



**MEMORANDUM**

**FOR** : **The Directors**  
Climate Change Service  
Legal Affairs Service  
Policy and Planning Service

**All Bureau Directors**

**The Officer-in-Charge**  
Mines and Geosciences Bureau

**FROM** : **The Director**  
Legislative Liaison Office

**SUBJECT** : **INVITATION TO THE JOINT COMMITTEE MEETING RE: "THE LOSS AND DAMAGE FUND BOARD ACT" FROM THE COMMITTEE ON CLIMATE CHANGE AND THE COMMITTEE ON FOREIGN AFFAIRS OF THE HOUSE OF REPRESENTATIVES**

**DATE** : 26 July 2024

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In reference to the electronic mail received, the Committee on Climate Change of the House of Representatives is inviting the Department to its joint Committee meeting with the Committee on Foreign Affairs on **July 30, 2024 (Tuesday), at 9:30 A.M. at Conference Rooms 1 & 2, Ramon V. Mitra Building** for the initial deliberation of the following measures:

1. HOUSE BILL NO. 10602, ENTITLED: "AN ACT GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE DUE TO CLIMATE CHANGE IN THE PHILIPPINES," AUTHORED BY REP. EDGAR M. CHATTO, REP. JOCELYN SY LIMKAICHONG, REP. FERNANDO T. CABREDO, REP. JOSE MANUEL F. ALBA, REP. ANNA VELOSO-TUAZON, REP. CHRISTIAN TELL A. YAP, and REP. JOSE FRANCISCO B. BENITEZ;
2. HOUSE BILL NO. 10603, ENTITLED: "AN ACT GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE PHILIPPINES," AUTHORED BY REP. MARIA RACHEL J. ARENAS; and
3. HOUSE BILL NO. 10612, ENTITLED: "AN ACT GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE PHILIPPINES," AUTHORED BY REP. JOEY SARTE SALCEDA

MEMO NO. 2024 - 650

In this regard, may we invite a representative to participate in the meeting and share comments and insights on the proposed legislation. Kindly send the position paper and recommendations/suggestions on or before **29 July 2024 at 5:00 PM** via email at [denrlo@denr.gov.ph](mailto:denrlo@denr.gov.ph) for submission to the Committee. Further, kindly inform us of the name/s of the representative/s from your office who will participate in the meeting so we may include him/her/them as resource person/s.

Attached herewith are the Letter Invitation, agenda, and the abovementioned House Bills for your reference.

  
**ROMIROSE B. PADIN**

cc: Undersecretary for Special Concerns and Legislative Affairs  
Undersecretary for Finance, Information Systems and Climate Change



Republic of the Philippines  
House of Representatives  
Quezon City

**COMMITTEE ON CLIMATE CHANGE**

July 25, 2024

**HON. MARIA ANTONIA YULO LOYZAGA**  
Secretary  
Department of Environment and Natural Resources  
Visayas Avenue, Diliman, Quezon City

Dear Secretary Loyzaga:

We wish to inform you that the **Committee on Climate Change** will hold a **JOINT MEETING** with the **Committee on Foreign Affairs** of the House of Representatives with details indicated hereunder:

<b>DATE/TIME</b>	July 30, 2024 (Tuesday) / 9:30 A.M.
<b>VENUE</b>	Conference Rooms 1 & 2, Ramon V. Mitra Building
<b>AGENDA</b>	INITIAL DELIBERATION ON THE FOLLOWING MEASURES:  <b>HOUSE BILL NO. 10602</b> , ENTITLED: "AN ACT GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE DUE TO CLIMATE CHANGE IN THE PHILIPPINES," AUTHORED BY REP. EDGAR M. CHATTO, REP. JOCELYN SY LIMKAICHONG, REP. FERNANDO T. CABREDO, REP. JOSE MANUEL F. ALBA, REP. ANNA VELOSO-TUAZON, REP. CHRISTIAN TELL A. YAP, and REP. JOSE FRANCISCO B. BENITEZ  <b>HOUSE BILL NO. 10603</b> , ENTITLED: "AN ACT GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE PHILIPPINES," AUTHORED BY REP. MARIA RACHEL J. ARENAS  <b>HOUSE BILL NO. 10612</b> , ENTITLED: "AN ACT GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE PHILIPPINES," AUTHORED BY REP. JOEY SARTE SALCEDA

In line with this, we would like to invite you or your representative to join us to give your position and share your valuable insights on the proposed measures. We would appreciate it if you could send the position paper, recommendations/suggestions *via* email at [committee.climatechange@house.gov](mailto:committee.climatechange@house.gov) on or before July 30, 2024.

