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Headline: Loans to address climate change set to increase

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The Asian Development Bank and five other multilateral agencies have agreed to increase loans for projects and programs addressing climate change, saying that the phenomenon of changing weather patterns threatens the sustainability of global economic growth.

Currently, loans extended by multilateral institutions for “sustainable development” stand at about \$93 billion annually.

Aside from the ADB, the African Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank and the World Bank Group have committed to extend higher loans for sustainable development.

Their agreement was made during a meeting this week at Rio de Janeiro, Brazil, among officials of the institutions.

“The need to transition toward green growth has been recognized as key to sustainable development and prosperity,” the six multilateral development banks (MDBs) said in a joint statement.

“We are committed to supporting this transition to green growth—growth that is attained with a smaller environmental footprint, is inclusive, and achieves gains in opportunities and access to resources by all segments of the population to reduce income inequity,” they also said.

The MDBs said that economic growth of countries will not be sustainable unless environmental problems, mainly climate change, will be addressed.

Climate change is mainly caused by greenhouse emissions, especially from highly industrialized countries.

Climate change is blamed for various weather disturbances that are adversely affecting agricultural production and destroying infrastructure and other assets.

Although climate change is caused mainly by greenhouse gas emissions by industrialized countries, poor and developing countries are considered the most vulnerable to its adverse effects.

This is partly because of their lack of resources for projects and programs addressing climate change.

The Philippines is considered one of the top countries most vulnerable to the ill effects of climate change, particularly because of its geographic location.

Emerging markets, including the Philippines, have been leading global growth amid the economic and debt problems of the United States and the eurozone.

The developmental lenders, however, are concerned that the growth of the emerging markets may be dampened soon if the adverse impact of climate change on their economies is not addressed.

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“Working together is the best way for multilateral development banks to leverage funds, technology and know-how to make green, inclusive growth a reality,” the six MDBs said.