

## **TERMS OF REFERENCE FOR JOINT PPCR MISSION**

### **In support of the preparation of the Risk, Resiliency and Sustainability Program (RRSP) of the Government of the Philippines**

**Manila, Philippines  
April 24<sup>th</sup> – May 12<sup>th</sup>, 2017**

A joint mission is being prepared in the Philippines together with the World Bank, Asian Development Bank, and other development partners to continue the development of the RRSP. This document outlines the objective scope and outputs for the proposed mission tentatively scheduled on April 24<sup>th</sup> to May 12<sup>th</sup>, 2017. The mission will be divided in two parts: Part 1 from April 24<sup>th</sup> to May 05<sup>th</sup> will focus on preparatory work for the mission; and Part 2 from May 08<sup>th</sup> to 12<sup>th</sup> will be the mission proper. The mission will be led and coordinated by the Department of Environment and Natural Resources (DENR).

#### **A. BACKGROUND**

Recognizing the critical and complex short- to long-term challenges, the Philippines has demonstrated leadership early on through its strong commitment to a comprehensive climate change policy, institutional, and financing reform agenda. Since 2009, the Government has embarked on several reforms to improve its policy framework for climate response: The Climate Change Act 2009 (CCA) calls for the systematic integration of climate change in various phases of policy formulation, development plans, poverty reduction strategies and other tools and techniques by all agencies of the government. The National Framework Strategy on Climate Change in 2010 defined the overall objectives and the scientific evidence base for climate action. The National Climate Change Action Plan (NCCAP) in 2011 provided a long term roadmap for climate action for reaching its two ultimate outcomes (i) enhanced adaptive capacity of communities, resilience of natural ecosystems, and sustainability of built environment to climate change, and (ii) successful transition towards green growth. The Philippines Development Plan 2011-2016 identifies climate risks as one of the major challenges to the country's inclusive growth goals. The Government has also issued complementary policies on disaster risk reduction and management during this period to enhance convergence between climate adaptation and disaster risk reduction actions. This includes the Philippine Disaster Risk Reduction and Management Act of 2010, which emphasized a substantial policy shift from emergency response to disaster preparedness, risk reduction, prevention and mitigation, rehabilitation and recovery, and financial protection. As a result of these policy reforms, the scope of the Government's climate change response has been further defined across agencies and at the national and local levels. National Government Agencies (NGAs) have to some extent integrated climate adaptation measures into sectoral plans and programs including agriculture, natural resources, and rural and urban infrastructure. At the local level, climate change adaptation and disaster risk reduction are also aimed to be integrated into local development plans and land use plans guided by the Disaster Risk Reduction and Management- Climate Change Adaptation (DRRM-CCA) planning guidelines.

The cross-sectoral nature of climate response necessitated a number of important institutional reforms that facilitated dialogue across national government agencies (NGAs) and with local government agencies (LGUs) and aimed to strengthen convergence across programs. To better coordinate the climate response, the Government strengthened institutional arrangements for planning and delivering climate action by establishing the *Climate Change Commission*. It is supported by climate change offices and focal points of key NGAs and LGUs to implement climate change strategies and measures. The *Cabinet Cluster on Climate Change Adaptation and Mitigation*, a cross-departmental mechanism that includes secretaries of ten departments and agencies, was created to strengthen the delivery of results of the Key Result Area 5 corresponding to the integrity of the environment and climate change adaptation and mitigation. The Philippines DRRM Act of 2010 also established *the National Disaster Risk Reduction and Management Council* to coordinate and manage all disaster risk management interventions of government.

The Government has demonstrated a strong effort to increase finance for climate adaptation and risk resiliency, particularly through the mobilization of domestic resources in the context of a growing national budget, which has been buttressed by a strong economy that has led to a sizeable fiscal space. This overall financing effort has been articulated under two pillars: (1) disaster response financing and disaster risk insurance, and (2) climate adaptation, resilience building and disaster risk reduction investment. The first pillar emphasizes the need for a financing strategy at the national, local, and individual level for disaster risk recovery and response. The second pillar relates to scaling up direct, larger scale, convergent investments for climate adaptation and risk resiliency, supported by improved integration of climate and disaster risks into regular planning, financing and execution processes. In this context, the Government has started to leverage climate change as one growing driver of planning, prioritization, and budgeting processes. Through its national budgeting process, the Government has set the stage to more effectively identify, plan, budget, monitor and report its action on climate change. This has allowed government policymakers to better understand the scope, take stock of the national climate change response, and assess the institutional readiness for scaling up climate change finance. A significant innovation and element of the climate financing reform agenda was *the program convergence budgeting (PCB)* adopted by the Department of Budget and Management (DBM), which has provided an opportunity to bring together under a convergence program, and scale up, climate change actions by NGAs. The PCB is meant to better allow the Government to focus the available fiscal space on key priority programs that support the achievement of the Government's KRAs. As such, the Cabinet Cluster on CC Adaptation and Mitigation (CCAM) formulated the Risk Resiliency Program (RRP) as the framework program to assist the GOP to deliver the outcomes for KRA-5 particularly on strengthening the resiliency of natural ecosystems and the adaptive capacity of vulnerable groups and communities to short and long term risks using a landscape management approach in the 18 major river basins of the country. Further, The *People's Survival Fund (PSF)* in 2012 established a dedicated source of financing for climate action by local government. To further scale up climate action, the Government *aims to mobilize additional domestic and international resources* that would allow for: i) investment for enhancing climate resilience supporting climate change adaptation as well as low carbon growth, and, ii) ensuring insurance that is affordable to poor and vulnerable households and support development of mandatory disaster insurance for local governments and to promote a reinsurance mechanism at the international level.