Attached are copies of the agenda and the above-stated measures for your easy reference.

Should you have any clarification and for confirmation of your attendance, please contact the Committee Secretary at 09277193534 or Ms. MeAnne Ordovez at 09154448595.

Thank you and we look forward to hearing from you at the meeting.

Very truly yours,

**HON. EDGAR M. CHATTO**  
Chairperson

For the Chairperson:

**ROMMEL M. REYES**  
Committee Secretary



Republic of the Philippines  
House of Representatives  
Quezon City

**COMMITTEE ON CLIMATE CHANGE**

**JOINT MEETING WITH THE COMMITTEE ON FOREIGN AFFAIRS**

30 July 2024 (Tuesday), 9:30 A.M.

Conference Rooms 1 & 2, Ramon V. Mitra Building, House of Representatives

**Agenda**

- I. CALL TO ORDER/ROLL CALL
- II. ACKNOWLEDGMENT OF MEMBERS, GUESTS, & RESOURCE PERSONS
- III. OPENING REMARKS OF THE CHAIR
- IV. INITIAL DELIBERATION ON THE FOLLOWING MEASURES:

**HOUSE BILL NO. 10602, ENTITLED:** "AN ACT GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE DUE TO CLIMATE CHANGE IN THE PHILIPPINES," AUTHORED BY REP. EDGAR M. CHATTO, REP. JOCELYN SY LIMKAICHONG, REP. FERNANDO T. CABREDO, REP. JOSE MANUEL F. ALBA, REP. ANNA VELOSO-TUAZON, REP. CHRISTIAN TELL A. YAP, and REP. JOSE FRANCISCO B. BENITEZ

**HOUSE BILL NO. 10603, ENTITLED:** "AN ACT GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE PHILIPPINES," AUTHORED BY REP. MARIA RACHEL J. ARENAS

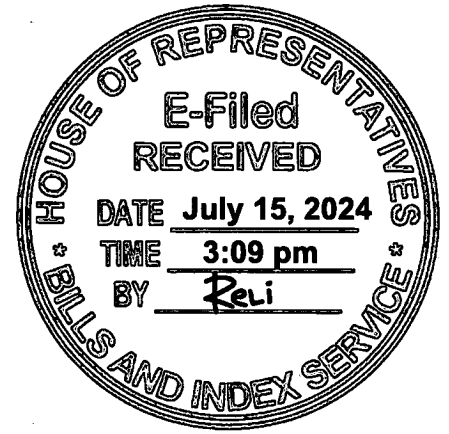
**HOUSE BILL NO. 10612, ENTITLED:** "AN ACT GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE PHILIPPINES," AUTHORED BY REP. JOEY SARTE SALCEDA

- V. OTHER MATTERS
- VI. ADJOURNMENT

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**NINETEENTH CONGRESS**  
Second Regular Session

**HOUSE BILL NO. 10602**



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Introduced by **Representatives EDGAR M. CHATTO** (First District, Bohol),  
**JOCELYN SY LIMKAICHONG** (First District, Negros Oriental),  
**FERNANDO T. CABREDO** (Third District, Albay),  
**JOSE MANUEL F. ALBA** (First District, Bukidnon),  
**ANNA VELOSO-TUAZON** (Third District, Leyte),  
**CHRISTIAN TELL YAP** (Second District, Tarlac) **and**  
**JOSE FRANCISCO B. BENITEZ** (Third District, Negros Occidental)

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### **EXPLANATORY NOTE**

During the 2022 Conference of Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC), the Parties agreed to provide a loss and damage funding, particularly for vulnerable countries hit hard by the adverse effects of climate change. Loss and damage refer to the negative consequences that arise from the unavoidable risks of climate change, like sea level rise, prolonged heatwaves, desertification, acidification of the sea, and extreme events.<sup>1</sup>

