

DBP eyes \$347-M JBIC loan for 'green' projects

By LEE C. CHIPONGIAN

Government financial institution Development Bank of the Philippines (DBP) is negotiating for a new \$347-million loan from the Japan Bank for International Cooperation (JBIC) to fund environmental projects.

In a presentation to the "Green Banking Initiative" launch yesterday at the Mandarin Hotel, DBP President Rey David said the GFI has allotted or funded P17-billion worth of environmental projects since the 1990s.

"(We) have dedicated available funds of about P6.9 billion and we are currently working on securing additional funds of about 40 billion yen or \$347 million from JBIC," said David.

The Green Banking event, with keynote speaker Bangko Sentral ng Pilipinas (BSP) Deputy Governor Diwa C. Guinigundo, was organized by the Association of Development Financing Institutions in Asia and the Pacific and its partner organizations, including EuropeAID.

According to Guinigundo, "banks can promote environmental risk assessments in their loan evaluation and banks can themselves monitor these projects (to ensure compliance)." To do this, he is encouraging implementation of environmental standards or environmental governance standards to be adopted by the financial community. "We're still in our baby steps (in these efforts)," he added.

David agreed. "We believe that banks

take on a great responsibility because we fund projects that can either destroy the environment, or protect it. We form the last line of defense."

At the moment DBP finance projects for solid and hazardous wastes management, water and air pollution abatement and control including clean technology, water supply and sanitation projects including watershed management, and new, renewable, and sustainable energy, amongst others.

"We conduct environmental due diligence to evaluate the environmental impacts and benefits of potential and current projects," he said. The bank also requires their clients to conduct environmental impact assessments, and ensure their compliance with environmental regulatory requirements.

"Aside from financial risks, we also include environmental risks in our loan evaluation procedures. For example, concerns about companies being closed by the DENR or being forced to shut-down by communities because of environmental non-compliance are raised during the loan evaluation process," said David.

DBP has also launched 25 forest projects nationwide, covering 5,558 hectares of upland forest and 386 hectares of mangroves. "We have committed more than P111 million to fund these projects," said David.

The Green Banking Project is an initiative funded by the European Commission.