Despite this strong progress, commitment and leadership, the Government's response to climate change needs further improvement on a programmatic basis, as it remains fragmented and limited in scope and effectiveness. The planning and execution, implementation, and operational frameworks remain a work in progress and correspondingly, the budgeting process could also be strengthened, building on the important development of the past three years. There is, clearly, a significant opportunity and need to build on the achievements and lessons learned from the past few years to further develop a Government national response program for climate risk adaptation and resilience.

The Government has set in motion a process to address these gaps as it envisions an operational framework to improve the response to climate risks through better adapted and more resilient ecosystems, infrastructure, and livelihoods in vulnerable areas across key Philippine landscapes.<sup>1</sup> CCAM Cabinet Cluster Resolution 2016-01 indicates that a national Risk Resiliency and Sustainability Program (RRSP) would be developed, with support from the World Bank/PPCR, to serve as the framework program for national investment aimed at building climate resilience.

The RRSP would aim to increase investments and their results by 1) improving understanding of adaptation and resilience investment needs through identification of climate risks; 2) increased mobilization of adaptation and resilience investments through risk-informed identification of options, planning and financing; and 3) strengthened response to climate risks through efficient and results-oriented execution of adaptation and resilience investments. Through these, the RRSP would improve climate processes between NGAs, LGUs, and communities through consensus building and coordination among agencies, cross-sectoral convergence and complementarity of investments, and effective mechanisms for planning, budgeting, execution, monitoring and evaluation, and learning.

The RRSP could involve programs, activities and projects (PAPs) within four components, which would complement other activities that are critical for building adaptive capacities and resilience, such as improved health services and social protection:

- (i) *Reducing exposure to hazards through ecosystem stability and resilience:* Investments in sustainable management of natural resources and ecosystem services (e.g. protection of forest/mangroves, re/afforestation, rehabilitation of degraded landscapes, sustainable management of timber and fish stocks, soil and water quality management, etc);
- (ii) *Reducing asset vulnerability through protective and resilient infrastructure:* Investments in rehabilitating existing and developing new physical structures (e.g. soil and water impounding structures, embankments, evacuation roads and shelters, resilient housing and roads, early warning systems, etc);
- (iii) *Increasing coping capacity through sustainable and resilient livelihoods:* Investment in strengthening and diversifying income activities and providing insurance (e.g. increase productivity through improved techniques, create new incomes through cash-for-work programs, micro-enterprises, timber plantations, nature-based tourism, weather-based insurance products, etc);

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<sup>1</sup> In line with the Intergovernmental Panel for Climate Change (IPCC) Assessment Report climate risks are defined as the risk of climate change impacts as determined by the interaction of hazard, exposure and vulnerability.

- (iv) *Cross-sectoral response to climate risks through information, knowledge, and institutional capacities:* Areas would include data systems including a collection of climate data, analytical tools, climate information services, trainings and programs for risk-informed planning, and risk-informed development plans and strategies.

The CCAM welcomed the support of the Pilot Program for Climate Resilience (PPCR)<sup>2</sup> of the Climate Investment Fund (CIF) as it offers the opportunity to support the operationalization of the RRSP at a larger and targeted scale. On January 15, 2016, the PPCR Multilateral Development Bank (MDB) Committee approved USD 1,500,000 in PPCR Funding towards the preparation of the Strategic Program on Climate Resilience (SPCR) for the Philippines, with Department of Environment and Natural Resources (DENR) as the Government focal point and the WB as the lead MDB for its preparation.<sup>3</sup> The grant proposal confirmed that the RRSP would constitute the SPCR of the Philippines.

