



## NEWS ROUNDUP

08 JANUARY 2023 [ 08:30 am]

---

- El Niño planning must be broadened to cover climate change, analysts say
- World's biggest polluter just had its hottest year on record, marked by deadly extreme weather
- Communes vs disasters
- Soil may be foe, not friend, in climate fight, scientists find
- ULAP: PH needs water management policy upgrade to deal with climate change
- Negros Occidental steps up bamboo seedling production
- Korean-style smart greenhouse turned over to DA W. Visayas
- COP28: Philippines at the forefront of energy transition
- Marcos launches Kalinisan program

## BUSINESS WORLD

### [El Niño planning must be broadened to cover climate change, analysts say](#)

By: Adrian H. Halill

THE Department of Agriculture (DA) needs to extend its planning for El Niño to address broader climate resiliency issues, analysts said.

## CNN

### [World's biggest polluter just had its hottest year on record, marked by deadly extreme weather](#)

By: Helen Regan

China saw its hottest year on record in 2023, state media reported this week, as the world's biggest polluter confronted a series of relentless heat waves and other extreme weather events driven by the human-caused climate crisis.

## **DAILY TRIBUNE**

### **[Communes vs disasters](#)**

By: Dr. Selva Ramachandran

In the past decades, climate change has increased the frequency and intensity of natural hazards across the globe. Consequently, its impacts have also exacerbated the Philippines' vulnerability to disaster risks. Estimates gathered by the World Bank show that 60 percent of the country's land area and 74 percent of its population are exposed to flooding, earthquake, droughts, and other hazards.

## **ECO BUSINESS**

### **[Soil may be foe, not friend, in climate fight, scientists find](#)**

By: Liang Lei

The earth beneath our feet is a huge reservoir of organic carbon. One that may be slowly leaking greenhouse gases and jeopardising efforts to keep global warming within safe levels, researchers warn.

## **MANILA BULLETIN**

### **[ULAP: PH needs water management policy upgrade to deal with climate change](#)**

By: Chito Chavez

Union of Local Authorities of the Philippines (ULAP) President Dakila Cua stressed Friday, Jan. 5, the urgency of the country to improve its water management system with the impending ill effects of the El Nino phenomenon.

## **PHILIPPINE NEWS AGENCY**

### **[Negros Occidental steps up bamboo seedling production](#)**

By: Nanette Guadalquiver

The Negros Occidental provincial government doubled its bamboo seedling production in the past year to support reforestation and promote the use of bamboo technology for shelter.

## **SUNSTAR**

### **[Korean-style smart greenhouse turned over to DA W. Visayas](#)**

The Department of Agriculture – Western Visayas (DA-WV) recently received officially the keys to the Smart Greenhouse and Capacity Building project, funded by the Ministry of Agriculture Food and Rural Affairs of the Republic of Korea (MAFRA).

## **THE PHILIPPINE STAR**

### **[COP28: Philippines at the forefront of energy transition](#)**

By: John Eric T. Francia

The beginning of a year typically ushers renewed hope, and I believe that there is much to be hopeful for. The recently concluded COP28 held in Dubai signaled the “beginning of the end” for the fossil fuel era. For the first time ever, signatories of the United Nations Framework Convention on Climate Change (UNFCCC) penned an agreement to “transition away from fossil fuels in energy systems, in a just, orderly and equitable manner.” The parties also agreed to the tripling of renewable energy capacity and doubling of energy efficiency improvements by 2030. This puts the onus on UNFCCC signatory nations, which includes the Philippines, to set ambitious goals and initiatives to shift energy systems from fossil fuel to renewables, and help attain the 1.5-degree temperature limit.

### **[Marcos launches Kalinisan program](#)**

By: Helen Flores

President Marcos launched on Friday the Kalinisan program, which encourages Filipinos to maintain a clean and safe community that he stressed is the first step in addressing pollution, climate change and even criminality.

**Information and Knowledge Management Division**

## **BUSINESS WORLD**

### **El Niño planning must be broadened to cover climate change, analysts say**

By: Adrian H. Halill

THE Department of Agriculture (DA) needs to extend its planning for El Niño to address broader climate resiliency issues, analysts said.