In 2023, during the COP 28, the Parties adopted the operationalization of the Loss and Damage Fund (L&D Fund).<sup>2</sup> The L&D Fund will be governed and supervised by a Board composed of 26 members representing an equitable and balanced representation of all Parties. In the same event, President Ferdinand Romualdez Marcos, Jr. announced his call for the Philippines, though one of the most vulnerable countries, to host the L&D Fund Board as this will symbolize a commitment to inclusivity and will ensure that the economic and non-economic loss of the countries most affected by climate change will be addressed.<sup>3</sup> As such, the Philippines has secured a membership on L&D Fund Board, as permanent representative of the Asia Pacific Group for 2024 and 2026, and as an alternate representative of the Asia Pacific Group for 2025.<sup>4</sup>

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<sup>1</sup> <https://www.unep.org/news-and-stories/story/what-you-need-know-about-cop27-loss-and-damage-fund>

<sup>2</sup> <https://unfccc.int/loss-and-damage-fund-joint-interim-secretariat>

<sup>3</sup> [https://pco.gov.ph/news\\_releases/making-ph-the-host-of-loss-and-damage-fund-to-ensure-countries-most-affected-by-climate-change-are-heard-pbbm/](https://pco.gov.ph/news_releases/making-ph-the-host-of-loss-and-damage-fund-to-ensure-countries-most-affected-by-climate-change-are-heard-pbbm/)

<sup>4</sup> [https://pco.gov.ph/news\\_releases/pbbm-ph-secures-a-seat-in-inaugural-loss-and-damage-fund-board/](https://pco.gov.ph/news_releases/pbbm-ph-secures-a-seat-in-inaugural-loss-and-damage-fund-board/)

On 09 July 2024, among the seven other contenders, the Philippines was elected as the host country of the L&D Fund Board. The hosting of the L&D Fund Board reflects the Philippines' ability and commitment to global climate action and equity.<sup>5</sup> The benefits of hosting the L&D Fund Board are: (1) showing the firm resolve of the country to be an active voice of the developing world in pushing for the need to respond to loss and damage; (2) enabling the Philippines to promote its national response plans on loss and damage from the impacts of climate-induced hazards and disasters; and (3) increasing awareness in the country regarding international cooperation to addressing the local needs to respond to loss and damage due to the impacts of climate change.

Relative thereto, among the Philippines' proposal in hosting the L&D Fund Board is the conferment of legal personality and legal capacity, including privileges and immunities. This bill is the response of the Philippines' commitment to Loss and Damage as one of the countries which bore the brunt of climate change impacts despite its miniscule contribution to the phenomenon.

Considering the geographical location of the Philippines, it is greatly vulnerable to the impacts of climate change. The manifestations of climate change in the Philippines include rising temperature, sea level rise, frequency and intensity of typhoons, variability of precipitation, floods, droughts, and heat waves. According to the World Risk Index 2023, the Philippines topped as the most disaster-prone country in the world.<sup>6</sup>

For this reason, the Philippines continued to demonstrate a deep commitment in addressing climate change through comprehensive legislative frameworks and proactive measures, including Republic Act No. 9729 or the "Climate Change Act of 2009". Moreover, this bill is consistent with the country's commitment to multilateralism and in ensuring that the voices of the most affected by climate change will shape the future of international climate policies.<sup>7</sup>

Further, through this bill, the L&D Fund Board, as the governing body of the L&D Fund, shall be granted juridical personality with full capacity to enter into contracts, acquire and dispose properties, institute legal proceedings, enter into hosting agreement with the World Bank, and undertake necessary activities to carry out the purpose for the L&D Fund Board.

In order to conclude the domestic requirements, *i.e.* the grant of juridical personality and legal capacity to the L&D Fund Board, this bill must be given high and

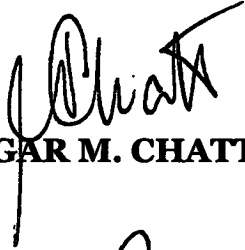
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<sup>5</sup> <https://www.pna.gov.ph/articles/1228637>

<sup>6</sup> <https://kpl.gov.la/EN/detail.aspx?id=81794>

<sup>7</sup> <https://denr.gov.ph/news-events/the-philippines-wins-bid-to-host-the-loss-and-damage-fund-board/>

utmost priority which shall be enacted not later than ninety (90) days after the confirmation of the Philippines, as the host country. In light of the foregoing considerations, the passage of this bill is immediately sought.