The preparation of the RRSP, will follow five complementary **building blocks**, which aim to enable the Government of the Philippines to increase climate adaptation and resilience investments and their effectiveness in reducing climate risks impacting people and livelihoods in key vulnerable landscapes of the Philippines:

- I. **Business case and knowledge for the RRSP:** the development of the technical, socio-economic, and policy-based rationale for a national program that enables risk-informed planning, budgeting, prioritization, and implementation;
- II. **Scope, content, and approach:** the development of criteria and tools to formulate the scope, content, and approach of the RRSP;
- III. **Execution processes and modalities:** the development of institutional and operational mechanisms and procedures to translate plans and budgets into implementable actions and initiate program roll-out;
- IV. **Monitoring, evaluation, and reporting:** the development of the framework to monitor, evaluate and report RRSP results and allow feedback and learning; and
- V. **Consultative Process:** securing inclusive cross-sector, cross-level dialogue and/or consensus across key stakeholders to prepare and implement the RRSP.

## B. MISSION OBJECTIVES

A joint mission is planned for April 24<sup>th</sup> to May 12<sup>th</sup>, 2017 in Manila Philippines in order to continue the dialogue with the Philippine government on climate resilience in the Philippines, and consult with stakeholders on the development of the RRSP, which is positioned to be a vehicle for implementing the RRSP. The design of the joint mission notes the following key principles: (i) reflects country-driven process such that the mission is led and coordinated by the GOP through the DENR and CCAM-DRR; (ii) provides broad participation by the stakeholders to promote ownership and inclusiveness, and (iii) steer the development of country-specific climate adaptation

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<sup>2</sup> The PPCR is designed to pilot and demonstrate ways to integrate climate risk and resilience into developing countries' core development policies and planning.

<sup>3</sup> DENR as the assigned focal agency for the CIF, submitted an Expression of Interest (EOI) to participate in the PPCR in March 2015. The Philippines was selected as a new pilot country during the meeting of the PPCR sub-committee on May 14, 2015.

and resilience goals, integration of climate resilience in the national processes, and formulation of investment and implementation programs. Specifically, the mission will:

1. Confirm the progress of the RRSP development, and make adjustments to the work plan. A number of key analytical products have been completed in support of the RRSP development. These analytical products underpin the design, financing and implementation arrangements of the RRSP, and are important for ensuring the relevance, effectiveness and efficacy of the program. The reviews will be undertaken for analytical products on:
  - a. Guidance for monitoring, evaluating and reporting on resilience through indicators<sup>4</sup>;
  - b. Institutional and financial arrangements for the RRSP<sup>5</sup>;
  - c. Development of investment options for RRSP Implementation<sup>6</sup>.
2. Discuss and confirm the design, financing and implementation of the RRSP. Key for discussion is the leadership of the RRSP by national government agency (NGA), institutional arrangement, and coordination among NGAs, between NGAs and LGUs, and among LGUs for RRSP implementation. Details of the design, financing and implementation of the RRSP will be included in a roll-out plan, which will be the basis for discussion and confirmation on:
  - a. Priority regions/ provinces for RRSP implementation;
  - b. Methodology and framework for resilience investment planning;
  - c. Implementation and financing arrangements for RRSP;
  - d. Phased approach for national implementation of the RRSP.
3. Discuss and confirm the roles and participation of MDBs and other institutions in the RRSP.

## C. MISSION INPUTS & OUTPUTS

### Inputs

Input documents for the mission will include the following:

1. Notes produced as part of the Gap Analysis
  - a. Tracking and M&E Analytical note produced as part of the Gap Analysis;
  - b. Implementation Guidance Note;
  - c. Knowledge, Institutions and Finance Note;
  - d. Focus and Prioritization Note;
2. Guidance Paper on M&E for the RRSP (in draft).
3. Climate Resilience Financing Option Note;
4. Institutional and Financing Analysis Note;

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<sup>4</sup> The main input documents for review are the Tracking and M&E Analytical note produced as part of the Gap Analysis, and the Guidance Paper on M&E for the RRSP (draft).

<sup>5</sup> The main input documents for review are the Implementation Guidance Note and Knowledge, Institutions and Finance Note produced as part of the Gap Analysis; the RRSP financing Note; the Institutional and Financing options Note; and documents prepared for the Budget 18 – Budget Priorities Framework, and RRP Guidance Note.

<sup>6</sup> The main input documents for review are the Focus and Prioritization Note produced as part of the Gap Analysis, and the report of economic analysis of resilience investment options with methodology for one case study site (in draft); and the Roll-Out plan for the RRSP (in draft).

5. Report of economic analysis of resilience investment options with methodology for one case study site (in draft)
6. Inputs documents to support resilience integration in Budget 2018:
  - a. Budget Priorities Framework;
  - b. RRP Guidance Note;
7. Roll-Out plan for the RRSP (in draft).

## **Outputs**

The mission will produce an Aide Memoire that captures the key outcomes of discussions, agreements reached, and next steps during the mission. The findings will highlight the design, financing and implementation arrangements for the RRSP.