“Since the DA is on the planning stage, it may be the proper time to consider seriously not just the El Niño but also the more serious issue of climate change,” Ateneo de Manila economics professor Leonardo A. Lanzona said via messenger.

Last week, Agriculture Secretary Francisco Tiu Laurel, Jr. said that the department is set to introduce its strategy to develop the industry and boost production.

El Niño threatens agriculture because it is projected to bring drought or dry spells to about 63 provinces in the Philippines.

According to PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), the government weather service, El Niño is expected to intensify between January and May.

“There’s no short-term solution to the food supply problem except to import more. This means lowering tariffs and relaxing quantitative restrictions,” Calixto V. Chikiamco, Foundation for Economic Freedom president, said in a Viber message.

On the other hand, Raul Q. Montemayor, national manager of the Federation of Free Farmers, said that the entry of imports must be calibrated to fill in for shortages to avoid oversupply condition.

“Too many (rice) imports depress palay prices and discourage farmers from planting or expanding their production, making the country more dependent on foreign suppliers for our food staple,” he said in a Viber message.

The government has recently extended the low-tariff regime on rice, corn, and pork meat until Dec. 31, 2024.

Executive Order No. 50 kept the rates for rice imports at 35% regardless of their source country, without reference to the minimum access volume (MAV).

The rates on pork meat, whether fresh, chilled, or frozen were kept at 15% for imports within the MAV quota and 25% for those exceeding the quota.

Corn shipments were kept at 5% for shipments within the MAV quota and 15% for those exceeding the quota.

“We need a comprehensive review of all existing programs, and if necessary, an overhaul of these programs given that the billions being poured into the sector do not seem to have had a significant effect on output, productivity, profitability of farmers, and competitiveness against imports,” Mr. Montemayor added.

Mr. Lanzona said the government should also think of products that it can export competitively.

To boost exports of agricultural and fisheries products, the DA has said that it is drafting a Philippine Agricultural Export Development Plan.

Separately, it said that it will seek to expand shipments of agricultural products to Japan, one of the Philippines’ largest export markets.

The DA has recently reassigned key undersecretary positions to streamline operations and “more efficiently carry out President Ferdinand R. Marcos, Jr.’s marching orders to modernize the farm sector and ensure the country’s food security.”

Mr. Montemayor said that the reorganization would provide an opportunity for the DA to bring in new people and ideas, “instead of just repeating old ineffective programs and pouring more money into them.”

**CNN**

[World's biggest polluter just had its hottest year on record, marked by deadly extreme weather](#)

By: Helen Regan

China saw its hottest year on record in 2023, state media reported this week, as the world's biggest polluter confronted a series of relentless heat waves and other extreme weather events driven by the human-caused climate crisis.

Daily and monthly temperature records were repeatedly shattered as the year wore on while the country grappled with scorching heat waves, which authorities said had arrived earlier and been more widespread and extreme than in previous years.

China's exceptional warmth echoed global trends – with scientists confirming that 2023 will officially be the hottest year on record, the result of the combined effects of El Niño and climate change.

The average temperature in China last year stood at 10.7 degrees Celsius – the highest since records began in 1961, according to the National Climate Center, state-run news agency Xinhua reported.

It breaks the previous record of 10.5°C set in 2021.

Across the country, 127 weather stations recorded their highest ever daily temperatures, state-run newspaper China Daily reported.

The highest of those was 52.2°C on July 16 in Turpan's Sanpu town, in the far western Xinjiang region.

The prolonged and persistent heat affected hundreds of millions of people and put huge strain on the country's power grid. In July, China Energy Investment Corporation, one of the world's largest generators of coal-fired power, said the volume of electricity it produced had hit a daily record.

There were also reports of farm animals, including pigs, rabbits and fish, dying from the searing temperatures and wheat fields in central China being flooded by heavy rainfall, raising concerns about food security in the world's second largest economy.

A similar story played out across the world in 2023, with a series of deadly heat waves and remarkable record temperatures hitting several continents, while unprecedented ocean heat blanketed much of the globe.

Analysis from the European Union's Copernicus Climate Change Service found 2023's global temperature will be more than 1.4 degrees Celsius warmer than pre-industrial levels — close to the 1.5-degree threshold in the Paris climate agreement, and beyond which scientists say humans and ecosystems will struggle to adapt.

