

Dev't banks pushing green banking

THE country's development banks will implement a stricter policy of requiring borrowers to comply with environmental regulations before they can avail of loans.

Jesus Tambunting, Planters Development Bank chair and CEO, said the compliance will be part of the loan application process, especially for borrowers from the mining sector, as well as the industry and retail sectors.

Tambunting said the new requirement will be implemented in the Philippines by Planters Bank, Development Bank of the Philippines, Queen City Development Bank (Cebu), and Asian Development Bank.

The campaign is part of the "green banking" that the Manila-based Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), which Tambunting heads, is advocating as part of the banks' corporate social responsibility.

The European Commission yesterday granted

ADFIAP a grant amounting to 346,000 euros (P23.8 million) to help banks promote environment governance standards in the banking and finance sector in the region.

The 18-month project, through seminars and workshops in Manila and in the region, will create the environmental performance monitoring program that banks and other financial institutions can use to set up their environment management policies and practices.

The project will also come out with rating standards for loan appraisal and project finance, which loan officers will use when evaluating loan proposals from borrowers.

Aside from the Philippines, ADFIAP also has member-banks from 30 countries in the region.

Tambunting said banks belong to the non-polluting sector but in many countries around the world, banks have long been requiring borrowers to comply with environment rules.

He said many of the banks' clients are indus-

tries that emit emissions harmful to the environment, causing global warming.

Octavio Peralta, ADFIAP secretary general, said in the Philippines only two banks – Land Bank and DBP – require environment protection designs in loan proposals.

Besides Planters Bank and the two government banks, Tambunting said partners-banks including thrift and rural banks will also be required to have an environmental program in their lending programs.

He said the development banks will be particularly strict with mining projects, which are on a rebound following the opening of the mining sector.

Also to be asked to comply are the small and medium enterprises, which are the major beneficiaries of development loans.

"But we won't wait for applications alone. We will look for projects that we can finance as long as they are environmentally sustainable," Tambunting said.