

**COMMENTS ON: HB 2055, 2481, 3685 (Low-Carbon Economy Act: Promoting low carbon economy, establishing for this purpose a carbon emission pricing framework and implementation mechanisms to achieve the national climate targets)**

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The Philippines' commitment to the United Nations Framework Convention on Climate Change (UNFCCC) is reflected in its Nationally Determined Contribution (NDC), which sets an emissions reduction and avoidance target of 75% for 2020-2030, comprising 2.71% unconditional and 72.29% conditional commitments. In line with this, the country's pursuit of a low-carbon economy is both timely and commendable, marking a crucial step toward climate-resilient and sustainable development.

House bills 2055, 2481 and 2685 or the Low Carbon Economy Investment Act, present forward-looking frameworks that seek to promote investments in low-carbon pathways through the institutionalization of a carbon emission pricing system, decarbonization mechanisms and climate governance reforms. These bills reinforce the Philippines' NDC commitments under the Paris Agreement and support a just transition that balances economic growth with environmental integrity. Below are some comments and recommendations on the bills:

1. The Philippine Greenhouse Gas Inventory Management and Reporting System (PGHGIMRS), initially established under EO 174 s 2014, will be institutionalized under the leadership of the Climate Change Commission (CCC). Sectoral agencies, including DA, DOE, DENR and DoTR, are designated to lead GHG inventories per sector, in collaboration with DOST, DOT, DPWH, DILG, PSA, LGUs, Academe, DTI, and SEC.

As the lead agency, the CCC must submit an annual report on the status of GHG monitoring. In the same light, NGAs and LGUs must conform to appropriate standards on annual recording and reporting. Sectoral and subnational annual reporting must include projections, assessments, and corrective actions, and could be expanded to include CC and DRRM-related updates.

2. The proposed NDC Steering Committee, chaired by the CCC, includes national agencies but lacks LGU and CSO/sectoral representation. This may limit inclusivity, and local grounding. The proliferation of overlapping bureaucratic platforms also risks redundancy. Clearer delineation of roles between the involve institutions is needed to avoid mandate overlap. Additionally, guidelines on the allocation of climate-related funds in the GAA should be established, with institutional plans and annual projections integrated into the proposed reports.

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3. Will the LCCAP quality assessment and review by CCC, DILG, select NGAs, HEIs, and SUCs entail the creation of another ad hoc body? The LCCAPs must be reviewed together with the LDRRMP, CDP, and CLUP of LGUs for planning alignment and consistency.
4. The institutionalization of CCET, in coordination with CCC, DBM, DILG, and OCD must harmonize expenditure tagging for both climate change mitigation and disaster risk management. The oversight agencies should also include DOF and DND to strengthen financial integrity and response coordination.
5. The National Integrated Climate Change Database and Information Exchange System (NICCDIES), as the primary platform for CC information, should also be expanded to cover DRRM-related data/information. To ensure relevance and transparency, the platform should be responsive and provide near real-time updates whenever feasible.
6. The bills prescribe multiple reporting requirements: (1) PGHGIMRS GHG monitoring, (2) CCET, (3) NDC yearly report, (4) possible sectoral and subnational reports, (5) carbon trading status, (6) UNFCCC report, (7) enforcement and indemnification report, (8) climate reinvestment fund report. To reduce overlap, these may be consolidated into a single comprehensive report, complemented by periodic (e.g., quarterly) updates as needed.
7. Effective sectoral and subnational implementation requires streamlined structures and strong capacity-building measures. Many LGUs still lack the technical expertise, financial resources and dedicated climate and environment offices. Additionally, devolving additional climate functions under the Garcia-Mandanas ruling necessitates funding, technical assistance, and institutional support from CCC, DBM, and DILG to ensure meaningful participation and sustained local action.
8. The provisions on decarbonization plans for covered enterprise encourage accountability, but thresholds and criteria for coverage must be clearly defined. Smaller enterprises that contribute to aggregate emissions may be overlooked unless sector-specific benchmarks or voluntary participation mechanisms are introduced.  
Independent oversight and annual disclosure of fund allocations and performance for the Decarbonization Fund are recommended to prevent misuse and ensure that funds directly contribute to measurable emission reductions and just transition outcomes.
9. The monitoring mechanisms, such as the Monitoring, Reporting and Verification (MRV) Systems, are strong implementing mechanisms yet their success depends on data quality, harmonized methodologies and regular public disclosure. The bills should mandate open-access reporting to build public trust and facilitate civil society and academic participation in the monitoring progress
10. The bills can also further emphasize the principle of just transition by ensuring that the shift to low-carbon economy will safeguard workers, communities and industries most vulnerable to both climate impacts and decarbonization measures. Integrating labor transition programs, skills retraining and green jobs within the legislation will minimize displacement and promote inclusive growth.