#### Extreme highs and lows

At the other end of the scale, China also recorded its lowest ever temperature last year on January 22, when Jintao town in Mohe, northeastern Heilongjiang province dropped to -53° C.

And in December, the capital Beijing recorded its longest cold wave since records began in 1951, as sub-zero temperatures stretched heating capacity of some cities in northern China to its limit.

China's extreme weather also saw some of the heaviest rainfall in decades, with flooding bringing devastation to millions of people's lives and causing billions of dollars in damage.

A total of 55 national weather stations recorded their highest daily rainfall in 2023, according to the National Climate Center.

Typhoon Doksuri slammed into southeastern Fujian province on July 28, bringing rains that soaked Hebei, a province of 75 million, and the neighboring cities of Beijing and Tianjin.

Flooding in those regions killed about 30 people, displaced more than 1 million and washed away houses, bridges and highways, according to Chinese authorities.

The storm also brought the heaviest rainfall Beijing has experienced in 140 years, marking a significant test of the region's capacity to handle extreme weather that experts warn will become more frequent with climate change.

Scientists are clear that the climate crisis is making extreme weather events – such as heat waves, storms and heavy rainfall – more frequent and intense, and they will continue to become more frequent and severe as the planet heats up while humans burn more fossil fuels.

China is the world's biggest polluter, making up nearly 30% of global emissions and accounting for over half of global demand for coal, according to the International Energy Agency.

The World Bank has said that without China successfully reducing its planet-heating emissions and transitioning to clean energy, the world will have little chance of achieving its climate goals.

China has been accelerating production of sustainable energy and the country is on track to double its wind and solar energy capacity and hit its 2030 clean energy targets as soon as 2025, a June report found.

In November, China pledged a major ramp-up of renewable energy, alongside the United States, to reduce greenhouse gas emissions.

The country also played a key role in climate negotiations at the COP28 summit in Dubai in December, which made an unprecedented call to transition away from fossil fuels.

However, China did not sign an official agreement to triple renewable energy capacity and double energy efficiency, both by 2030, according to Carbon Brief.

## DAILY TRIBUNE

### Communes vs disasters

By: Dr. Selva Ramachandran

In the past decades, climate change has increased the frequency and intensity of natural hazards across the globe. Consequently, its impacts have also exacerbated the Philippines' vulnerability to disaster risks. Estimates gathered by the World Bank show that 60 percent of the country's land area and 74 percent of its population are exposed to flooding, earthquake, droughts, and other hazards.

In 2021 and 2022, damage due to extreme events and disasters cost the country \$1.12 billion and \$545.7 million affecting 3.63 million and 3.47 million families, respectively, according to the Philippine Statistics Authority.

In every region or province, the impacts of disasters and climate change vary across communities. Location, particularly the proximity to volcanoes, rivers, and seas, is one determining factor. The cost of disasters to this country is a massive burden on peoples' security and well-being. Local governments and communities bear the heaviest brunt, repeatedly hitting hardest at the poor and most vulnerable.

No less than the Conference of the Parties to United Nations Framework Convention on Climate Change at COP 28 has underscored the urgency for climate action. 2023 has been the hottest year on record. The climate crisis needs accelerated response, funding, stronger partnerships, and commitments translated into concrete results, focusing on the most vulnerable.

But help comes from within. Local government units, community leaders, and civic groups serve as frontliners for response efforts, providing basic needs and the means to bring families to safety. Communities are the champions of one another. With their firm handle of the social, political, and environmental realities that will impact their safety and wellbeing, local actors know how to rise above calamities. However, they can only do so much when the threat of disasters persists.

The Strengthening Institutions and Empowering Localities against Disasters and Climate Change program recognizes the agency and the innate resilience of local actors.

With support from the government of Australia and implemented by a consortium of partners with the United Nations Development Program in the lead, Shield targets to harness the potential of the most vulnerable provinces and regions to ensure their ability to respond to and rebuild from disasters at the needed breadth and scale. Through

multi-stakeholder partnerships, Shield aims to combine indigenous knowledge and on-the-ground evidence with national-level capabilities and the science of risk-informed decision making.

Interventions to build local resilience under Shield will benefit from guidance and expertise from national agencies, with the Department of the Interior and Local Government as lead agency providing strategic direction and coordination assistance to the focus LGUs.

