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ABS CBN

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PHILIPPINE INFORMATION AGENCY

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Capital with purpose: ESG and Philippines finance
By: Ma. Aurora Geotina-Garcia

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CCC IN THE NEWS:

ABS CBN

Climate Change Commission pushing for unified ASEAN climate action
By: Jervis Manahan

MANILA — The Climate Change Commission is pushing for a unified ASEAN climate action amid threats posed by climate change.

Information and Knowledge Management Division

ABS CBN

Super Typhoon Rosal may peak at 220 kph

By: Ariel Rojas

MANILA — Super Typhoon Rosal, with international name Champi, may reach its peak intensity of 220 kilometers per hour maximum sustained winds within the next 12 hours, PAGASA said in a bulletin late Tuesday.

As of 10 p.m. Tuesday, Rosal had sustained winds of 215 kph, with gustiness up to 265 kph.

The super typhoon remains far from land, and was located 1,150 kilometers east of Northern Luzon.

It is moving west northwestward at 25 kph.

Satellite images show the monster typhoon resembling a donut, with distinct and large eye surrounded by a nearly uniform ring of a thick cloud cover.

The sheer intensity of violent winds along the super typhoon's eyewall keeps its rain band symmetrical and relatively smaller.

However, its wind field extends much farther, with strong winds reaching as far as 780 kilometers from the center.

Because of its expansive wind field, Tropical Cyclone Wind Signal No. 1 has been raised over Batanes, Babuyan Islands, northern and eastern portions of mainland Cagayan, northeastern Isabela, and northern Ilocos Norte and even northeastern Catanduanes in Bicol Region.

Strong winds may begin affecting these areas Tuesday evening.

Rosal will remain far from land.

It will continue moving northwestward over the Philippines Sea, maintaining super typhoon strength through Thursday.

It will make its closest approach to Batanes, at around 350 kilometers, between Thursday and Friday.

Stormy conditions may be experienced in the province during this period, with winds corresponding to signal no. 2 or 3 and heavy rainfall expected.

From Friday, Rosal is seen to recurve east of Taiwan, eventually exiting the Philippine area of responsibility later that day or early Saturday.

Despite remaining offshore, gusty winds and some rains may be expected in some parts of the country due to the storms' far-reaching trough or extension.

Scattered rains are possible in Bicol and Eastern Visayas on Wednesday. More intense rainfall may affect Cagayan, Apayao, Abra, and Ilocos Norte on Thursday and Friday.

Palawan, Western Visayas, Negros Island Region, Zamboanga Peninsula, and Sulu Archipelago may also expect light to moderate rains during the same period.

However, Metro Manila will continue to experience warm and humid conditions through the weekend, with occasions of cloudiness and isolated rain showers or localized thunderstorms, especially in the afternoon or evening.

The public is advised to continue monitoring updates on Super Typhoon Rosal as its forecast track and intensity will still change.

Apart from Rosal, no other weather disturbances are expected inside the PAR through the weekend.

Super Typhoon Rosal to bring rains over parts of Luzon, Eastern Visayas
By: Ariel Rojas

Super Typhoon Rosal may bring rains over parts of Northern and Southern Luzon and Eastern Visayas on Wednesday as it continues to move closer to Northern Luzon, according to PAGASA.

Rains with gusty winds may be experienced in Catanduanes, Isabela, Cagayan, Apayao, Ilocos Norte, and Batanes.

Scattered rains are also likely over Ilocos Sur; the rest of Cordillera, Cagayan Valley, and Bicol Region; Quezon; and Eastern Visayas.

At 4 a.m. Wednesday, the super typhoon was located 990 kilometers east of Northern Luzon

It has maximum sustained winds of 215 kph, with gustiness up to 265 kph, and is moving west northwestward at 30 kph.

Because of its expansive wind field, Tropical Cyclone Wind Signal No. 1 is in effect over

Batanes
Cagayan including Babuyan Islands
eastern Isabela
northern and central Apayao
northeastern Ilocos Norte
northeastern Catanduanes

Strong winds may begin affecting these areas this Wednesday.

More areas may be placed under wind signals as Rosal moves nearer to Northern Luzon.

PAGASA said Signal no. 2 or 3 could be the highest wind warning that will be raised during the typhoon's passage.

Rosal will remain far from land. It will continue moving northwestward over the Philippines Sea, maintaining super typhoon strength through Thursday.