**EDGAR M. CHATTO**



**JOCELYN SY LIMKAICHONG**



**FERNANDO T. CABREDO**



**JOSE MANUEL F. ALBA**



**ANNA VELOSO-TUAZON**



**CHRISTIAN TELL A. YAP**



**JOSE FRANCISCO B. BENITEZ**

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**NINETEENTH CONGRESS**  
Second Regular Session

**HOUSE BILL NO. 10602**

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Introduced by **Representatives EDGAR M. CHATTO** (First District, Bohol), **JOCELYN SY LIMKAICHONG** (First District, Negros Oriental), **FERNANDO T. CABREDO** (Third District, Albay), **JOSE MANUEL F. ALBA** (First District, Bukidnon), **ANNA VELOSO-TUAZON** (Third District, Leyte), **CHRISTIAN TELL YAP** (Second District, Tarlac) and **JOSE FRANCISCO B. BENITEZ** (Third District, Negros Occidental)

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**AN ACT GRANTING JURIDICAL PERSONALITY AND  
LEGAL CAPACITY TO THE BOARD OF THE FUND  
FOR RESPONDING TO LOSS AND DAMAGE  
DUE TO CLIMATE CHANGE IN THE PHILIPPINES**

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

**SECTION 1. Short Title.** –This Act shall be known and referred to as “The Loss and Damage Fund Board Act.”

**SEC. 2. Declaration of Policy.** – It is the policy of the State to advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature and to protect the climate system for the benefit of humankind.

As a party to the United Nations Framework Convention on Climate Change (“UNFCCC”) and the Paris Agreement, the State strongly supports the creation of the Fund for Responding to Loss and Damage (“L&D Fund”) to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events.

By virtue of the UNFCCC Decision 1/CP28, 5/CMA.5 on the “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”, the Governing Instrument of the Loss and Damage Fund (“L&D Fund”) was approved, and the Board of the Fund (“Board”) will be conferred with legal personality and the legal capacity as necessary for discharging its roles and functions, in particular the legal capacity to negotiate, conclude and enter into a hosting arrangement with the World Bank as interim trustee and host of the Fund’s secretariat. Noting further Section III C.2 of the



Governing Instrument, the Board will serve the objectives and purpose of the Fund and steer its operations so that they evolve with its scale and maturity.

On the second meeting of the Board held on July 9, 2024, the Board adopted a unanimous Decision selecting the Philippines as the host country of the Board of the Fund.

To facilitate the establishment and operationalization of the Fund, the State hereby grants juridical personality and legal capacity to the Board.

**SEC. 3. *Juridical Personality and Legal Capacity of the Loss and Damage Fund Board.*** – The Board, as the governing body of the Fund established by the Meeting of Parties to the Paris Agreement under the UNFCCC shall be granted juridical personality with full legal capacity to:

- (a) Contract;
- (b) Acquire and dispose of immovable and movable property;
- (c) Institute legal proceedings;
- (d) Negotiate, conclude, and enter into a hosting arrangement with the World Bank as interim trustee and host of the Fund's secretariat; and
- (e) Undertake related or necessary activities to carry out the purpose for which the Board was created.

**SEC. 4. *Exemption from Taxation.*** – The Property, operations and transactions of the LDF and its Board shall be exempt from the payment of all taxes, duties, and other charges imposed by the Government and local authorities. The LDF and its Board shall also be exempt from any obligation for the payment, withholding or collection of any tax or duty.

The LDF and its Board shall be exempt from the payment of all taxes, duties, and other charges imposed by the Government and local authorities, except charges for storage, transport and services supplied, on the importation of equipment, machinery, motor vehicles, and materials intended for use in the board meeting. The same shall be processed in the manner and under existing procedures applied by the Department of Finance in similarly situated cases.