The Department of Science and Technology will capacitate communities to generate disaster risk information to inform their development planning, while the Office of the Civil Defense will provide recommendations based on policies and protocols for disaster preparedness.

One of its envisioned outcomes is helping its partner LGUs build capabilities to better assess and manage risks within their localities, and eventually, unlock available resources from both local and international climate financing facilities such as the Green Climate Fund and the country's very own People's Survival Fund. Efforts will also be pursued towards innovative private sector financing, such as green bonds and microinsurance solutions.

Through its partners from government, civil society, and the international community, the initiative seeks to link local governments to access supplementary funding for innovative and evidence-based response to emergencies such as early warning systems, improve the promotion of industries that create green jobs such as ecotourism, and prepare bankable proposals for disaster risk reduction and management activities.

Through its consortium partners, Shield is also providing micro, small, and medium enterprises with knowledge on value chain analyses and business planning to ensure they continue to operate and earn even during disasters.

Resilience is everyone's business, built upon strong partnerships and empowered communities. By combining their collective strengths, forging strategic partnerships, and building a solid evidence base to translate their innate capacities to action, communities have the power to lead one another towards progress that towers over vulnerabilities and, hence, excludes no one.

## ECO BUSINESS

### [Soil may be foe, not friend, in climate fight, scientists find](#)

By: Liang Lei

The earth beneath our feet is a huge reservoir of organic carbon. One that may be slowly leaking greenhouse gases and jeopardising efforts to keep global warming within safe levels, researchers warn.

In a study published on Tuesday in the Nature journal, scientists from China, France and the United Kingdom say soil worldwide will overall shed, instead of absorb, billions of tonnes of carbon by the end of the century, even if global warming is kept low.

The results mean that the world's carbon budget for staying under 1.5°C of global warming – what experts say is a safety limit – could be 66 per cent smaller than previously estimated. The world had already been on track to bust that budget within a decade without the latest adjustment, due to continued use of fossil fuels.

“The vanished capacity of soils to sequester CO<sub>2</sub> suggests that a more aggressive strategy toward emissions reduction is required to realise the pledges of the Paris Agreement,” the study said.

Even a more lenient target of keeping temperature rise to 2°C above pre-industrial times – a level countries globally agreed to stay “well below” under the 2015 Paris Agreement – will be 15 per cent tougher with the new calculations.

#### Experimental data

Some computer models in the past have found soil to be a good storage for man-made carbon emissions. But the results changed drastically when researchers incorporated data from hundreds of long-term soil studies at sites ranging from tropical forests to the deep Arctic.

Many of the experiments have found soil to be getting rid of its carbon content faster than thought, especially in the polar regions where plant cover is sparse.

As such, where a model would predict global soils trapping about 30 billion tonnes of carbon by the end of the century with mild climate change, the updated formula returned a 19 billion tonne discharge instead.

In an extreme case of global temperatures rising past 4°C, the soils would not just reduce their storage to 18.6 billion tonnes of carbon, they would release over 45 billion tonnes, the latest simulations predicted.

### Soil carbon management

Soil carbon management is gaining popularity worldwide, especially in large agricultural economies. It is believed soil and plants store a third of man-made emissions.

The United States government is supporting farmers in adopting practices such as reducing tillage and growing cover crops to reduce soil carbon loss. In Australia, with state backing, over 200 new soil carbon projects were registered in 2022, double that of 2021 and almost quadruple of 2020.

Farmers in both countries utilise carbon offsetting to fund their initiatives, on the basis that their efforts represent additional carbon reductions. Scientists also say healthy soils can help purify water and produce more food.

However, past research has questioned the capacity of soils to store carbon emissions for sufficiently long periods, and the latest study only adds to the complexities.

The authors also said their work supports the notion that global soils will release more carbon as the Earth warms, which in turn exacerbates the heating in a “strong positive carbon feedback”. Such interactions are “substantially underestimated” in current Earth system models, they added.

The research adds to growing evidence that a heating world is triggering stronger positive feedback loops – for instance also in rivers that spew greenhouse gases.

Experts warn that left unchecked, such trends could lead to “tipping points”, after which climate events could spiral out of control. There is already suspicion within the scientific community that Earth is recently warming faster than expected.