It will make its closest approach to Batanes, at around 350 kilometers, between Thursday and Friday. Stormy conditions may be experienced in the province during this period.

From Friday, Rosal is seen to recurve east of Taiwan, eventually exiting the Philippine area of responsibility later that day or early Saturday.

Apart from Northern Luzon, gusty winds and some rains may also be expected in central and southern Philippines due to the storms' far-reaching trough or extension.

Palawan, Visayas, Zamboanga Peninsula, and Sulu Archipelago may experience scattered light to moderate rains Thursday to Saturday.

However, Metro Manila will continue to experience warm and humid conditions through the weekend, with occasions of cloudiness and isolated rain showers or localized thunderstorms, especially in the afternoon or evening.

The public is advised to continue monitoring updates on Super Typhoon Rosal as its forecast track and intensity will still change.

Apart from Rosal, no other weather disturbances are expected inside the PAR through the weekend.

Wind signal no. 1 up in 4 provinces as super typhoon Rosal enters PAR
By: Ariel Rojas

MANILA — Super typhoon Champi entered the Philippine area of responsibility at 10:40 a.m. Tuesday, October 20, and was named Rosal, according to PAGASA.

Wind signal no. 1 is now up in Batanes, eastern Babuyan Islands and eastern mainland Cagayan, northeastern Isabela, and northeastern Catanduanes.

At 10 a.m., Super typhoon Rosal was located 1,385 kilometers east of Central Luzon, packing winds of 185 kph and with gusts of up to 230 kph.

It is moving west northwestward at 25 kph.

Its trough or extension is bringing scattered rains over parts of Bicol and Samar Island.

Rosal will move northwestward over the Philippine Sea and remain far from the Philippine landmass.

It may maintain its super typhoon strength before gradually weakening from Thursday, when it is nearest Batanes.

Signal no. 2 or 3 could be hoisted in the area.

Rosal may pass over southern Ryukyu Islands before exiting the PAR late Friday or early Saturday.

The public is advised to monitor updates on the super typhoon as the forecast will still change.

ECO BUSINESS

Climate change could worsen toxic mine waste pollution along coasts: study

By: Madeline Shaw

Worst-case climate change modelling shows that rising temperatures and changing weather patterns could heighten mining contamination risks for marine environments, with some regions exposed to compounding hazards.

Demand for metals has exploded in recent decades, thanks to population growth, technological innovation, and economic development. The volume of metal ores like iron and copper extracted globally quadrupled during the last half-century, and the trillion-dollar industry shows no signs of slowing down.

But the growing demand comes with environmental risks. Both metal mines and the storage facilities that hold vast amounts of toxic mining waste, known as tailings, can release pollution into the surrounding environment, contaminating land and water with heavy metals and harmful chemicals. This pollution can eventually wash downstream, affecting coastal communities and marine ecosystems.

An analysis recently published in the journal Earth-Science Reviews warns that climate change could exacerbate the risks of metal mining pollution on marine environments.

Researchers examined areas where compounding risks from warmer temperatures, rising seas, and changing weather patterns could release more toxic waste into the landscape over the next century, highlighting the need for remediation and monitoring. They identified the six regions where overlapping hazards pose the highest risk: North America, South America, Northern Europe, the Mediterranean, East Asia, and Australia.

“We isolate six hotspots, but that makes up a large part of the world,” study lead author Adam Sproson, a research scientist at the National Oceanography Centre in the UK, told Mongabay. “There’s quite a lot of coastline to cover.”

A 2023 study found that roughly 23 million people around the world live along rivers and floodplains with potentially dangerous concentrations of metal mining pollution. But the global scale of the problem in marine environments — which billions of people depend on for their food and livelihoods — was unknown.

“This is not just potentially an environmental pollution issue,” Tristan McKenzie, a professor of coastal hydrology and chemistry at University College London in the UK, who wasn’t involved with the study, told Mongabay. “This is also a health issue. This is a food quality issue.”

How mining pollution enters the environment

To investigate how mines could be impacting coastal areas, the researchers assembled the first global database of the 4,094 active mines, 28,563 inactive mines, and 1,427 tailings storage facilities that could contaminate marine environments. They found that nearly 293,000 kilometres (182,000 miles) of coastline is at risk of contamination from metal mining.