## **D. MISSION PARTICIPANTS**

The following stakeholders are expected to participate in the mission<sup>7</sup>:

### **National Government**

- Department of Budget and Management (DBM),
- Department of Finance (DOF),
- National Economic and Development Authority (NEDA)
- Department of Science and Technology (DOST),
- Department of Public Works and Highways (DPWH)
- Department of Environment and Natural Resources (DENR)
- Department of Agriculture (DA)
- Department of Interior and Local Government (DILG)
- Climate Change Commission (CCC)
- Office of the Cabinet Secretary (Performance and Project Management Office)
- Local Government Units (LGUs)

### **Development Partners (DPs)**

- Agence Française de Développement (AFD)
- Asian Development Bank (ADB)
- Australian Aid (DFAT)
- Canadian Development Agency (CIDA)
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- European Union (EU)
- Japan International Cooperation Agency (JICA)
- Korea International Cooperation Agency (KOICA)
- Swedish International Development Cooperation Agency (SIDA)
- United Nations Development Program (UNDP)
- United States Agency for International Development (USAID)

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<sup>7</sup> The list of stakeholders will be expanded as planning for the mission progresses.

- World Bank Group (WB)

#### Civil Society

- NGOs
- Academia
- Land Bank of the Philippines
- Government Service Insurance System (GSIS)

### E. AGENDA AND INDIVIDUAL MEETING OBJECTIVES

A preliminary agenda is indicated in the table below. This agenda will be further developed as preparation for the mission progresses.

Date/ Time	Venue	Activity/Agenda	Participants	Brief Description
Preparatory work				
Day 1, Apr 24, Monday				
Morning		Joint Preparatory Meetings	WB TEAM	
Day 2, Apr 25, Tuesday				
Morning 9-10 am		Kick-off Meeting	DENR, WB, ADB	Developing results framework
10 am-4: 00 pm		TWG Meeting	TWG Agencies	
Day 3, Apr 26, Wednesday ( Field Mission- Region 13)				
Morning	Butuan City	Field Visit Fly in: Butuan	RDC Region 13: NEDA, DBM, DA, DILG, DENR	Overview of RRSP and discussion on design and implementation arrangements
	10am-3 pm	Meeting with RDC members		
	Travel to Surigao City			
Days 4-5, Apr 28-29, (Field Mission- Region 13)				

	Surigao City	Meetings with Provincial Offices (PENRO, PPDO, DA, Prov. 1. ENRO, Budget Office, DRRM, DILG, LGUs)  Wrap up with Provincial offices	Surigao del Norte, Surigao del Sur, Dinagat, Agusan del Norte, Surigao City	Overview of RRSP and discussion on design and implementation arrangements
<b>Day 6, Apr 29, Saturday</b>				
Morning/Afternoon		Field Visit/  Travel Back to Manila		
<b>Day 7, May 2, Tuesday</b>				
Morning		Meeting on institutional and financial arrangements for the RRSP	DBM, DOF, NEDA	
<b>Day 8, May 03</b>				
Morning		Meeting on developing guidance for monitoring, evaluating, and reporting on resilience through indicators		
Afternoon		Meeting on development of investment options for RRSP implementation		
<b>Days 9-10, May 04-05: Preparatory meetings &amp; Meeting of DENR Core Group</b>				



Date/ Time	Venue	Activity/Agenda	Participants	Brief Description
<b>Mission Proper</b>				
<b>Day 1, May 08, Monday</b>				
Afternoon 1:00-4:00	DENR	Mission Team meeting	DENR, WB, ADB, PPCR Secretariat	Mission agenda and outputs
<b>Day 2, May 09, Tuesday</b>				
Morning 9:00-12:00	DENR	Kick-off meeting  TWG meeting	DENR Secretary; TWG; mission team DENR Planning ASec/Dir (as USec Teh suggested to involve them)  TWG; mission team	Mission objectives and expected outputs, feedback
Afternoon 1:00-4:00	DENR	Oversight Agencies meeting	CCC, DBM, NEDA, CabSec., DOF; mission team	Discussion on financing and implementing arrangements for the RRSP
<b>Day 3, May 10, Wednesday</b>				
Morning 9:00-12:00	DENR	Meeting with Development Partners (DPs)	GIZ, UNDP, EU, AFD, USAID, DFAT, mission team	Overview of RRSP and discussion on design and implementation arrangements
Afternoon 1:00-4:00	DENR	Meeting with Civil Society	CSOs, academia, mission team	Overview of RRSP and discussion on design and implementation arrangements
<b>Day 4, May 11, Thursday</b>				
Afternoon 12:00-4:00	DENR	Meeting with LGUs	Selected LGUs and the five leagues	Overview of RRSP and discussion on design and

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				implementation arrangements
<b>Day 5, May 12, Friday</b>				
Afternoon 1:00-3:00	DENR	Wrap-up Meeting	DENR Secretary, FASPS, Planning ASec., Mission team	Discussion of mission findings and next steps