rehabilitation and Flood Risk Reduction for Increased Resilience	P33,484,789.33	2018
Mountain Province	Province	Mountain Province Field School for Farmers	P271,150,900.00	2023
Maramag, Bukidnon	Municipality	Enhancing the Climate Adaptive Capacity of Communities through Establishing a Disaster Risk Reduction Management Approach in the River Ecosystem of Maramag, Bukidnon	P126,396,491.45	2023
Borongan City, Eastern Samar	City	Reinforcement of Lo-om River Flood Protection and Redevelopment for Resilient Communities and Livelihoods	P117,964,960.92	2023
Cabagan, Isabela	Municipality	Construction of 10 units of solar powered pump in different barangays	P21,284,725.70	2023

⁶¹ *Supra* at note 29.

Catanauan, Quezon	Municipality	Mangrove rehabilitation project	P2,638,000.00	2023
Cortes, Surigao del Sur	Municipality	Building Resilience with Ridge to Reef Adaptation to Climate Change	P126,690,000.00	2024
Ilocos Norte	Province	Ilocos Norte Climate-Resilient Intervention towards Sustainable Agriculture and Natural Resources Management	P305,286,756.00	2024

Annex B

List of approved grants under the PSF⁶²

Area	Level	Grant	Amount	Year Approved ⁶³
Bobon, Northern Samar	Municipality	Establishment of the Bobon-LGU Green Mitigation and Adaptation Infrastructures Technologies with Livelihood Complementation	P2,000,000.00	2023
Mondragon, Northern Samar	Municipality	Mondragon-LGU Ecosystem Based Climate Change Adaptation and Mitigation as a Showcase for Environmental Restoration and Conservation	P2,000,000.00	2023
Pambujan, Northern Samar	Municipality	Establishment of the Pambujan-LGU Climate Smart Agriculture Environmental Restoration and Conservation of Selected Barangays Coastal Zones-Rivers-Estuaries	P2,000,000.00	2023
Rosario, Northern Samar	Municipality	Establishment of Rosario-LGU Green Mitigation and Adaptation Infrastructures Technologies with Livelihood Compensation	P2,000,000.00	2023
San Jose, Northern Samar	Municipality	Application of Nature Based Solutions to Conserve and Restore the Ecosystems of LGU-San Jose Selected Barangay Shorelines, Rivers, and Estuaries	P2,000,000.00	2023
Besao, Mountain Province ⁶⁴	Municipality	Building Resiliency and Ensuring Food Security through Water Harvesting Structures	P2,000,000.00	2023

⁶² *Supra* at note 29.

⁶³ Year of approval sourced from separate articles. See Philippine News Agency, *CCC lauds approval of 5 projects for local climate change adaptation* (26 October 2023) accessed at <https://www.pna.gov.ph/articles/1212623> and Climate Change Commission, *CCC lauds PSF Board's approval of five projects for local climate change adaptation* (25 October 2023) accessed at <https://www.climate.gov.ph/news/824>.

⁶⁴ Rappler lists Sadanga, Mountain Province to be the recipient of the PDG but the CCC reports Besao, Mountain Province to be the recipient. See note 29 and note 63.

Klima of the Manila Observatory is a climate justice center advocating for science-based and gender-sensitive action and providing direct assistance to Indigenous Peoples and local communities, vulnerable sectors, environmental and human rights defenders, youth activists and local governments.



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