This data analysis is “an impressive achievement” given how hard it is to access and analyse this information for different metals and across multiple international databases, McKenzie said. “It’s giving us an idea of where we should be investing our monitoring and mitigation strategies.”

The researchers explained in the paper that metal mining pollution can enter the environment in many different ways. Famously, it can happen suddenly and violently, in what’s known as a tailings dam failure. In 2015, for example, the collapse of a tailings dam in Minas Gerais, Brazil, released nearly 43.7 million cubic meters (1.54 billion cubic feet) of a waste slurry that killed 19 people and contaminated rivers for hundreds of kilometres, eventually reaching the Atlantic Ocean.

But it can also occur over the long term, in processes that may continue centuries or even millennia after a mine closes. Waste can erode and disperse slowly, washing away with rain or getting picked up by a breeze.

The researchers found that while preventing catastrophic failures is critical, the continual release of pollution from inactive mines is actually the larger global challenge. “These are the main contaminants globally,” Sproson said, with areas like the southwest of England still dealing with pollution from legacy mines that stopped operating long ago.

Climate change and pollution hotspots

Since these processes are shaped by weather patterns like rain, wind, and temperature, the team wanted to see how the effects of climate change could alter them this century. They used the worst-case climate modelling scenario, known as RCP8.5. While this model was retired this year by the UN’s Intergovernmental Panel on Climate Change, McKenzie said it’s still helpful for identifying pollution hotspots that are unlikely to vary dramatically across scenarios.

The modelling showed that in temperate zones, 99 per cent more active mines, 252 per cent more inactive mines and 148 per cent more tailings storage facilities would see warmer summers between 2071 and 2099. These rising temperatures would lead to more erosion and thawing that could release toxic waste into the surrounding area.

This is already happening. Previous research documented cases of Canadian mining infrastructure being pushed to its limits, including three tailings dumps that failed in the Yukon because they weren’t built to withstand the effects of melting permafrost.

Climate change, including higher temperatures, can also alter rain and wind patterns. The analysis showed that roughly three-quarters of active and inactive mines could see more precipitation near the end of the century, increasing the risk of pollution washing into the

watershed. Yet more than half of all tailings storage facilities are likely to see reduced rainfall, heightening the potential for waste to dry out and get blown away.

Further compounding the risks, all of the mines in the database are near coastlines likely to experience significant sea level rise — as much as 3-5 meters (about 10-16 feet) in some extreme cases — by 2100 under the model. This could result in seawater flooding contaminated sediment and eroding coastlines.

Higher sea levels and storm surges could also stir up pollution that has already entered coastal environments, heightening the risk of metals building up in the food chain. And the chemicals found in mining waste can contribute to ocean acidification, further endangering the health of coastal ecosystems.

Protecting vulnerable areas

To prepare for climate change's impacts and prevent coastal contamination, the researchers recommend monitoring in the highest-risk locations. Satellite observation has already been used to assess the risk of dam failures in Peru, for example, and on-the-ground sampling efforts can be used to model marine contamination, according to the study.

In areas that have already been polluted, the researchers said dredging, covering, or stabilising the contaminated sediment can keep it from entering the ecosystem. Planting vegetation that can survive amid the toxic waste, such as mangroves or marsh grasses, can also help draw metals from the water.

But they also urged using the best available practices, such as filtering or burying mining waste and shoring up dam walls, to try to limit contamination before it happens. "We have the solutions," Sproson said, though financial and political challenges can get in the way.

This can be especially challenging for inactive legacy mines, where there may no longer be a mining company to hold accountable for cleanup. The UN has proposed a global mining legacy fund to address the risks posed by abandoned mines, though the sheer scale of the problem presents a challenge, according to Jan Morrill, international mining senior manager at US-based nonprofit advocacy group Earthworks.

She pointed to reducing the overall demand for metals and implementing best practices whenever possible as key changes to minimise risks to coastal environments. Ultimately, she told Mongabay, "there's no mining without risk, and there's no mining without pollution."

MANILA STANDARD

New carbon policy allows Pinoys to earn by protecting ecosystem
By Katrina Manubay and Rio N. Araja

Executive Secretary Ralph Recto on Sunday said Filipinos could earn additional income from tree planting, clean energy projects, and other environmental activities under a new carbon market policy ordered by President Ferdinand Marcos Jr.

Meanwhile, the Department of Environment and Natural Resources (DENR) is expanding forest protection patrols and accelerating targeted reforestation across critical watersheds nationwide to boost the forests' water retention capability, regulate streamflow, reduce soil erosion, and recharge depleted aquifers.

