

ADB OKs \$500 million loan to Philippines for climate action

The Asian Development Bank (ADB) has approved a \$500-million loan to support the Philippines' efforts in addressing climate change.

By Louella Desiderio

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MANILA, Philippines — The Asian Development Bank (ADB) has approved a \$500-million loan to support the Philippines' efforts in addressing climate change.

In a statement yesterday, the multilateral lender said the policy-based loan for the Philippines' Climate Change Action Program (CCAP) Subprogram 2 will support the country's implementation of

its nationally determined contribution (NDC) or commitment to reduce emissions to help advance global efforts to stabilize the world's climate under the Paris Agreement.

Agence Française de Développement is providing co-financing worth \$278.3 million for the program, which aims to help accelerate reforms for climate-resilient and low-carbon agriculture, natural resources and environment, energy and transport.

According to the World Risk Index 2022 to 2024, the Philippines is the country most at risk for disasters globally.

In recent weeks, the country was hit by four strong typhoons, highlighting its vulnerability to extreme weather events.

A study from the World Bank estimates that the economic damage to the Philippines could reach as high as 7.6 percent of gross domestic product by 2030 if no action is taken to tackle climate change.

“Climate change is exacerbating all major development challenges in the

Philippines. The country's high vulnerability impacts its economic momentum and outlook," ADB Philippines country director Pavit Ramachandran said.

"This program is part of our commitment to help our host country avert economic damage from future climate change impact, mobilize green investment and transform its economy," he said further.

The ADB approved the CCAP in 2022 as its first climate policy-based loan across Asia-Pacific.

The program is considered an important component of the ADB's new country partnership strategy 2024 to 2029, and its country climate investment plan aimed at mobilizing \$10 billion in climate finance for the implementation of the country's NDC and national adaptation plan (NAP).

Under its NDC, the Philippines' goal is to cut greenhouse gas emissions and scale up adaptation.

Subprogram 2 is expected to help deliver these ambitions through key reforms

such as adopting the NDC Implementation Plan and NAP 2023–2050, scaling up budget allocations for climate activities and deploying climate technologies.

The program is also expected to strengthen policies and regulations to mobilize climate-related investment in renewable energy and energy efficiency, climate-resilient agriculture and nature-based solutions.

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