At last month’s COP28 global climate summit in the United Arab Emirates, countries globally agreed to “transitioning away” from fossil fuels to limit climate change to 1.5°C. As it stands, national efforts will only keep the heat to under 2.5°C, the United Nations estimates.

## MANILA BULLETIN

### [ULAP: PH needs water management policy upgrade to deal with climate change](#)

By: Chito Chavez

Union of Local Authorities of the Philippines (ULAP) President Dakila Cua stressed Friday, Jan. 5, the urgency of the country to improve its water management system with the impending ill effects of the El Nino phenomenon.

In a press briefing, Cua saw the need for the Philippines to raise the "awareness" of efficiently integrating the water management system in agriculture, industrial, and domestic water use as well as teach the people how to recycle water for other purposes.

He cited the case of Dubai, United Arab Emirates (UAE) where its desert geographical location did not hinder its implementation of an efficient water management system.

Further, Cua pointed to the "stark difference" in the culture mindset of the UAE citizens where water is valued like gold. He said that during the ancient times, people in this Middle East country traveled long miles across the desert carrying heavy loads of water containers.

"I guess it's about the structure of the policy, the budget of our government funds in terms of investment," Cua noted.

However, Cua stated that the country's water management system has "standardized" due to the policies of the Department of Environment and Natural Resources (DENR) and Building Code of the Philippines where water treatment facilities are required.

With the advent of the rainwater collection scheme, Cua said that this should be utilized to the fullest with the water collection plans being integrated in the country's water management system.

As citizens, the public should observe simple water conserving measures like turning the faucets off when not in use and having leaking pipes repaired in the households, he said.

## PHILIPPINE NEWS AGENCY

### Negros Occidental steps up bamboo seedling production

By: Nanette Guadalquiver

The Negros Occidental provincial government doubled its bamboo seedling production in the past year to support reforestation and promote the use of bamboo technology for shelter.

In his New Year's message on Friday, Governor Eugenio Jose Lacson said that the province's nurseries are cultivating up to 6,000 seedlings monthly.

"Bamboo reforestation is among our climate change mitigation strategy. We will proceed with our plan for bamboo treatments employing Bali technology, which is suitable for housing and boasts long-lasting durability," he added.

In September last year, the province initiated the 1st Provincial Bamboo Fair to advocate bamboo planting to improve water resource management and promote the emergence of its previously unknown uses.

Lacson said that bamboo is a responsive alternative to climate change and has a remarkable growth rate, noting that it grows in various conditions, absorbs greenhouse gases, and needs no fertilizer.

He added bamboo can substitute for hardwoods, reducing the use of such, thereby protecting the remaining forests.

The governor said that as part of its ongoing commitment to ecological integrity, the province has expanded the reforestation project in Sitio Tambara, Barangay San Fernando in Talisay City, to 120 hectares from the previous more than 60 hectares.

"Our focus remains on planting giant bamboo to enhance our forest cover and to facilitate the construction of our bamboo processing facility," he said.

Lacson added that a private company has expressed interest in establishing facilities in areas of Negros Occidental, where an ample supply is available for the production of engineered bamboo intended for export and as part of community livelihood.

## SUNSTAR

### [Korean-style smart greenhouse turned over to DA W. Visayas](#)

The Department of Agriculture – Western Visayas (DA-WV) recently received officially the keys to the Smart Greenhouse and Capacity Building project, funded by the Ministry of Agriculture Food and Rural Affairs of the Republic of Korea (MAFRA).

The P65-million project grant from MAFRA for ten greenhouses facilities— six for mushrooms and four for tomato and paprika not only addresses climate change concerns but also introduces advanced agricultural practices, marking a significant milestone in the continuing collaboration between the Philippines and Korea.

This climate-proof facility project was launched on March 21, 2022 situated at a 3,000 sq.m. area at Western Visayas Integrated Research Center (WESVIARC) in Hamungaya, Jaro, Iloilo City.

It is managed by the Korea Agency of Education, Promotion and Information Service in Food, Agriculture, Forestry and Fisheries (EPIS) and implemented by the Hankyong National University.

During the turnover ceremony held on December 20, MAFRA Director General Yong Ho Jung expressed his appreciation to the Philippine government, the DA, EPIS, and the team from Hangkyong National University consortium for their instrumental role in the Smart Greenhouse project.