In a statement, Recto said the policy aims to turn verified reductions in greenhouse gas emissions into "tradable carbon credits."

"In short, you can earn an income by planting and caring for trees, using clean energy, and engaging in other activities that benefit the environment. For every activity proven to reduce greenhouse gases, you will be awarded carbon credits, which can then be sold," Recto said.

"The President's vision is for our fellow citizens to earn additional income while we take care of the environment. The benefits go beyond clean air and greener surroundings; it can also bring jobs, businesses, and new opportunities to communities," he added.

Recto also said the initiative could encourage more investment in sustainable agriculture and renewable energy.

He noted that proposed projects must meet government standards and undergo proper verification to qualify for carbon credits.

The Executive Secretary also said carbon-credit revenues could help finance projects that protect communities from the effects of climate change, including climate-resilient infrastructure, water facilities, and other essential services.

"This is about making environmental protection work for the Filipino people. We want investments that protect our natural resources while creating jobs, improving livelihoods, and securing a better future for our communities," Recto said.

Signed by President Marcos on Oct. 13, Executive Order (EO) No. 127 directs the development of the Philippine Carbon Market Policy Framework.

The setup aims to establish a clear, coordinated national approach to regulating the country's participation in international and voluntary carbon markets.

Under the EO, the Department of Environment and Natural Resources (DENR) will set rules for which projects qualify, how carbon credits are measured and verified, and how revenues and other benefits are shared.

National Carbon Registry

The DENR will also establish a Philippine National Carbon Registry to track carbon credits and prevent double counting and other irregularities.

An inter-agency committee chaired by the Climate Change Commission, with the Department of Finance (DOF) as vice-chair, will oversee the policy's development and implementation.

The executive order does not impose a new carbon tax. Instead, it lays the groundwork for a regulated carbon market that could create economic opportunities through verified environmental projects.

The DENR has 30 days from the order's effectivity to submit the proposed framework to the inter-agency committee.

Meanwhile, DENR Secretary Juan Miguel Cuna said the forests "are our most powerful natural infrastructure for water retention."

He cited the importance of protecting and restoring watersheds as a safeguard against drought amid the potentially strong El Niño expected to last until 2027.

"While watershed restoration and forest protection efforts are not immediate solutions to the ongoing El Niño episode, such are critical long-term measures to strengthen ecosystems, improve water security, and help communities better withstand potential droughts and prolonged dry conditions," he added.

Cuna pointed out that these efforts build resilience to El Niño, a climate phenomenon that occurs every two to seven years without a regular cycle and can lead to prolonged dry spells, reduced water supply and drought.

The DENR is working with local communities, indigenous cultural communities, civil society groups and other partners to protect forest cover and ensure that newly planted trees survive the dry conditions.

The effort combines the restoration of degraded and fire-damaged areas with measures to keep newly planted trees alive and to protect existing forests, Cuna said.

In Central Luzon, DENR is carrying out forest restoration activities across critical watersheds in Aurora, Bataan, Nueva Ecija and Zambales.

In the Bicol Region, the DENR field offices are combining new tree-growing activities with measures to improve the survival of existing plantations, while in Masbate, the provincial environment and natural resources office partnered with the Integrated Bar of the Philippines in Bicol, local government units, and the community environment and natural Resources Office to plant over 16,750 indigenous and mangrove seedlings across 50 hectares in the province's second and third districts.

Meanwhile, in Mindanao, the DENR is focusing on the recovery of damaged ecosystems and the protection of forests that help sustain local water resources.

As El Niño increases the risk of prolonged dry conditions, the DENR, along with communities and local partners, is working on watershed protection, forest law enforcement, plantation maintenance and community partnerships to keep forests healthy and resilient, Cuna said.

Record El Niño? Depends who's counting

Washington, United States—Britain's Met Office says this year's El Niño is "unprecedented." Japan's weather agency has called it the strongest ever observed. US forecasters say it still trails the biggest events in its record books.

How can they all be right?

The answer lies in how they measure El Niño's strength, as meteorological agencies use different methods to assess the climate phenomenon, making direct comparisons difficult.

"By any measure, we are looking at a very strong El Niño," climate scientist Emily Becker of the University of Miami told AFP, adding that only once it is over will scientists be able to assess how big it is and "where it fits in the context of history."

