Keynote Address of Commissioner Rachel Anne S. Herrera
Climate Change Commission (CCC)
Shifting Financial Flows to Invest in Low Carbon Development in Energy in Eastern Visayas
March 7, 2019 | Tacloban City

A pleasant morning to all of you here today.

Ma'am Mylene Rosales, thank you for the energized and warm welcome to all of us present here.

I'd like to start by sharing a quote from Ms. Patricia Espinosa, who is the Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC), which I think puts into perspective the state of climate finance across the globe.

She said: "Trying to address climate change at current financing levels is like walking into a Category 5 hurricane protected by only an umbrella." She also said: "Right now we are talking in millions and billions of dollars when we should be speaking in trillions. The impacts of extreme weather are already creating chaos."

She delivered this statement during the Climate Change Conference last year, calling for scaled-up climate finance

and action from world leaders, as urged by the Paris Agreement.

For us and many developing countries who bear the brunt of climate change impacts, the industrialized and developed nations—or those who have caused global warming—have the bigger responsibility of addressing climate change. That is, to significantly reduce their carbon emissions in the atmosphere and to provide scaled-up and predictable climate finance, among others, to developing nations in order to enhance resilience against future impacts.

For us, this is pursuing "climate justice," a fight for what is right and fair in this time of climate crisis.

We Filipinos, however, cannot just sit by the sidelines and carry on with our lives, business-as-usual. In this conference, we put out heads together to tackle the question: How do we transform our economy from brown to green, and shift financial flows towards low carbon development?

You might be wondering why the Philippines, a developing country that only contributes a negligible amount of 0.39% to the global share of greenhouse gas (GHG) emissions, with its

energy sector contributing only 0.22% to the total,[1] should reduce further its emissions?

The simple answer is this: We should exercise leadership by not further contributing to global warming and this climate crisis.

In the 2019 Global Climate Risk Index, which ranked the countries most affected by climate change for the 20-year period of 1998 to 2017, the Philippines is number five, with annual losses of 0.5% of its GDP due to climate change impacts.[2]

The Philippines is also actually projected to sharply increase its CO2 emissions over the next decades due to the economic trajectory and our rapidly growing population.

From 2000 to 2010, Philippine net emissions increased from 22 metric tons of carbon dioxide equivalent (MtCO2e) to 72 MtCO2e, or an increase of about 230%.[3]

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[1] *World Resources Institute, 2017. https://www.wri.org/blog/2017/04/interactive-chart-explains-worlds-top-10-emitters-and-how-theyve-changed*
[2] *Germanwatch, Global Climate Risk Index 2019. https://reliefweb.int/sites/reliefweb.int/files/resources/Global%20Climate%20Risk%20Index%202019_2.pdf*
[3] *National Policy Review on Energy (NPRE)*

Under the business-as-usual (BAU) projection, emissions are estimated to reach 320 MtCO2e in 2030, with forests capturing approximately 103 MtCO2e. By 2050, emissions are expected to quadruple if no interventions to mitigate are done.

The more complex answer to the question, however, which I hope could also be explained by our experts in the panel discussions today, is that shifting towards low carbon development is not detrimental to our economy, but in fact, an opportunity for growth to those willing to take it.

The Philippine Development Plan (PDP) promotes various low carbon development initiatives in the areas of green technology innovations, energy efficient technologies, climate-smart infrastructures and designs, and green urban transport systems, among others. An estimated $4.12 billion is needed to carry out these mitigation strategies alone.[4]

Low carbon development is an opportunity that is already encouraged by some of our landmark laws for the environment and climate change.

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[4] *Based on the Philippines Mitigation Cost Benefit Analysis (updated report, June 2015 version) by the Climate Change Commission through USAID under the Building Low Emission Alternatives to Develop Economic Resilience and Sustainability (B-LEADERS) project.*

In particular, the Green Jobs Act of 2016, which is the first in the world, supports the transformation of our sectors by promoting the creation of green jobs and fostering a just transition towards a green economy.

As early as 2008, we have also enacted the Renewable Energy Law, which provides for the full development and use of RE in the country, but since then, there remains a need for greater participation from the private sector to realize its full potential.

In 2016, installed capacities of coal power plants increased by 87%–from 3,967 megawatts (MW) in 2005 to 7,419 MW in 2016. The share of renewable energy in the power mix of the Philippines also declined to 32% in 2016 from 33.5% in 2005, while that of coal surged from 25% in 2005 to 35% in 2016.[5]

We search for reasons to be hopeful no further than here in Tacloban in Eastern Visayas, whose energy mix has a significant contribution from geothermal and a growing share from solar energy. Moreover, just yesterday, Negros Occidental declared itself as a source of clean and renewable energy and a coal-free province.

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[5] *Institute for Energy Economics and Financial Analysis and Institute for Climate and Sustainable Cities, Carving out Coal in the Philippines: Stranded Coal Plant Assets and the Energy Transition, October 2017.*

Let us use these good practices as a stepping stone in creating small island RE grids and in diversifying our energy mix even more by replacing fossil and coal with cleaner energy technologies.

We in the Climate Change Commission will certainly help realize this vision.

We are currently leading the process of finalizing the Nationally Determined Contributions (NDC), which we hope to present to the President by mid-year, and to communicate to the UN by yearend.

Our NDC will serve as our roadmap on how we will transition our critical sectors—agriculture, waste, industry, transport, forest, and energy (or the AWITFE sectors)—towards low carbon development.

Last October, the Intergovernmental Panel on Climate Change (IPCC), the world's leading body assessing the science on climate change, released its special report that now urges all countries to reflect on their NDCs their commitment to limit global warming below 1.5 degrees Celsius.

We have already breached the one-degree mark, but the report affirms that doing so is entirely possible, but would require unprecedented and far-reaching transitions, especially in the energy sector. This is further proof for the demand for green investments now and in the future.

Access to international climate funds will be crucial to supplement existing climate investments from our national budget, multilateral financing agreements, the private sector, and from our local climate finance mechanism—the People's Survival Fund, which has an annual allocation of P1 billion pesos for adaptation projects.

The CCC, as the National Designated Authority to the multi-billion-dollar Green Climate Fund, is likewise geared towards helping our government agencies and the private sector access the fund within the year, recognizing the strong leveraging potential of international climate finance and the need to harness and deploy where it is most needed.

Climate finance, however, will always remain limited. We will need to prioritize. We have to be strategic without losing sight of our commitment to do our fair share in this global

problem, while maintaining a steady economic growth to allow us to invest better.

"How do we do it?" is a question we do not have a clear answer to, at least not yet. But our discussions today can certainly lead us closer to the right answer.

What I am certain is that your government cannot enable this shift alone. As we put in place the right conditions to attract domestic and foreign low carbon investments, our financial institutions and private banks must sustain and escalate this green growth to reach new heights.

As we explore further today on how we can accelerate the shift from billions to trillions towards low carbon investment, let us keep in mind the kind of future that we want for our children and our country.

A sustainable future prospering on clean, renewable energy. A future of prosperity and comfort, but not at the expense of our environment and our climate. A future within our grasp if we make the right choices.

Thank you very much.