FILL IN THE GAPS

Addressing non-economic loss and damage and slow onset events in the Philippine context

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Aksyon Klima Pilipinas *is the Philippines's leading civil society network for climate action, aiming to build campaigning capacities and leadership among its partner communities, CSOs, and the academe on climate and environment-related policies and issues.*

Rationale

Addressing Loss and Damage (L&D) is of utmost importance to the Philippines, one of the most vulnerable countries to the climate crisis. This is reflected in the leadership it has shown at the multilateral level on this workstream, most notably its position as the host of the Board of the Fund for Responding to Loss and Damage (FRLD) since 2024.

At UNFCCC COP30 in Belem, Brazil, the FRLD formally announced the window for applications to access USD250 million of grants under its pilot funding program, the Barbados Implementation Modalities (BIM). Per the decision made in the 7th FRLD Board meeting held the month before COP30 in the Philippines, developing countries will have six months after 15 December 2025 to submit their respective proposals to avert, minimize, or address L&D within their jurisdictions.

In preparation for this work, the Philippine government, led by the Department of Environment and Natural Resources (DENR), engaged with the United Nations Development Programme in 2024 to conduct a scoping of the climate and disaster financing landscape, in aid of developing a roadmap to access the FRLD. These missions identified the following main gaps: inadequate capacity for estimating losses and damages; poor availability and accessibility of data; lack of interoperability across databases; and dependency on externally produced risk models.

These findings are being considered in the ongoing development of the Loss and Damage Priority Support Framework, which will form the basis of the Philippines' proposal to FRLD that can reach up to USD20 million (or around PHP1.2 billion). These could also feed into the formulation of a potential National Loss and Damage Multi-Dimensional Policy Framework and Strategy[1] and other strategies relevant to the L&D agenda.

Given the ongoing increase in global greenhouse gas (GHG) emissions, resulting more extreme climate change impacts, the country's overall vulnerability, and the relatively small possible grant vis-à-vis national needs against L&D, it is vital for the Philippines to formulate a proposal that truly responds to the needs of the most vulnerable communities and sectors. It also needs to align with the set criteria for accessing the BIM, including employing a bottom-up, country-led, and country-owned approach.

This paper is the intended second submission of Aksyon Klima Pilipinas (AKP) as a contribution to the ongoing work under the Loss and Damage Priority Support Framework and other L&D-related engagements by the Philippine government[2]. It provides recommendations on specific issues that the country's FRLD proposal should prioritize, grounded on an evidence-based and "bottom-up" approach.

This approach is seen through the following case studies produced by AKP member-organizations, each examining how changing climate conditions are causing losses and damages on climate-vulnerable communities in different parts of the Philippines. They respectively and collectively highlight the lived realities in these areas, which may also be seen in similar situations for many Filipinos that require decisive actions to address L&D.

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[1] This was mentioned during a debriefing on the FRLD-BIM with the House of Representatives Committee on Climate Change on 15 January 2026.

[2] The first paper, "Recommendations for the development of the Loss and Damage Priority Support Framework", was submitted to the DENR on December 2025. This paper builds on some of the recommendations from this paper.

Case #1: Non-economic L&D on Indigenous communities in the Philippines

By Tebtebba Foundation[3]

L&D manifests itself differently for Indigenous Peoples, who are situated in areas with high exposure to climate hazards, depend heavily on their natural environments for their livelihoods and cultural identities, and are usually marginalized from decision-making processes. Thus, their perspectives on addressing L&D are not just shaped by economic factors, but also of non-economic ones: protecting lives, upholding rights, and preserving identities.

For this case study, four Indigenous groups in the Philippines are covered: the Balangao of Natonin, Mountain Province; the Tagbanua and Batak of Sitio Almaciga, Palawan; the Teduray and Lambangian of Maguindanao; and the Manobo of Agusan Marsh, Agusan del Sur.

Across these contexts, communities reported non-economic losses and damages (NELD) resulting from both rapid and slow onset events. They experienced losses of lives, disruption of mourning rituals, loss of traditional knowledge and ecological indicators, and gradual weakening of *bayanihan* practices, rituals, and sacred land-based traditions. The climate crisis has also adversely affected emotional well-being, with many reports of inflicted trauma, fear, dismay, and a declining sense of security in their homelands.

These impacts vary among different sectors. Women were observed to carry compounded burdens, such as managing irregular incomes, caring for children and the elderly in times of crises, facing limited access to aid, and in some areas, increased risks of gender-based violence. Meanwhile, signs indicate that more Indigenous youth are drifting away from traditional practices due to factors such as exclusion from local governance processes and poverty drawing them to risky forms of wage labor.

