



The Philippine Readiness for New Market Mechanisms

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Current status and development of market readiness

National climate policy on the development of future carbon and other possible markets

- formulation low emission development strategy
- development of bilateral carbon mechanism with participating countries
- development of NAMAs for the waste and energy sector

Current situation of domestic market

- Uneconomical to process any CDM project at present while there is pending renewed demand for GHG emission reduction (wanting CP2 until a new universal agreement in 2015?)
- Uncertainty in the RE market despite the issuance of FIT rates due to current CERs price
- Transaction costs of CDM only allow for a specific range of projects to be developed, e.g. projects with higher CER volumes is more viable than projects with lower CER potential

Current situation of domestic market

- Difficulty in existing processes for certain project types particularly the transport projects
- New market mechanisms are currently still not an option as perceived by most project developers in the Philippines

International cooperation activities for NMM development

- New market mechanism – capacity building with IGES re development bilateral JCM
- NAMA – development of NAMA readiness with GIZ

Barriers and/or issues related to the implementation of future carbon and other possible markets

- readily available national data such as GEF, biomass availability/demand studies, benchmark rates
- most potential country projects are small scale while large potential market buyers and traders are interested in large scale projects
- most project participants and developers have low readiness for emerging mechanisms, e.g. NMM, NAMA, sectoral crediting, domestic market, etc,
- impending development of relevant policies and enabling environment for new mechanisms, e.g. NAMA framework/roadmap and reinforcing tools

Barriers and/or issues related to the implementation of future carbon and other possible markets

- significance of the full backing the private sector and the financial institutions
- cohesive low carbon development programme among key government agencies
- perception that carbon market is “dead”

Expectations for future carbon markets – possible options and elements

- Scaling up and use elements of PoA as an operational block in designing NAMA
- Building on existing capacities, best practices and government procedures acquired under the PoA implementation in strengthening NAMA readiness
- Development of bilateral ties that will enable mutual development of programmes/policy instruments that will fit into emerging new mechanisms
- Transform existing programs to facilitate their integration with evolving mechanisms



THANK YOU ...

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