

ADB \$500 Mn loans to Support Philippine agriculture reforms

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The Asian Development Bank (ADB) has approved a \$500 million policy-based loan to help the Government of the Philippines expand economic opportunities in agriculture while ensuring near- to long-term food security for the population.

The loan supports Subprogram 2 of the Competitive and Inclusive Agriculture Development Program, which aims to further develop the agriculture sector with trade policy and regulatory framework reforms. It also seeks to enhance public services and finance for the sector and social protection for rural families affected by the program's reforms.

"Extreme climate events and economic shocks are exacerbating the struggles of the agriculture sector to raise their productivity," said Takeshi Ueda ADB Principal Natural Resources and Agriculture Economist for Southeast Asia. "This new loan aims to support the Philippines' efforts to attain food security by building a competitive and inclusive agriculture sector that is characterized by improved efficiency, enhanced diversity, strengthened climate resilience, and higher farm incomes."

The second subprogram continues support for policy measures introduced in the first subprogram approved in 2020. Those policy measures are aligned with the recently launched Philippine Development Plan, 2023-2028. Building on the rice trade liberalisation under subprogram 1, this new program supports effective rice buffer stock management for emergency situations and relief programs to ensure food security in the Philippines.

The new loan promotes new government initiatives, including the provision of unconditional cash transfers to smallholder rice farmers and concessional loans to agriculture- and fishery-based micro and small enterprises and smallholder farmers and

fisherfolk under COVID-19 recovery and other credit assistance programs. The government provides substantive financing through the Rice Competitive Enhancement Fund to strengthen the country's rice sector.