The climate vulnerabilities of Indigenous Peoples are enhanced by ongoing systemic exclusion. Existing Indigenous Peoples and climate-relevant policies and legislation remain weakly implemented, often lacking in sufficient resources and capacities. Potential sources of support, including the FRLD and the People's Survival Fund, also remain lacking in mechanisms to ensure direct access and adequate support.

There was also a lack of a database containing quantitative information across the study sites due to a lack of capacity and funding. This highlights the need to provide more support to Indigenous Peoples to enable a more accurate and holistic assessment of the impacts of L&D in their respective communities.

Despite these challenges, Indigenous Peoples in these areas have remained resilient, utilizing coping strategies including *bayanihan* (collective labor), the use of rafts during floods, crop diversification, and spiritual rituals. Through traditional councils and Indigenous political structures, they continue to defend ancestral lands and ecosystems amidst political marginalization, threats, and violence.

In these actions, communities emphasize the importance of integrating Indigenous knowledge into disaster preparedness and climate adaptation planning. These do not only help minimize or address NELD, but also exemplify how the resilience of Indigenous Peoples is inseparable from their cultural and spiritual frameworks.

[3] The full study is being finalized and prepared for publication, as of this writing.

Case #2: Lived experiences of Indigenous farmers in Atok, Benguet

By Manila Observatory[4]

Atok is a fourth-class municipality in Benguet, with many communities, including of Indigenous Peoples, dependent on agriculture for their livelihoods. However, farmers have been noticing changing climatic conditions – changes in seasonal monsoonal patterns, increase in average temperatures, and more frequent and intense typhoons. These have resulted in factors that lead to changes in agricultural productivity, such as scarcer water availability, pest proliferation, and damages to crops brought on by consecutive rainy days.

Yet the impacts of these shifts in the local climate are also beginning to be seen more in the non-economic aspects of living in Atok. From the perspective of Indigenous Peoples, the changes in farming practices go beyond livelihoods; they also disrupt their traditional knowledge systems. For instance, they rely on bioindicators, such as the arrival of certain species of birds and plants, to predict the onset of climatic events that aid their decision-making and enable their preparations for planting activities.

However, the biodiversity loss brought on by climate changes is triggering a shift towards reliance on individualistic practices instead of collective wisdom. For example, vegetable farming in Atok, a highland area, is not a communal endeavor like rice cultivation in lower-elevation areas that is more intrinsically tied to Indigenous cultures.

Being confronted with an influx of imported vegetables and lack of regulation of market prices, farmers are unable to compete in the market. Some are forced to throw away some of their harvests, while others have to find other livelihoods, such as flower-farming or tourism activities. If this decline continues, more young Indigenous Peoples in the area will likely seek more stable sources of income.

There was also an observed mismatch between available forms of government assistance and what the Kankanaey and Ibaloi need. Communities reported receiving neither the right type of seeds nor sufficient crop insurance to recover after climate-related disasters. Accessible forms of support are also not suited to help them address NELD.

The case of the Kankanaey and Ibaloi communities in Atok highlights the importance of ensuring the preservation and longevity of Indigenous knowledge, especially when addressing economic and non-economic L&D. It also provides a living example of how such types of losses and damages are not fully isolated from one another.

The difficulties in identifying and understanding their interlinkages is more pronounced in the context of Indigenous communities, where similar cases are undocumented more often than in urban areas. This highlights the need to provide more needs-based support to Indigenous Peoples to address, if not avoid economic and non-economic L&D.

[4] The full study can be accessed here: https://www.observatory.ph/wp-content/uploads/2024/11/LD-Atok-revised.pdf

Case #3: Non-economic climate impacts on communities of Nocnocan Island

By Environmental Science for Social Change[5]

The village in Nocnocan Island in Talibon, Bohol is one of the most densely-populated rural villages in the Philippines. Yet it is also highly-vulnerable to both rapid and slow onset events as imposed by the climate crisis, given its small size and location. The village has not only endured losses of housing due to super-typhoon Rai (Odette) in 2021; two-thirds of the island is also at risk of submergence due to sea level rise by 2050.

Overall, the villagers indicated non-economic impacts as a higher threat to their well-being than economic L&D. Many reported mental health challenges, with induced fear and insecurity being rated as the top impact due to extreme weather events on the island. Other non-economic impacts, such as loss of communications and disruption of religious and social activities also figured as issues of higher urgency to be addressed than the likes of loss of property and savings.

The damages brought by super-typhoon Rai also affected how households are looking into their long-term adaptation strategies. For example, as residents need to spend their money for repairs to their homes and other parts of recovery, such funds were diverted from what would have been spent for the education of the children and youth on the island.

Given the high climate risk, many of the residents intend to remain on the island due to familial ties and livelihoods. Nonetheless, some are also encouraging the next generation to migrate to other places for education and security purposes, with hazards like sea level rise and strong storms still imminent in the area for years to come. However, a lack of capacity for migration was identified as a factor that prevents many of the younger residents from moving away.

