

More Risks or More Opportunities?

DOMESTIC AND INTERNATIONAL ENERGY TRANSITION IMPLICATIONS ON THE FIDUCIARY RESPONSIBILITIES OF CORPORATE DIRECTORS IN THE PHILIPPINES

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Transcript

Energy Transition Council Updates in the Road to Glasgow and COP26

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Indeed, our topic this afternoon is timely and relevant. The arguments made by our presenters offered interesting solutions to accelerating the transition to clean energy, especially emphasising the role of the financing sector.

In the Philippines, you've heard two essential policies. First is BSP Sustainability Framework and SEC Sustainability Reporting Guidelines. And overseas, Jamie and Ellie highlighted the Task Force on Climate-Related Financial Disclosures.

Regarding climate talks happening in November in Scotland, I'd like to start by saying that as the COP26 Presidency, the UK, in partnership with Italy, is committed to increasing climate ambition. We have set out four goals related to mitigation, adaptation, finance, and collaboration. These are aimed at accelerating real-world progress towards achieving the Paris Agreement. Today, I will be focusing on mitigation, emphasising accelerating energy transition.

This topic, as highlighted earlier, is significant in Southeast Asia, given the region's role as a driver of the global economy and because of the large pipeline of fossil fuels, especially coal projects in the region.

Also, we've heard from our presenters that clean power is already a growth industry. Countries that will invest now will be positioning their economy in a booming industrial sector. It will also place them at the forefront of most innovative economies worldwide, whereas failing to take this opportunity will, of course, risk them losing their competitive advantage. Now is the perfect time because the pandemic offers an excellent opportunity to build back better and greener, which was highlighted earlier by AG Lyn.

It will also support jobs because investments in renewables have already shown substantial numbers of jobs compared to the fossil fuel sector. Based on studies, 50% more jobs can be created than fossil fuel-related employment. It will also respond to the growing concerns from the citizens on health because this will help address concerns on emissions. Thus, it would be good for public health.

Above all, the cost of clean power, particularly renewables, is already competitive. So you've listened to the deflationary cost of solar, wind, and battery storage. And the prices, as mentioned earlier, are expected to continue to fall over time.

Having said this, it is inspiring also to hear the updates from Undersecretary Wimpy spoke a while ago because it provides a more optimistic scenario for RE resources, which we expect to unlock the Philippines' untapped potential in this space.

We also welcome, of course, the Department of Energy's efforts on energy transition, including the issuance of the moratorium on endorsements for new coal power plants last year. We would very much want to recognise the DOE's very active engagement in the COP26 Energy Transition Council, ETC process, both at the international and local levels or national levels.

To briefly mention ETC, it brings together government, development partner community, energy and financial organisations to accelerate the shift towards clean energy. It has already been identified support and new contributions to prioritise actions related to clean energy, energy efficiency, and reliable energy systems. All these are aimed at contributing to the pillars of the country's Clean Energy Scenario, which was emphasised a while ago by Undersecretary Wimpy.

I am delighted to mention that some of the recommendations highlighted by Sara and Bert in the study were being addressed in the identified ETC interventions. I want to emphasise that the ETC underscores the creation of solid financial and technical support. An example of this is the Southeast Asia Energy Transition Program, wherein 50 million dollars in pipeline funding has been already identified, including the new commitment of 5 million pounds of funding from the UK. For the ETC process, this will not just be for COP26. But it has already been announced that ETC will continue to deliver its work until 2022.

Before I conclude, I'd like to underscore the critical role of central banks in mobilising and accelerating green finance, including for clean energy. As mentioned by AG Lyn a while ago, BSP and DOF are working with the UK on preparing a Sustainable Finance Roadmap and Sustainable Finance Guiding Principles. This aims to harmonise and to understand better what are sustainable activities.

In the UK, the Bank of England is at the forefront of expertise in this area, both with stress testing where it considers climate risks and its monetary policy. Bank of England (BOE) also provides capacity-building or extending capacity building related to understanding and managing climate-related financial risks and disclosures to central banks, including BSP.

I would like to end by highlighting that the IPCC's recent report makes it very clear that the temperature goal of the Paris Agreement is within reach. However, it can only be achieved with further ambition and action. So we must rise to this challenge of climate change by really working together. Everyone, it's time to act now.

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