

CLIMATE VULNERABLE FORUM HIGH-LEVEL CLIMATE POLICY FORUM

Senate of the Philippines

Statement by Wael Hmaidan – Internatinoal Director - Climate Action Network

Excellences, Ministers, Commissioners, Senators, colleagues, ladies and gentlemen;

It gives me great pleasure to be here, I don't want to repeat what everyone has said before me, but the Philippine has constantly been an inspiration to all of us in terms of climate change leadership. CAN was and still is a big fan of how the Philippine, individually and as the CVF Chair, has helped shape the outcome of Paris.

CAN is a network of more than 1,200 organizations, operating in more than 140. Since the start of the climate negotiations 28 years ago, we have been working with governments, especially developing countries to ensure sustainable development.

Like all developing countries, we believe that achieving sustainable development is crucial for solving climate change.

In the past two decades, the rhetoric that developing countries need fossil fuels to achieve industrialization has dominated the climate debate.

When the debate started in early 90s this was true, and we were the strongest supporters of this rhetoric, together with developing countries, pressuring developed countries to reduce their emissions first.

But in the past 5 years the world has witnessed an unprecedented change.

Allow me to say that the challenges the Philippines is facing to achieve sustainable development is the same all over the world.

I come from Lebanon, and Lebanon is at a cross road. We recently have discovered that we fossil fuel resources in our sea, and many people in Lebanon believe that these resources are the best way for Lebanon to industrialize.

Let us forget about climate change for a while. Let us pretend that extreme weather events don't exist.

Actually, it is the fossil fuel industry that has been 'under the weather' lately.

We are seeing the fossil fuel economy turning around all over the world, and allow me to give few examples.

The Bank of England warned that a collapse in the value of oil, gas and coal assets is a potential systemic risk to the British economy.

This year, Peabody, the biggest global coal-company in the World, recently went bankrupt.

Saudi Arabia had 96 billion USD in budget deficits last year, and already started building a national plan for an economy beyond-oil, along with other countries in the Arabian Gulf.

In Lebanon, we were lucky. If Lebanon had invested in the newly discovered fossil fuels before the price of oil collapsed, we would have been stuck for the next 50 years in a failed economy. Now, with the current high volatility of oil prices, our fossil fuel resources have no added value.

At the same time, we witnessed Renewable Energy cost declining in an unprecedented manner recently, and the cost will continue to decline.

In countries like Morocco, Egypt, South Africa, India, United Arab Emirates, Brazil, and many others; renewable energy is cheaper than any other source of energy.

In January, officials in UAE told me that at 3 US cents/kwh for solar energy production, it does not make any economic sense for UAE to use any other source of energy, including their own cheap oil.

In South Africa, solar photovoltaic is at 5 US cents/kwh, cheaper than their own coal.

Morocco is now producing wind energy at a record price of 2.7 US cents/kwh, cheaper than any existing source of energy globally.

That is why hundreds of cities and businesses like Paris, Vancouver, Google, Facebook, IKEA, etc. have committed to achieving 100% RE as early as 2020. It is not for the climate. It just makes economic sense.

Doubling the share of renewables in the energy mix by 2030 would increase global GDP by up to 1.1 per cent, improve welfare by up to 3.7 per cent and support over 24 million jobs in the sector.

Question: how much of these could be in the Philippines?

Philippine's renewable energy sector is still small but booming. In the past 2 years, around 2bn USD have been invested in RE, creating local jobs all over the country.

Renewable Energy creates more jobs per kwh than fossil fuels. And if a country imports fossil fuels for energy generation, then they are not only creating fewer jobs, but also creating them in another country.

A big challenge for any country that wants to industrialize is attracting foreign investments.

Last year, investors worth 14 trillion USD in assets committed to shifting their investments towards renewable energy, and this number will only increase in the future.

In 2014, \$920bn of green credit was outstanding for someone to grab. So who will attract all these resources?

At the moment, the big developing countries are moving fast to capture these investments. India and China are leading in green bonds, and providing long-term assurance to attract these investments.

But it doesn't only have to be the big developing countries. The Asian Development Bank, based here in the Philippines, wants to raise 20bn USD through green bonds this year alone, and any national government can do it.

The country that commits to a renewable energy future will provide a decreased risk of long-term investments in the renewable energy market of that country.

It is not only about jobs and investments.

The reduction of pollution and climate impact through doubling global renewable energy by 2030 could save up to USD 4.2 trillion per year in external costs.

As the Philippines updates its NDC, it might be of interest to take into consideration these external benefits of increased climate action in terms of improved health, avoided air pollution, internal migration prevention, saving water resources, etc.

If all the above aspects are taken into consideration, like in many countries in the world, we have no doubt that the Philippines will see that the benefits of shifting to renewables are massive, and the economic and social risks of fossil fuels are just not worth the effort.

Thank you