Natural climate driver

The Pacific Ocean's El Niño Southern Oscillation (ENSO) is the planet's main natural climate driver. Normally, trade winds blow east to west along the equator, pushing warm water from South America toward Asia, while cold water rises from the depths to replace it.

El Niños, which occur every two to seven years on average and last nine to 12 months, disrupt this pattern.

The trade winds weaken and warm water is pushed back east toward the Americas. That shift in where ocean heat is released into the atmosphere ripples across global weather, making some regions cooler and wetter and others hotter and drier.

In describing the El Niño as unprecedented, the Met Office points to raw temperatures in the Pacific.

"Our observations confirm that sea-surface temperatures in the central equatorial Pacific have now surpassed levels recorded during previous El Niño events," it said in a statement to AFP.

But absolute temperatures are just one way of measuring El Niño's strength. Agencies also look at anomalies—how far temperatures rise above a historic baseline—to assess the event.

The Japan Meteorological Agency last week declared this El Niño the strongest on record based on how far sea surface temperatures were above normal in the Nino3 region of the eastern Pacific. By its count, the event beat 1997 in observations going back to 1949.

The US watches a neighboring box, Nino3.4, in the east-central Pacific.

It declares an El Niño when temperatures there run at least 0.5C above normal and the atmosphere responds, weakening the trade winds and shifting tropical rainfall eastward. This process is known as “ocean-atmosphere coupling.”

Accounting for climate change

How “normal” is defined has been a matter of significant debate.

The US National Oceanic and Atmospheric Administration (NOAA) and other agencies including the UN’s World Meteorological Organization long used the Oceanic Nino Index (ONI), which compares temperatures to a 30-year average that is updated every five years, so that the baseline keeps pace with a warming climate.

But with climate change speeding up and warming oceans worldwide, NOAA now uses the Relative Oceanic Nino Index (RONI), and the WMO is in the process of switching.

RONI also relies on a 30-year average but goes on to measure how warm or cool the east-central Pacific is compared to the rest of the tropical ocean, because that difference drives the weather impacts we care about.

“We were finding a mismatch between the temperature of the tropical Pacific and the impacts,” said Becker about the old index. La Niña years, when the central and eastern tropical Pacific is cooler than normal, were producing stronger effects than their rating suggested, and El Niños weaker ones.

NOAA projects this El Niño will be the strongest in its records, which go back to 1950, if the three-month average RONI anomaly reaches 2.5C or higher, a level that would put it above the 1982-83, 2015-16, and 1997-98 events.

The chances are rated “high,” but not yet certain.

“Regardless of where we’re ranking or how we’re measuring this event, it’s an incredible opportunity to study and understand this very powerful phenomenon in the context of a warming world,” said Becker.

PHILIPPINE INFORMATION AGENCY

IFSU highlights institutional gains, academic excellence at 106th founding anniversary celebration

By: Florida B. Robles

LAMUT, Ifugao (PIA) — The Ifugao State University (IFSU) marked its 106th Founding Anniversary and 17th Charter Year, highlighting more than a century of academic advancement, institutional growth, and contributions to community development.

Anchored on the theme, “IFSU @106: Building Bridges for Collaboration and Development Towards a Future-Ready University,” the celebration brought together university officials, faculty members, employees, students, alumni, government officials, and other stakeholders to recognize the institution’s achievements and continuing role in advancing quality education, research, innovation, and cultural preservation.

Dr. Marah Joy A. Nanglegan, Chairperson of the Steering Committee and Vice President for Research, Development, Extension, and Training, reflected on the university’s journey from its humble beginnings as an agricultural school to becoming a higher education institution recognized for its contributions to education and community development.

She acknowledged the dedication and contributions of the university’s pioneers, faculty, employees, students, alumni, and stakeholders who have helped shape the institution throughout its 106-year history.

IFSU President Dr. Freddie B. Caday highlighted the university’s 2026 accomplishments in academics, research, extension services, and international rankings.

Caday cited the outstanding performance of IFSU graduates in various licensure examinations, including the university’s achievement of 100 percent passing rates in several board examinations and the recognition of some of its graduates as national topnotchers.

Caday also underscored the university’s commitment to pursuing academic excellence, advancing research and innovation, strengthening community engagement, and enhancing its global competitiveness.