The dynamics of these lived realities are also influenced by other socioeconomic factors, including gender. For example, women-headed households are generally less dependent on the island setting for their livelihoods compared to those led by men; this makes women more likely to consider migrating. However, with its small size and distance from nearby major islands, the residents of Nocnocan have fewer options to diversify their sources of income.

This case exemplifies the short and long-term implications of climate change on the losses and damages experienced by highly-vulnerable communities. It also highlights the need to integrate gender and sector-responsive approaches to data management that would feed into policy and decision-making.

In a country that has one of the highest recorded displaced populations due to climate-related disasters in recent years, this case also shows the complex web of factors in forcing persons to migrate or not; all of these have effects on both economic and non-economic aspects of life, especially in small island communities in the country.

[5] The full study can be accessed here: https://essc.org.ph/content/wp-content/uploads/2024/08/RACPA-Year-1-Regional-Research-Report.pdf

Recommendations

While the funding that can be accessed under the FRLD is small compared to the needs of the country on the L&D agenda, it is still vital for the Philippines to submit a proposal to access resources under the BIM and, in the event of approval, maximize their usage. To accomplish this, it is important to prioritize issues that do not already have readily-available and accessible means for support.

In this regard, this paper recommends that ***the Philippines' proposal to the FRLD prioritize addressing non-economic losses and damages and the impacts of slow onset events.*** This is due to the lack of existing national and local mechanisms to respond to these issues, in contrast to accounting for economic losses and damages and responding to rapid onset events like typhoons that are already largely covered in the national and local disaster risk reduction management frameworks.

From the mentioned cases, slow onset events to be prioritized may include extreme temperatures and sea level rise, which are frequently observed to impact communities around the Philippines and could result in irreversible losses and damages. Among these are of non-economic nature, including decline of ecosystem services, loss of Indigenous and traditional knowledge, forced displacement, and loss of social cohesion, which are not as easily detected or assessed under current systems in the Philippines.

One of the specific priorities for consideration in funding proposals is on ***enhancing national and local data management systems relevant to L&D***, especially on NELD and slow onset events. This is in line with the national government's identified priorities for the L&D agenda and some of the current gaps on L&D, while also responding to urgent necessities in vulnerable communities across the country. As seen in the cases of Indigenous Peoples mentioned previously, supporting community-led documentation and monitoring of losses and damages should include participatory mapping and culturally-grounded indicators of NELD.

What all the cases covered in this paper highlight is that economic losses and damages and NELD are inseparable. While they are distinguished in L&D accounting, in aid of developing targeted, appropriate policy, technical, and financial responses, economic losses and damages are observed to often cascade to NELD and vice-versa, at times spanning a period of months to years. These linkages may not always be captured in data management systems, due to factors such as a lack of capacity in data collection and accounting and weak long-term implementation in many localities in the Philippines.

This highlights the need for ***the information generated from documented lived experiences, Indigenous knowledge systems, and traditional practices to be fully integrated into national-level L&D data collection, assessment, and reporting frameworks***.

It also necessitates actions to improve the L&D-relevant data ecosystem to be ***complemented by capacity-building programs for national and local government personnel and other stakeholders on conducting L&D assessments*** and other relevant actions, such as analyzing climate change projections, impact analyses, and hazard mapping.

Other aspects of the L&D data ecosystem that must be improved include the following:

- Collection and analysis of gender, age, and disability-disaggregated data to determine specific and differentiated impacts of economic and non-economic losses and damages on persons from different sectors; and
- Proper accounting of lived experiences, traditional knowledge, and other qualitative information relevant to addressing L&D, especially from Indigenous communities.

These cases also emphasize the necessity of ***integrating localized needs and contexts into L&D-relevant decision-making and formulation of interventions, including those that would be supported under the FRLD***. To cite the cases involving Indigenous communities, processes involving free, prior, and informed consent (FPIC) should be complemented by meaningful co-designing and co-implementation mechanisms that enable Indigenous Peoples to shape L&D responses beyond procedural consultation. This should be part of the national implementation of interventions addressing losses and damages that ensures inter-agency coordination and upholds rights-based frameworks for the most vulnerable sectors and communities.

Improving the country's capacity for data management would ultimately benefit the country's capacity to access resources under the FRLD and other climate financing mechanisms, with a strengthened needs and evidence-based approach. It would also improve the implementation of a "bottom-up" approach to governance and solutions implementation under the L&D agenda, although this must be accompanied by other necessary policy and governance reforms to ensure local stakeholders, especially those from the most vulnerable sectors and communities, are not left behind in the decision-making processes.