NEEDS: The Philippine Experience

UNFCCC Webinar on Long-Term Finance
13 September 2012
Commissioner Naderev Sano
Climate Change Commission, Philippines
**Webinar on Long-Term Finance**

**Key Findings**

**REFERENCE (BASELINE) SCENARIO:**

<table>
<thead>
<tr>
<th>Resource</th>
<th>Amount, in USD Billion</th>
<th>% to Total</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>16.9</td>
<td>58.8</td>
<td>10 GW</td>
</tr>
<tr>
<td>Gas</td>
<td>3.7</td>
<td>12.9</td>
<td>3.6 GW</td>
</tr>
<tr>
<td>Hydropower</td>
<td>7.8</td>
<td>27.1</td>
<td>3.1 GW</td>
</tr>
<tr>
<td>Geothermal</td>
<td>0.203</td>
<td>0.7</td>
<td>70 MW</td>
</tr>
<tr>
<td>Wind</td>
<td>0.139</td>
<td>0.5</td>
<td>8.25 MW</td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>28.74</strong></td>
<td>100</td>
<td>16.7 GW</td>
</tr>
</tbody>
</table>

**AGGRESSIVE RENEWABLES SCENARIO**

<table>
<thead>
<tr>
<th>Resource</th>
<th>Amount, in USD Billion</th>
<th>% to Total</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>18.6</td>
<td>61</td>
<td>8.8 GW</td>
</tr>
<tr>
<td>Gas</td>
<td></td>
<td></td>
<td>3.6 GW</td>
</tr>
<tr>
<td>Hydropower</td>
<td>7.7</td>
<td>25.2</td>
<td>3.1 GW</td>
</tr>
<tr>
<td>Geothermal</td>
<td>3.1</td>
<td>10.2</td>
<td>1.1 GW</td>
</tr>
<tr>
<td>Wind</td>
<td>0.7</td>
<td>2.3</td>
<td>400 MW</td>
</tr>
<tr>
<td>Solar</td>
<td>0.13</td>
<td>0.4</td>
<td>16 MW</td>
</tr>
<tr>
<td>Ocean</td>
<td>0.28</td>
<td>0.9</td>
<td>120 MW</td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>30.51</strong></td>
<td>100</td>
<td>16.7 GW</td>
</tr>
</tbody>
</table>
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1992-2018

Key Findings

GRANTS LOANS TOTAL

MITIGATION ADAPTATION

0.00 5,000,000.00 10,000,000.00 15,000,000.00 20,000,000.00 25,000,000.00 30,000,000.00
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Key Findings

Figure 2 Direct Grants for Mitigation and Adaptation, by Funding Category, by Period
Key Findings

• Over the period 1992-2018, total grants and total loans flow in greater amounts to projects INDIRECTLY related to climate change adaptation and mitigation.

• It is with these INDIRECT grants and loans that gov’t provides counterpart funds
Key Findings

• Over the period 1992-2018, total grants and total loans flow in greater amounts to projects INDIRECTLY related to climate change adaptation and mitigation.

• NO DIRECT **GRANTS** FOR MITIGATION MEASURES.
## Key Findings

Comparison of allocation for climate change adaptation and mitigation 2004-2009

<table>
<thead>
<tr>
<th></th>
<th>US$ 1.576 Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippine Government</td>
<td></td>
</tr>
<tr>
<td>External Funds (Grants)</td>
<td>US$0.509 Billion</td>
</tr>
<tr>
<td>External Funds (Loans)</td>
<td>US$0.354 Billion</td>
</tr>
</tbody>
</table>
Key Findings

• “Are the external flows for CC then adequate? In general, the answer is an unequivocal no.”
• The Report strongly recommends supporting measures being discussed at the international level which include assessed contributions of developed countries, such as 0.5% of their GDP commitment, the carbon market and private investments, share of proceeds from flexibility mechanisms, potential international levy on airfares and maritime bunkers, a 2% levy on capital transfers in A1 countries, and fines on non-compliance of A1 parties.
Insights on NEEDS

• The initiative had significantly contributed to a better understanding of and taking stock of the financial flows to the Philippines for supporting climate change mitigation and adaptation. The NEEDS project, limited as it was, revealed important insights and provided the Philippines with critical information and policy options.

• Endorsement of a subsequent phase for this Secretariat-led work, and more resources provided, to better enable us to get a full picture of what developing countries are in actuality receiving in terms of financial assistance and investments that are responding to our climate change needs. Such financial needs assessment would enable us to determine how we can fully enhance the implementation of the Convention and our more recent decisions.
Current Country Context

- Climate Change Act of 2009
- Climate Change Commission – high-level policy body chaired by the President
- Mandate to mainstream climate change in all development plans and programs
- Adaptation as the policy imperative
- Mitigation as a function of Adaptation
SOCIETY ENVIRONMENT ECONOMY SUSTAINABLE DEVELOPMENT Goal: To build the adaptive capacity of communities and increase the resilience of natural ecosystems to climate change, and optimize mitigation opportunities towards sustainable development.

VISION: A climate risk-resilient Philippines with healthy, safe, prosperous and self-reliant communities, and thriving and productive ecosystems

SUSTAINABLE DEVELOPMENT
Goal: To build the adaptive capacity of communities and increase the resilience of natural ecosystems to climate change, and optimize mitigation opportunities towards sustainable development.

IMPACTS AND VULNERABILITY
- Ecosystems (River Basins, Coastal & Marine, Biodiversity)
- Food security
- Water resources
- Human health
- Infrastructure
- Energy
- Human society

CLIMATE PROCESS DRIVERS
- Energy
- Transport
- Land Use Change & Forestry
- Agriculture
- Waste

CLIMATE CHANGE
- Increasing temperatures
- Changing rainfall patterns
- Sea level rise
- Extreme weather events

MITIGATION
- Energy Efficiency & Conservation
- Renewable Energy
- Environmentally-Sustainable Transport
- Sustainable Infrastructure
- National REDD+ Strategy
- Waste Management

ADAPTATION
- Enhanced Vulnerability and Adaptation Assessments
- Integrated Ecosystem-Based Management
- Climate-Responsive Agriculture
- Water Governance & Management
- Climate-Responsive Health Sector
- Disaster Risk Reduction & Management
- Climate-proofing of Infrastructure

CROSS-CUTTING STRATEGIES
- Capacity Development
- Knowledge Management
- IEC and Advocacy
- Gender Mainstreaming
- Research and Development Technology Transfer

MEANS OF IMPLEMENTATION
- Multi-stakeholder Partnerships
- Financing
- Valuation
- Policy, Planning and Mainstreaming
Successful transition towards climate-smart development.

Enhanced adaptive capacity of communities, resilience of natural ecosystems, and sustainability of built environment to climate change.

Ultimate Outcomes

Intermediate Outcomes

Ecological and Environmental Stability

Human Security

Climate-Smart Industries and Services

Sustainable Energy

Knowledge and Capacity Development

Food Security

Water Sufficiency