“The successful handover of this project will greatly contribute to DA’s effort in enhancing future agriculture economic capability through smart agriculture,” he underscored.

Director General Jung also emphasized that the Korean government recognizes the Philippines’ development plan for 2023-2028, with a specific focus on the modernization and transformation of the agriculture sector where the Smart Agriculture project aligns with these goals, making it an essential component for both country’s collaborative efforts.

“As we gather in this ceremony, I pledge to exert great effort in our ongoing international agriculture cooperation project with the Philippine government. I also ask all of you to maintain your invaluable interest and unwavering support in this endeavor,” he concluded.

Meanwhile, EPIS Vice President Jaerok An highlighted the significance of the Smart Greenhouse project, noting its adaptation of Korean-style smart agriculture technologies to Philippine conditions.

Vice President An emphasized the anticipated impact on productivity and farmer skill development through training and the cultivation of high-value crops. He also expressed optimism that these Korean-style smart farms will greatly assist the Philippine government in shaping and refining policies related to smart farming.

On the other hand, DA Assistant Secretary for Operations Arnel V. De Mesa said the turnover of the Smart Greenhouse project is more than the transfer of the infrastructure, it signifies a shared commitment to advancing farming practices, research, and technological innovation in the country.

Asec. De Mesa also urged the stakeholders to remain advocates for equitable access to these innovations.

“The benefits of technology should reach every corner of our agricultural landscapes ensuring that no farmer is to be left behind. Our shared success today lays the foundation for an inclusive and thriving agricultural community,” Asec. De Mesa emphasized.

DA-WV Regional Executive Director Dennis Arpia expressed the organization’s pleasure and honor in accepting the innovative smart greenhouse technology. He committed not only to operate the facilities but also mainstream the technology to partners, ensuring that DA Western Visayas remains a leader in agricultural technology innovation.

Director Arpia assured that the shared technology will be at the forefront of Western Visayas’ development, with support from local government, private sector partners, and farmers.

Two trainee-adopters from Badiangan, Iloilo—Engr. Ed Roderick Canuto of Ephrathah Farms and Revie Palmejar of Panudlak Farm shared their experiences, detailing the valuable insights gained from the project and illustrating how they successfully implemented the advanced technology in establishing their respective greenhouses.

Based on the figures calculated by the DA-WV Project Coordinators, the economic viability of a single unit smart greenhouse, the return on investment (ROI) for a production cycle of cherry tomato, melon, and paprika stands at 22.9%, 10.1%, and 58.4%, respectively.

For the shiitake mushroom, an ROI of 54.13% can be achieved in just one production cycle within a single growing house. These figures are complemented by a projected payback period of 1.8 years for investments in shiitake cultivation.

Looking ahead, the project aims to advance into a research hub, delving into new high-valued commodities and seeking funding for solar energy in the Mushroom greenhouse. Innovative initiatives, such as a pick-and-pay system and the display of soon-to-be-harvested Shiitake fruiting bags in malls, are in the pipeline.

The facility will continue to host training sessions for interested stakeholders, fostering success stories like trainees establishing their greenhouses and applying newfound knowledge to farming practices.

Additionally, the project welcomes research collaborations with academic institutions.

## THE PHILIPPINE STAR

### [COP28: Philippines at the forefront of energy transition](#)

By: John Eric T. Francia

The beginning of a year typically ushers renewed hope, and I believe that there is much to be hopeful for. The recently concluded COP28 held in Dubai signaled the “beginning of the end” for the fossil fuel era. For the first time ever, signatories of the United Nations Framework Convention on Climate Change (UNFCCC) penned an agreement to “transition away from fossil fuels in energy systems, in a just, orderly and equitable manner.” The parties also agreed to the tripling of renewable energy capacity and doubling of energy efficiency improvements by 2030. This puts the onus on UNFCCC signatory nations, which includes the Philippines, to set ambitious goals and initiatives to shift energy systems from fossil fuel to renewables, and help attain the 1.5-degree temperature limit.

