

BUSINESS

Asia's dev't financing sector gets P22.4-M grant from EU

By DONNABELLE L. GATDULA

The European Commission (EC) has approved a 346,000-euros (P22.4 million) technical assistance grant to the 58-strong Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) to help promote environment governance standards in the banking and finance sector in the region.

Ambassador Jan de Kok, head of delegation of EC to the Philippines, turned over the check to ADFIAP chairman Jesus P. Tambunting who is also chief executive officer of Planters Development Bank.

De Kok said the grant is a reaffirmation of the EC's commitment to boost environment governance in the business sector. EC is the European Union (EU)'s executive body.

Tambunting said the financial grant would encourage development financing institutions to make permanent their policies and practices in prioritizing environment concerns when evaluating loan proposals.

According to Tambunting, the grant would help facilitate an extensive information and education drive among ADFIAP-member institutions to make part of their evaluation process environment compliance as well as include in their lending activities environmental protection projects.

"The challenge is to make many people aware of the importance of environmental concerns, especially banks that are about to finance projects. These projects have to be environmental friendly," the former Philippine ambassador to the United Kingdom said.

Tambunting said it is expected that after 18 months, the members of ADFIAP would be able to add to their loan process environmental awareness that would help preserve and conserve the eco-system.

Under the program, a series of working conferences will be held in Manila, Mumbai and Hanoi and national seminar-workshops in Bangkok, Beijing, Kuala Lumpur and Colombo, Sri Lanka.

ADFIAP secretary general Octavio Peralta, said technical assistance from European partner-organizations such as Wuppertal Institute for Climate, Environment, Energy of Germany and the Leeds Institute for Environmental Science and Management have also been obtained in the drawing up of environmental monitoring programs and environmental rating standards for loan appraisals, both of which are the core thrusts of EGS.

Peralta said the ADFIAP, along with Leeds and Wuppertal Institutes, will conduct a "wide-scale campaign" for the implementation of capacity-building programs on strengthening DFI environmental governance policies, systems and procedures.

Environmental awareness is one of the major issues that are of interest to ADFIAP which is composed of 58 financial institutions in 30 countries. It also includes Asian Development Bank, the Development Bank of the Philippines, Development Bank of Japan and Korean Development Bank.

The project through a EU-Asia environmental governance partnership will develop environment governance standards (EGS) for its members. It will provide the basis for a new orientation towards more environmentally-sound practices and policies.

WEDNESDAY, AUGUST 24, 2005