

24 JUL 23 P2:33

SENATE  
S. No. 2750

RECEIVED BY



---

**Introduced by SENATOR RAMON BONG REVILLA, JR.**

---

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

**EXPLANATORY NOTE**

According to the 2023 World Disaster Risk Index, the Philippines remained as the most disaster-prone country in the world. Since 2011, the country's risk index is the highest among 193 countries being assessed based on indicators that correlate exposure to natural disasters and capacity to respond. The country alarmingly scored "high in its exposure, vulnerability, susceptibility, lack of coping capacities, and lack of adaptive capacities in the face of disasters."

In a 2020 data presented by the Philippines Statistics Authority, the country incurred damages amounting to 463 billion pesos due to natural extreme events and disasters from 2010 to 2019 - where the Agricultural sector has been largely affected. In 2023, the World Bank highlighted that "extreme weather events and rising temperatures could see 13.6% of the Philippines' economic output lost by 2040, inflicting a heavy toll on the country's poorest if it does not address climate change."

Recognizing these existing vulnerabilities compounded by increasing extremes of natural disaster, the country has continued to become a "proactive advocate for heightened climate responsibility and justice on the global stage."

Recently, the country has been elected to host the Loss and Damage Fund (LDF) Board. The LDF Board, established at the 2023 UN Climate Change Conference held at Dubai, United Arab Emirates, is a financing facility created under the auspices of the United Nations to provide assistance to vulnerable countries to cope with the damaging and irreversible impacts of climate disasters. The Department of Environment and Natural Resources reiterated that the country is "most qualified" to host the Loss and Damage Fund because it is a living testament to the effects of climate change. The country has always been at the forefront of this global challenge by necessity of "survival, justice and protecting the rights of our people."

This measure will grant juridical personality and legal capacity to the Board which will enable it to perform its mandates, including the capacity to negotiate, conclude and enter into a hosting agreement with the World Bank as interim trustee and host of the Fund's secretariat.

This measure has been endorsed by President Ferdinand Marcos, Jr. in his recent State of the Nation Address.

In view of the foregoing, and in consideration to mobilize innovative sources of climate financing to address 'loss and damage,' the immediate approval of this measure is earnestly sought.



**RAMON BONG REVILLA, JR.**

24 JUL 23 P2:33

**SENATE**  
**S. No. 2750**

RECEIVED BY 

---

**Introduced by SENATOR RAMON BONG REVILLA, JR.**

---

**AN ACT**  
**GRANTING JURIDICAL PERSONALITY AND LEGAL CAPACITY TO THE LOSS**  
**AND DAMAGE FUND BOARD 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 and referred to as "*The Loss*  
2       *and Damage Fund Board Act.*"

3       Sec. 2. *Declaration of Policy*— It is the policy of the State to protect and advance  
4       the right of the people to a balanced and healthful ecology in accord with the rhythm  
5       and harmony of nature.

6       As a party to the United Nations Framework Convention on Climate Change  
7       ("UNFCCC") and the Paris Agreement, the State lauds the creation of the Loss and  
8       Damage Fund ("Fund") under the Decision 2/CMA.4 of the Conference of Parties  
9       serving as the meeting of Parties to the Paris Agreement ("CMA") and during the 27<sup>th</sup>  
10      Conference of Parties ("COP") to the UNFCCC under Decision 2/CP.27 of the COP, and  
11      its operationalization during the 28<sup>th</sup> COP under COP Decision 1/CP.28 and CMA  
12      Decision 5/CMA.5. The State resolutely welcomes its establishment to finance and  
13      assist the most vulnerable developing countries' response and recovery from losses  
14      and damages caused by climate change.

15      In recognition of the role that the State must take to advance climate and  
16      disaster risk resilience, it shall be the policy of the State to take a whole of government



1 approach in creating and implementing effective policy frameworks and to mobilize  
2 broad and innovative sources of climate financing, addressing loss and damage.

3 To further unlock opportunities in accelerating access to climate finance and  
4 investments which are critical for future-proofing the economy and ensuring  
5 sustainable and inclusive growth for all Filipinos, the State supports the hosting of the  
6 Loss and Damage Fund Board ("Board") in the Philippines. Towards this end, the State  
7 recognizes the need to grant juridical personality and legal capacity to the Board to  
8 enable it to discharge its roles and functions.

9 *Sec. 3. Juridical Personality and Legal Capacity of the Loss and Damage Fund*  
10 *Board* - The Board, as the governing body of the Fund established by the COP and  
11 CMA shall be granted juridical personality with full legal capacity to:

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

19 *Sec. 4. Privileges, Immunities, and Exemptions* - The Board, as an international  
20 organization, shall enjoy the status, prerogatives, immunities, privileges, and  
21 exemptions granted under the host country agreement entered into with the  
22 Government of the Republic of the Philippines ("GOP").

23 *Sec. 5. Tax Exemptions.* - The property, operations, and transactions of the  
24 Fund and its Board shall be exempt from the payment of all taxes, duties, and other  
25 charges imposed by the GOP and local authorities. The Fund and its Board shall also  
26 be exempt from any obligation for the payment, withholding or collection of any tax  
27 or duty.

28 The Fund and its Board shall be exempt from the payment of all taxes, duties,  
29 and other charges imposed by the GOP and local authorities, except charges for  
30 storage, transport and services supplied, on the importation of equipment, machinery,  
31 motor vehicles, and materials intended for use in the board meeting. The same shall

1 be processed in the manner and under existing procedures applied by the Department  
2 of Finance in similarly situated cases.

3 The non-Filipino Fund officials and invited experts and observers shall be  
4 exempt from the payment of income tax on salaries, stipends, emoluments,  
5 indemnities, and sickness and accident benefits, received from the Fund, regardless  
6 of currency used. The GOP retains its rights to tax its own nationals. They shall likewise  
7 not be subject to taxes on their local purchases in the quantity as appropriate for the  
8 duration of the board meeting.

9 The non-Filipino Fund officials and invited experts and observers shall be  
10 exempt from the payment of all taxes, duties, and other charges imposed by the GOP  
11 and local authorities, except charges for storage, transport and services supplied, on  
12 the importation of personal effects in the quantity as appropriate for the duration of  
13 the Board meeting.

14 Goods released tax-free and duty-free pursuant to this Act and under the host  
15 country agreement between the GOP and the Board shall be subject to applicable  
16 taxes and duties if sold, transferred, or exchanged in the Philippines to non-exempt  
17 persons or entities, computed based on the value of the goods at the time of the  
18 importation pursuant to existing rules and regulations.

19 *Sec. 6. Repealing Clause.* - All laws, presidential decrees, executive orders,  
20 administrative orders, and rules and regulations inconsistent with this Act are hereby  
21 repealed, modified, or amended accordingly.

22 *Sec. 7. Effectivity.* - This Act shall take effect upon publication in the Official  
23 Gazette or in at least two (2) newspapers of general circulation.

*Approved,*