In the case of the Philippines, the country has a liberalized power sector and a well-functioning electricity market. Amidst steady growth in electricity demand and continuing moratorium for the construction of new coal plants, the country’s power supply situation is expected to remain relatively tight in the short to medium term. The country continues to rely on fossil fuel, including coal fired power plants (CFPP) which account for more than half of the country’s supply. As such, the Department of Energy (DOE) is empowering the private sector to make choices related to transitioning from fossil fuel to renewable energy, “encouraging a voluntary early and orderly decommissioning or repurposing of coal-fired power plants, while securing a stable supply and addressing the climate emergency by ramping up our renewable energy target of (35 % share by 2030 and) 50% share by 2040.”

ACEN, the listed energy platform of Ayala Group, is leading the charge in the energy transition in the Philippines and around the region. We established Ayala’s energy platform from a standing start in 2011. By 2019, fossil fuel power plants accounted for over 70% of ACEN’s portfolio while renewables capacity was only at around 150MW. Over the last five years, we accelerated the scale up of renewables, growing 30x to 4500MW of renewables capacity and accounting for 98% of the company’s generation portfolio. ACEN aspires to reach 100% renewable generation by 2025, 20GW renewables capacity by 2030, and net zero GHG emissions by 2050.

Aside from scaling up renewables, ACEN is also pioneering initiatives in early coal retirement. The company successfully implemented the world’s first market-based Energy Transition Mechanism (ETM) which reached financial close in November 2022. The transaction involved the divestment and committed early retirement of the 246MW South Luzon Thermal Energy Corp. (SLTEC) coal plant, and its transition to cleaner

technology by 2040 when the CFPP completes 25 years of operations. As the operating life of CFPPs typically reach up to 50 years, the groundbreaking ETM initiative potentially reduces up to 25 years or 50 million tons of carbon emissions. The ETM was supported by debt from BPI and RCBC, and equity investments from insurance companies such as GSIS and Insular Life.

While the 2040 CFPP retirement plan is laudable, it may not be enough to meet our climate goals. ACEN recognizes the position of International Energy Agency (IEA), that is, if we are to attain the 1.5 degrees limit, the world would need to reduce coal emissions by 55% between 2022 and 2030. This would certainly be challenging for Southeast Asia which has the fourth largest CFPP installations globally, a growing demand for electricity, and have among the youngest CFPP fleet with an average age of under 15 years. With that said, this should not be a reason for Southeast Asian companies to do nothing. To this end, ACEN gave itself the option or the right to reacquire the SLTEC coal plant as early as 2030, in the event that the right mechanism to incentivize accelerated CFPP retirement emerges.

Such mechanism is taking shape in the form of Transition Credits (TC). TCs are high-integrity carbon credits that are granted to projects that enable the early retirement of CFPPs and their replacement with clean energy, while ensuring a just transition. The mechanism did not occur overnight; we can trace its roots to the landmark COP21 Paris agreement, with Article 6 allowing the international transfers of carbon credits to help countries achieve their emission targets, and the creation of a market mechanism to enable and incentivize private sector to participate in decarbonization initiatives. Implementing rules of Article 6 were subsequently agreed in 2021 during COP26 in Glasgow. This has therefore set in motion pioneering initiatives in the carbon markets space.

I recently came back from COP28 in Dubai with much hope and motivation. In advance of the Parties' landmark agreement to transition away from fossil fuels, ACEN, together with Rockefeller Foundation's Coal to Clean Credit Initiative (CCCI) and the Monetary Authority of Singapore (MAS) announced an exciting collaboration to implement the world's first coal-to-clean credit pilot project. The initiative will help road test the new methodology being developed by CCCI, and hopefully jumpstart the market for transition credits. MAS also signed a second pilot project with the Asian Development Bank involving a coal plant in Mindanao.

This puts Singapore and the Philippines at the forefront of this groundbreaking initiative, which if proven to be successful and scalable, can be a game changer in the energy transition space and championing climate action.

Singapore is the first country in Southeast Asia to put a price on carbon through a carbon tax regime. Singapore's carbon tax is expected to reach SGD 50-80 per ton (USD 38-60) by 2030. In contrast, Europe's Emissions Trading Scheme (ETS), which uses a "cap and trade" system, has carbon price currently hovering at around Euro 80 per ton. While Singapore-based companies are encouraged to reduce their direct carbon emissions and therefore reduce their carbon tax liabilities, companies are allowed to offset a portion of the carbon tax through the purchase of high integrity carbon credits from international carbon markets. Japan also has its own initiative through the Joint Crediting Mechanism (JCM), which provides carbon financing to partner countries which includes the Philippines. Hopefully, carbon schemes in Europe and other countries will also tap into international carbon markets under Article 6 of the Paris Agreement. This presents a significant opportunity for emerging markets such as the Philippines to leverage carbon financing and enable the accelerated transition from fossil fuel to clean energy.

