



# Addressing Climate Change from a Disaster Risk Management and Financing Perspective

**ALU DOROTAN TIUSECO**

Finance Undersecretary

September 20, 2023

# ROLE of the DEPARTMENT OF FINANCE



Economic team leader and fiscal manager




Plays lead role in disaster risk management and climate financing



# Role of DOF in Disaster Risk Financing






**1** Supports plans to address emergencies, hazards arising from and impacts of climate change and disasters as a member of the National Disaster risk Reduction and Management Council, the Cabinet-level cluster on Climate Change Adaptation, Mitigation, and Disaster Risk Reduction, and Advisory Board to the Climate Change Commission

**2** Provides oversight and support to public institutions and supports National Government's compliance with International Agreements and Commitments

**3** Mobilizes financing from bilateral and multilateral development partners for disaster preparedness, during humanitarian phase of emergency and humanitarian aid; early recovery; and rehabilitation and reconstruction

**4** Works with bilateral and multilateral development partners to ensure that the programming of foreign assistance is well-integrated into the national development and sectoral plans, disaster preparedness protocols and guidelines, as well as recovery and rehabilitation plans.

**5** Provides technical advice and recommendations on matters relating to financial resource mobilization, and public investment programming, foreign financing, and management of assistance during emergencies and disasters as a member of intergovernmental agency committees such as under the central planning authority



# Disaster Risk Financing and Insurance (DRFI)

1

The **Disaster Risk Financing and Insurance Strategy** aims to maintain sound fiscal health, develop sustainable financing mechanisms, and reduce the impact on the poorest and most vulnerable

2

The **Department of Finance** tapped the cooperation and assistance of bilateral, regional, and international development partners to mobilize humanitarian assistance and external financing, among others.



# Disaster Risk Resilience Initiatives

1

National Budget Allocation for the National Disaster Reduction and Risk Management Framework

- 2023 budget of USD 545.66 Million

2

Philippine Catastrophe bonds in partnership with the World Bank

3

Acquiring contingent credit lines

- E.g. Disaster Resilience Improvement Program

4

Philippine City Disaster Insurance Pool

5

Philippine Catastrophe Insurance Facility

# Philippine Development Plan

- Climate and disaster response and preparedness are embedded in the Philippine Development Plan 2023-2028
- It aims to ensure that communities, institutions, and the natural and built environment in the Philippines are more resilient to the impacts of natural hazards and climate change
- It implements a comprehensive risk management approach, similar to the **Nationally Determined Contribution**, across agriculture, waste, industrial processes and product use, transport, and energy sectors
- Implemented through **Public Investment Program** and the **Three Year Rolling Infrastructure Program**
- The impacts and financial effects of natural disasters and human-induced disasters are further brought to light by the country's **Fiscal Risks Statement**

# Programs & Funds

## Public Investment Program (PIP)

---

Infrastructure Flagship Projects under Build Better More Program

190 high-impact priority projects across various sectors

Public-Private Partnerships

## People's Survival Fund (PSF)

---

Intended for LGUs to implement adaptation projects

6 approved projects under PSF worth USD 5.47 million

5 approved project development grants amounting to USD 176 thousand

## Green Climate Fund (GCF)

---

DOF performs two functions as ALternate Board Member and National Designated Authority to GCF

Issues the no-objection letter for project and program proposals to the GCF, endorses readiness support programs and projects, oversees strategic planning of climate priorities through GCF's country programming

7 projects under implementation, with 5 approved readiness activities, with total financing of 132 million USD to date



# Multi-Hazard Impact-Based Forecasting and Early Warning System

<b>RED WARNING</b>	 <b>More than 30mm rain</b> observed in 1 hour and expected to continue in the next 2 hours	 <b>Serious flooding expected</b> in low lying areas	<b>RESPONSE: EVACUATION</b>
<b>GREEN WARNING</b>	 <b>15-30mm (intense) rain</b> observed in 1 hour and expected to continue in the next 2 hours	 <b>Flooding is threatening</b>	<b>RESPONSE: ALERT</b> for possible evacuation
<b>YELLOW WARNING</b>	 <b>7.5-15mm (heavy) rain</b> observed in 1 hour and expected to continue in the next 2 hours	 <b>Flooding is possible</b>	<b>RESPONSE: MONITOR</b> the weather condition

- The Philippines is one of the world's most vulnerable countries to tropical cyclones, experiencing an average of 20 super typhoons annually
- The **Multi-Hazard Impact-Based Forecasting and Early Warning System**, worth USD 22 Million, addresses this by implementing a pro-active government approach that focuses on the preventive aspects of disaster management
- Communicates what the weather “will do” rather than what the weather “will be”



As a country that is vulnerable to natural and human-induced disasters, we continue to explore our options in making the Philippines more resilient to the effects brought on by climate change. While such disasters cannot be avoided, we must ensure that financing is in place in order to put response measures in place, and proceed with the rehabilitation and recovery of affected areas and communities.

More importantly, we recognize that financing, regardless of the source, will ultimately be based on the national plan using a “whole of government” or “whole of society” approach.



# Addressing Climate Change from a Disaster Risk Management and Financing Perspective

**ALU DOROTAN TIUSECO**

Finance Undersecretary

September 20, 2023