The non-Filipino LDF Officials and invited Experts and Observers shall be exempt from the payment of income tax on salaries, stipends, emoluments, indemnities, and sickness and accident benefits, received from the LDF, regardless of currency used. The Government retains its rights to tax its own nationals. They shall likewise not be subject to taxes on their local purchases in the quantity as appropriate for the duration of the board meeting.

The non-Filipino LDF Officials and invited Experts and Observers shall be exempt from the payment of all taxes, duties, and other charges imposed by the Government and local authorities, except charges for storage, transport and services supplied, on the importation of personal effects in the quantity as appropriate for the duration of the board meeting.

Goods released tax-free and duty-free under this Agreement shall be subject to applicable taxes and duties if sold, transferred, or exchanged in the Philippines to non-

exempt persons or entities, computed based on the value of the goods at the time of the importation pursuant to existing Government rules and regulations.

**SEC. 5. *Repealing Clause.*** – All laws, presidential decrees, executive orders, administrative orders, and rules and regulations inconsistent with this Act are hereby repealed, modified, or amended accordingly.

**SEC. 6. *Effectivity.*** – This Act shall take effect immediately upon its publication in the Official Gazette or in at least two (2) newspapers of general circulation.



1           This bill establishes the legal framework necessary to confer juridical  
2 personality, legal capacity, tax exemptions, and administrative support to the L&D  
3 Fund Board. The timely passage before August 9, 2024, underscores the Philippines'  
4 readiness to fulfill its hosting responsibilities and advance global climate resilience  
5 efforts.

6           In view of the foregoing, the immediate passage of this bill is earnestly sought.



**MARIA RACHEL J. ARENAS**  
Representative  
3<sup>rd</sup> District, Province of Pangasinan



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**NINETEENTH CONGRESS**  
Third Regular Session

**HOUSE BILL NO. 10603**

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**Introduced by Rep. MARIA RACHEL J. ARENAS**

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**AN ACT**  
**GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE**  
**BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE**  
**PHILIPPINES**

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

1 **SECTION 1. *Short Title.*** - This Act shall be known as "The Loss and Damage Fund  
2 Board Act."

3 **SEC. 2. *Declaration of Policy.*** - It is the policy of the State to advance the right of the  
4 people to a balanced and healthful ecology in accord with the rhythm and harmony of  
5 nature and to protect the climate system for the benefit of humankind.

6 As a party to the United Nations Framework Convention on Climate Change  
7 ("UNFCCC") and the Paris Agreement, the State strongly supports the creation of the  
8 Fund for Responding to Loss and Damage ("L&D Fund") to assist developing countries  
9 that are particularly vulnerable to the adverse effects of climate change in responding  
10 to economic and non-economic loss and damage associated with the adverse effects  
11 of climate change, including extreme weather events and slow onset events.

12 Under the UNFCCC Decision 1/CP28, 5/CMA.5 on the "Operationalization of  
13 the new funding arrangements, including a fund, for responding to loss and damage

1 referred to in paragraphs 2-3 of decisions 2/CP.27 and 2/CMA.4", the Governing  
2 Instrument of the Loss and Damage Fund ("L&D Fund") was approved, and the Board  
3 of the Fund ("Board") will be conferred with legal personality and the legal capacity as  
4 necessary for discharging its roles and functions, in particular the legal capacity to  
5 negotiate, conclude and enter into a hosting arrangement with the World Bank as  
6 interim trustee and host of the Fund's secretariat. Noting further Section III C.2 of the  
7 Governing Instrument, the Board will serve the objectives and purpose of the Fund  
8 and steer its operations so that they evolve with its scale and maturity.

9 At the second meeting of the Board held on July 9, 2024, the Board adopted a  
10 unanimous decision, selecting the Philippines as the host country of the Board of the  
11 Fund.

12 To facilitate the establishment and operationalization of the Fund, the State  
13 hereby grants juridical personality and legal capacity to the Board.

