



# AFD AND THE Philippines



**758** million euros  
committed in 10 years

**16** projects funded

Between 80 000 and  
**185 000**  
teqCO<sub>2</sub> saved per year

The Philippine archipelago, made up of more than 7,100 islands, faces major challenges of climatic, environmental and social vulnerabilities.

AFD's action in the Philippines focuses on natural risk management and prevention, as well as sustainable urban development by promoting the decentralization process, a major strategic issue for the country's authorities.

To date, our operations have mainly been carried out through sovereign loans, accompanied by technical assistance and capacity building programmes.

# OUR ACTION IN THE Philippines

AGENCE FRANÇAISE DE DÉVELOPPEMENT | PHILIPPINES

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## *Reinforcing Natural Disaster Management and Adaptation to Climate Change*

Exposed to major risks of seismic, volcanic and meteorological disasters, the Philippines is one of the most vulnerable countries to the effects of climate change.

Cities are the most exposed to extreme weather events, as shown by Typhoon Haiyan in 2013, which was unprecedented in its scale and responsible for considerable human and material damage. In the Philippines, nearly 70% of municipalities are at risk, especially in coastal areas. That is why the Philippine Government has made local adaptation to climate change a national priority and called for international solidarity.

AFD has mobilized 50 million euros of budget support in this framework to partially finance the National Disaster Risk Management and Prevention Plan.

Since 2015, we have also been strengthening the technical and financial capacities of 52 cities in the prevention and management of natural disasters thanks to a 4.8 million euro delegation of funds from the European Union's Asia Investment Facility. Technical assistance to help three local governments prepare climate action plans was also provided with the aim of integrating climate change and disaster prevention into the urban planning process.

The French Global Environment Facility (FFEM) was also mobilized to rehabilitate and protect mangroves, which play a major role in mitigating climate change and adapting to its impacts: they contribute to carbon sequestration and form a bulwark against storms.

2

## *Supporting decentralisation*

The Philippines, home to more than 40,000 local governments, remains a territory marked by geographical disparities. Decentralization is therefore a major strategic challenge for the government. It delegates to cities and towns the responsibility for a range of services designed to improve the lives of citizens: waste management, access to drinking water, construction of dikes to prevent rising water levels, development of eco-cities, etc. But local authorities often lack the sources of revenue to set them up

and ensure their proper functioning.

AFD has been supporting the Philippine government in its decentralization program since 2009 via three sectoral public policy loans worth a total of 360 million euros and mobilized in cofinancing with the Asian Development Bank. The aim is to strengthen the financial capacities of local authorities and thus significantly increase their margin for action.

3

## *Promoting Sustainable Urban Transport*

The transport sector is a major emitter of CO<sub>2</sub> and fine particles, which pollute the air and affect the health of city dwellers. The challenge for the Philippines is to promote mobility that is affordable for the greatest number, reliable, efficient and environmentally friendly.

AFD is cofinancing 51 million euros with the World Bank for the future high-speed bus network in the metropolis of Cebu, the archipelago's second largest city with a population of nearly 800 000 inhabitants. The result: an efficient transport system that is more comfortable for its 300 000 users and less polluting. As a pilot project, it should inspire other cities in the country, notably the city of Manila, which is developing a similar project.

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## *Supporting civil society organizations*

AFD also supports civil society organizations and has to date financed 7 NGO projects in the Philippines for a total amount of 3.6 million euros. On the one hand, in line with its priority of natural disaster management and climate change adaptation, AFD has supported ACTED for intervention with populations affected by typhoons. On the other hand, it supports social projects such as Asmae, which helps street children in Manila, Cameleon, which fights against sexual violence, or Entrepreneurs du Monde, which develops microfinance and micro-energy in disadvantaged neighborhoods or regions.