



Office of the President of the Philippines  
**CLIMATE CHANGE COMMISSION**

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*Opening Remarks*

*Joint UNDP-USAID-CCC Event*

*GHG Reporting Protocol for Private Sector*

*Mabini Social Hall, Mabini Hall Building*

*Malacanang Complex \* January 27, 2016*

## **Promoting a voluntary program for PH Private Sector to Reduce Emissions**

**By Secretary Emmanuel M. De Guzman**

Vice Chair, Climate Change Commission

*Mr. Richard Bakewell of the US Embassy, Ms. Imee Manal of UNDP, representatives of the private sector, team members from LEAD and LECB, my fellow workers in government:*

The engine of economic growth in democratic societies is the private sector. Government sets the rules, regulations, and policies to encourage growth. But the great burden of investing, of taking financial risks, and of trying to make a profit lies squarely with private enterprise and industry.

Reducing Philippine carbon emissions, therefore, is almost exclusively a burden of our energy, transport, waste, forestry and industry sectors. But Filipino entrepreneurs, business tycoons, and industrialists will not accept new impositions unless it is good for their business; if it is also good for our environment, well, that's even better.

We need to meet Philippine obligations under the Paris Climate Agreement – obligations as expressed in our intended nationally determined contributions (INDCs). We have set a very ambitious but conditional goal of 70 percent emissions reduction by 2030. So it is important that we secure the whole-hearted support and cooperation of our private sector.



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How do we secure this support and cooperation? How do we promote a voluntary but effective program for Philippine businesses? What incentives do we offer hard-nosed, profit-oriented businessmen? What will it take to organize and manage this emissions reduction program? Finding the answers to these questions and defining a GHG reporting protocol for the private sector are our twin missions today.

So we are here to start working on credible emissions accounting and reporting systems. Components of these systems will help us develop an emissions baseline, set mitigation goals, create more targeted climate action plans, and track progress over time. These systems will also strengthen vertical integration of data reporting to various levels of government, and ultimately they will help us gain improved access to international climate financing.

We have already made progress in this area. Our Commission is mandated to formulate strategies for mitigating greenhouse gas emissions. In 2014, President Benigno Aquino as chair of this Commission promulgated Executive Order 174, which institutionalized the Philippine Greenhouse Gas Reporting and Management System. The same order also identified the role of relevant national government agencies in coming up with regular reporting of national greenhouse gas inventory.

Our efforts here today will go a long way in supporting a goal of our Commission. This goal is to spearhead the development of guidelines, manual and toolkit for local government units in determining GHG inventories in their jurisdictions.

For the private sector, voluntary reporting of greenhouse gas inventories is not actually new initiative. As early as 2005, EMB-DENR, the Philippine Business for the Environment and the Klima-Climate Change Center of the Manila Observatory established the Philippine Greenhouse Gas Accounting and Reporting Protocol. Some 20 companies participated in this initiative, and their key personnel were trained to estimate their emissions and to properly report them. Unfortunately, this was effort was not sustained.

There is a growing consciousness about climate change in our private sector. A study by Price Waterhouse Coopers in 2011 on business response to climate change indicates that despite the lack of regulations on emission reduction, 39% of respondents registered an emissions cut target. A few years back, the Environmental Management Bureau set out a series of training workshops for companies to calculate their entity-level emissions inventory, and a significant number of companies participated.



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An excellent indicator of private sector attitude toward emissions reduction is the Manila Declaration whereby industry leaders committed to developing and implementing mitigation strategies as part of their core business. There was a strong demand for government to establish a reliable monitoring, reporting and verification system to follow-up on the country's contributions. Currently, we are now establishing a national MRV system called the National Integrated Climate Change Database Information and Exchange System. Voluntary reporting from companies will be part of the MRV system to ensure that contributions of the private sector are accounted for in a transparent manner.

So we are grateful that the UNDP is working with us, through the LECB project, to set up with a voluntary platform enabling domestic companies to report their greenhouse gas inventories. The USAID's LEAD program, which assisted Thailand in developing a similar inventory, will also be invaluable to this conference.

Finally, we extend our gratitude to the private sector for its interest to help bring about a transformation in the ways we do business, in the ways we use energy, and in the ways we invest in new technologies to guarantee a safe and climate-resilient future for our children and for all humankind.

A very good morning to everyone.

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