ACEN's pilot project seeks to increase its ambition by accelerating the transition of SLTEC coal plant to cleaner energy by 2030, ten years earlier than what is already an aggressive retirement schedule. Proceeds from Transition Credits will help fund (1) replacement cash flows and asset write-off from the early CFPP retirement, (2) subsidy to ensure affordability of clean and reliable energy replacement (ie. renewables integrated with energy storage), and (3) the just transition of affected communities and workers, as well as the responsible decommissioning of the CFPP.

The Philippines' competitive market structure arguably presents an opportunity for the private sector to move faster and leverage carbon financing opportunities potentially ahead of counterparts from regulated markets. If scaled successfully, this new mechanism can attract multi-billion dollars worth of inflows into the country that will help fund our energy transition, create new green jobs, boost the economy and help the country attain its goal of reaching 50% renewables share by 2040. With two horses in the race and possibly more to follow, the Philippines has the opportunity to demonstrate to the world that transition credits is a compelling mechanism that can and should be leveraged to accelerate the transition from fossil fuel to renewables, and swiftly build momentum around the landmark COP28 agreement. Isn't this something to be hopeful for?

## Marcos launches Kalinisan program

By: Helen Flores

President Marcos launched on Friday the Kalinisan program, which encourages Filipinos to maintain a clean and safe community that he stressed is the first step in addressing pollution, climate change and even criminality.

Kalinisan stands for Kalinga at Inisyatiba para sa Malinis na Bayan.

Marcos made the call in line with the celebration of Community Development Week and Community Development Day on Jan. 6.

“My friends, let us see in our barangay the changes we want for our nation,” the President said in a taped video message posted on the Presidential Communications Office’s Facebook account.

“Let our barangays be the laboratory of workable ideas, a showcase of what we can achieve together,” he said.

“Let’s start with cleanliness and orderliness,” Marcos said, noting that Filipinos do not deserve dirty, dingy or dark communities.

“At the end of the day, it is not only modern equipment that will win the war against waste. It will be won by citizens equipped with the habit not to litter and whose allegiance to a clean and green community has become second nature to them,” he said.

“Our rivers are not sewers through which trash flows out to seas that have become cesspools of our waste,” the Chief Executive added.

“Because of plastic, they have become dead pools of marine life, cellophanes choking corals to death, microplastics ending up in the fish that we eat,” he said.

Marcos vowed to pour in more funds “for the last and the least of society,” but said the government can only do so much.

“We cannot deploy sweepers who will follow each citizen around and pick up every trash that is thrown,” he stressed. “We cannot spend tens of billions a year collecting garbage whose volume could have been reduced through individual daily reuse and recycling.”

Marcos also called on concerned agencies to include community cleanliness in the performance guarantees of local government units and provide higher incentives to cleanest LGUs and those that actively implement the Gulayan sa Barangay program.

He also pushed for higher incentives for LGUs that utilize the Motor Vehicle User's Charge for the lighting of national roads and tunnels, as well as the intensification of the campaign against single-use plastics.

Marcos said community development encompasses not just cleanliness of surroundings but embraces a "long to-do list" that makes a village viable, livable, the best place to raise a family and to retire happily.

It includes children's welfare, crime prevention, climate change adaptation, capacitating institutions to resolve local disputes, community health and nutrition, commerce and trade, the President said.

"Every day must be Community Development Day. And that is the principle we have been pushing under the Build Better More so we can easily attain a New Philippines," he said partly in Filipino.

Marcos has issued Memorandum Circular 41, which directs government agencies and encourages LGUs to observe Community Development Week and Community Development Day in a bid to uphold and instill the "Bayanihan spirit" and the value of community cooperation.

Executive Secretary Lucas Bersamin signed the MC on Jan. 3.

The first week of January and Jan. 6 of every year were declared as Community Development Week and Community Development Day, respectively through Proclamation 316 issued in 1994.

**=END=**