14 **SEC. 3. *Juridical Personality and Legal Capacity of the Loss and Damage Fund***  
15 ***Board.*** - The Board, as the governing body of the Fund established by the Meeting of  
16 Parties to the Paris Agreement under the UNFCCC, shall be granted juridical  
17 personality with the total legal capacity to:

- 18 (a) Contract;
- 19 (b) Acquire and dispose of immovable and movable property;
- 20 (c) Institute legal proceedings;
- 21 (d) Negotiate, conclude, and enter into a hosting arrangement with the  
22 World Bank as interim trustee and host of the Fund's secretariat; and
- 23 (e) Undertake related or necessary activities to carry out the purpose for  
24 which the Board was created.

25 **SEC. 4. *Exemption from Taxation.*** - The Property, operations, and transactions of  
26 the LDF and its Board shall be exempt from paying all taxes, duties, and other charges  
27 imposed by the Government and local authorities. The LDF and its Board shall also  
28 be exempt from any obligation for the payment, withholding, or collection of any tax or  
29 duty.

30 The LDF and its Board shall be exempt from the payment of all taxes, duties,  
31 and other charges imposed by the Government and local authorities, except charges  
32 for storage, transport, and services supplied, on the importation of equipment,  
33 machinery, motor vehicles, and materials intended for use in the board meeting. The  
34 same shall be processed in the manner and under existing procedures applied by the  
35 Department of Finance in similarly situated cases.

36 The non-Filipino LDF Officials and invited Experts and Observers shall be  
37 exempt from the payment of income tax on salaries, stipends, emoluments,

1 indemnities, and sickness and accident benefits received from the LDF, regardless of  
2 the currency used. The Government retains its right to tax its nationals. They shall  
3 likewise not be subject to taxes on their local purchases in the quantity as appropriate  
4 for the duration of the board meeting.

5 The non-Filipino LDF Officials and invited Experts and Observers shall be  
6 exempt from the payment of all taxes, duties, and other charges imposed by the  
7 Government and local authorities, except charges for storage, transport, and services  
8 supplied, on the importation of personal effects in the quantity as appropriate for the  
9 duration of the board meeting.

10 Goods released tax-free and duty-free under this Agreement shall be subject  
11 to applicable taxes and duties if sold, transferred, or exchanged in the Philippines to  
12 non-exempt persons or entities, computed based on the value of the goods at the time  
13 of the importation pursuant to existing Government rules and regulations.

14 **SEC. 5. *Repealing Clause.*** - All laws, presidential decrees, executive orders,  
15 administrative orders, and rules and regulations inconsistent with this Act are hereby  
16 repealed, modified, or amended accordingly.

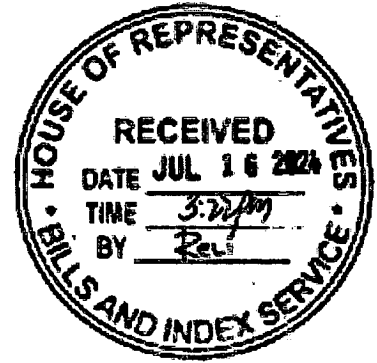
17 **SEC. 6. *Effectivity.*** - This Act shall take effect immediately upon its publication in the  
18 Official Gazette or at least two (2) newspapers of general circulation.

*Approved,*

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

Nineteenth Congress  
Third Regular Session

House Bill No. **10612**



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Introduced by **REP. JOEY SARTE SALCEDA**

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**AN ACT**  
**GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE**  
**BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE**  
**PHILIPPINES**

**EXPLANATORY NOTE**

The establishment of the Fund for Responding to Loss and Damage (L&D Fund) and its hosting by the Philippines is the culmination of this country's years of work in the various Conferences of Parties (COPs) on climate change. The country's delegations to such conferences have pushed strongly for the principle that countries like the Philippines are disproportionately affected by lasting and inevitable effects of climate change, despite accounting for far fewer emissions on a per capita basis than developed countries.

In particular, the Fund is the logical next step to the United Nations Green Climate Fund (UN-GCF) which this representation chaired in 2013-2014, as its first Asian co-chair.

The country's hosting of the L&D Fund will ensure that the Philippines optimizes access to the necessary financing to make the country more climate-resilient.

This bill establishes the legal framework necessary to confer juridical personality, legal capacity, tax exemptions, and administrative support to the L&D Fund Board. The timely passage before August 9, 2024, underscores the Philippines' readiness to fulfill its hosting responsibilities and advance global climate resilience efforts.

In view of the foregoing, the approval of this bill is urgently sought.

  
**JOEY SARTE SALCEDA**



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

Nineteenth Congress  
Third Regular Session

House Bill No. **10612**

---

Introduced by **REP. JOEY SARTE SALCEDA**

---

**AN ACT**  
**GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE**  
**BOARD OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE IN THE**  
**PHILIPPINES**

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

**SECTION 1. *Short Title*** – This Act shall be known as "The Loss and Damage Fund Board Act."

**SEC. 2. *Declaration of Policy*** – It is the policy of the State to advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature and to protect the climate system for the benefit of humankind.

As a party to the United Nations Framework Convention on Climate Change ("UNFCCC") and the Paris Agreement, the State strongly supports the creation of the Fund for Responding to Loss and Damage ("L&D Fund") to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events.

Under the UNFCCC Decision 1/CP.28, 5/CMA.5 on the "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", the Governing Instrument of the Loss and Damage Fund ("L&D Fund") was approved, and the Board of the Fund ("Board") will be conferred with legal personality and the legal capacity as necessary for discharging its roles and functions, in particular the legal capacity to negotiate, conclude and enter into a hosting arrangement with the World Bank as interim trustee and host of the Fund's secretariat. Noting further Section III C.2 of the Governing Instrument, the Board will serve the objectives and purpose of the Fund and steer its operations so that they evolve with its scale and maturity.

At the second meeting of the Board held on July 9, 2024, the Board adopted a unanimous decision, selecting the Philippines as the host country of the Board of the Fund.

To facilitate the establishment and operationalization of the Fund, the State hereby grants juridical personality and legal capacity to the Board.

**SEC. 3. *Juridical Personality and Legal Capacity of the Loss and Damage Fund Board*** – The Board, as the governing body of the Fund established by the Meeting of Parties to the Paris Agreement under the UNFCCC, shall be granted juridical personality with the total legal capacity to:

- (a) Contract;
- (b) Acquire and dispose of immovable and movable property;
- (c) Institute legal proceedings;
- (d) Negotiate, conclude, and enter into a hosting arrangement with the World Bank as interim trustee and host of the Fund's secretariat; and
- (e) Undertake related or necessary activities to carry out the purpose for which the Board was created.

**SEC. 4. *Exemption from Taxation*** – The Property, operations, and transactions of the LDF and its Board shall be exempt from paying all taxes, duties, and other charges imposed by the Government and local authorities. The LDF and its Board shall also be exempt from any obligation for the payment, withholding, or collection of any tax or duty.

The LDF and its Board shall be exempt from the payment of all taxes, duties, and other charges imposed by the Government and local authorities, except charges for storage, transport, and services supplied, on the importation of equipment, machinery, motor vehicles, and materials intended for use in the board meeting. The same shall be processed in the manner and under existing procedures applied by the Department of Finance in similarly situated cases.

The non-Filipino LDF Officials and invited Experts and Observers shall be exempt from the payment of income tax on salaries, stipends, emoluments, indemnities, and sickness and accident benefits received from the LDF, regardless of the currency used. The Government retains its right to tax its nationals. They shall likewise not be subject to taxes on their local purchases in the quantity as appropriate for the duration of the board meeting.

The non-Filipino LDF Officials and invited Experts and Observers shall be exempt from the payment of all taxes, duties, and other charges imposed by the Government and local authorities, except charges for storage, transport, and services supplied, on the importation of personal effects in the quantity as appropriate for the duration of the board meeting.

Goods released tax-free and duty-free under this Agreement shall be subject to applicable taxes and duties if sold, transferred, or exchanged in the Philippines to non-exempt persons or entities, computed based on the value of the goods at the time of the importation pursuant to existing Government rules and regulations.

**SEC. 5. *Repealing Clause*** – All laws, presidential decrees, executive orders, administrative orders, and rules and regulations inconsistent with this Act are hereby repealed, modified, or amended accordingly.

**SEC. 6. *Effectivity*** – This Act shall take effect immediately upon its publication in the Official Gazette or at least two (2) newspapers of general circulation.

Approved,