Meanwhile, Ifugao Governor Jerry U. Dalipog recognized the university’s significant contributions to the province’s development, particularly in providing quality education, producing competent professionals, and empowering communities.

He emphasized that the success of an educational institution should be measured not only by the number of graduates it produces but also by the quality of professionals and leaders who contribute to their communities and society.

For his part, Ifugao Lone District Representative Solomon R. Chungalao, whose message was delivered by Atty. Edmond Kindipan, pointed out the importance of preparing students for the demands of a rapidly changing world.

He recalled that the conversion of the former Ifugao State College of Agriculture and Forestry into a state university in 2009 was intended not only to expand academic offerings but also to equip the youth of Ifugao with the knowledge and competencies needed to respond to emerging challenges.

He cited the growing pressure on higher education institutions to adapt to technological advancements, climate change, the widespread use of social media, and the emergence of artificial intelligence.

The lawmaker stressed the importance of ensuring that academic programs are relevant to the changing needs of society while recognizing the challenges faced by educators and university administrators in preparing students for the future.

Meanwhile, Guest of Honor and House Speaker Faustino G. Dy III, represented by his son, Echague, Isabela Mayor Faustino “Inno” Arcega Dy V, highlighted the government’s efforts to strengthen access to quality and affordable education through increased funding, student assistance programs, and legislative initiatives.

He emphasized that education plays a vital role in creating employment opportunities, improving public services, strengthening local industries, and promoting sustainable development, particularly in Northern Luzon.

Dy recognized the sacrifices of teachers, university personnel, parents, and other stakeholders in helping students achieve their educational aspirations.

He shared some proposed additional funding under the 2027 national budget for educational assistance programs, including the Tertiary Education Subsidy and Tulong Dunong Program, aimed at helping financially disadvantaged students remain in school and complete their degrees. (JDP/FBR-PIA CAR, Ifugao)

PHILIPPINE STAR

Capital with purpose: ESG and Philippines finance

By: Ma. Aurora Geotina-Garcia

Environmental, social and governance (ESG) considerations have become a significant force in shaping modern finance. Investors, regulators, corporations and consumers are increasingly recognizing that long-term financial performance is closely linked to sustainable business practices.

As climate risks, social inequalities and governance concerns continue to influence economic outcomes, ESG principles are transforming how capital is allocated and how businesses operate around the world.

In the Philippines, ESG adoption has gained momentum as financial institutions, corporations and regulators respond to global sustainability trends while addressing local environmental and social challenges.

From sustainable banking frameworks to green bonds and renewable energy investments, the Philippine financial sector is gradually embedding ESG principles into its decision-making processes.

Understanding ESG in finance

ESG is a framework used to evaluate a company's non-financial performance alongside traditional financial metrics.

• Environmental factors examine a company's impact on the natural environment, including carbon emissions, energy efficiency, waste management and climate resilience.

• Social factors assess relationships with employees, customers, communities and other stakeholders, focusing on labor practices, diversity, health and safety, and community development.

• Governance factors evaluate corporate leadership, transparency, ethical conduct, board effectiveness and regulatory compliance.

Investors increasingly rely on ESG metrics to identify sustainable companies that are better positioned to manage long-term risks and opportunities.

The global shift toward sustainable finance

The global financial landscape has undergone a major transformation as sustainability has become a core component of investment decisions. Institutional investors, pension funds and asset managers are integrating ESG considerations into portfolio management to mitigate risks and generate sustainable returns.

Several factors are driving this shift:

1. Increased awareness of climate change and environmental degradation.

2. Growing demand from investors for responsible investment opportunities.

3. Enhanced regulatory requirements regarding sustainability disclosures.

4. Recognition that strong ESG performance can improve long-term financial resilience.

As a result, sustainable finance products such as green bonds, sustainability-linked loans and ESG-focused investment funds have experienced significant growth worldwide.

ESG in the Philippines
The Philippines faces unique sustainability challenges, including vulnerability to natural disasters, climate change impacts, poverty reduction needs and infrastructure development requirements. These issues have encouraged regulators and financial institutions to adopt ESG principles as part of national development efforts.

The growth of ESG investing in the Philippines is not limited to traditional equity investments. Innovative financial instruments such as energy transition mechanisms, gender bonds and sustainability bonds have emerged as important tools for directing capital toward sustainable development objectives.

• Energy transition mechanism (ETM)

A pioneering Philippine ESG initiative is ACEN Corp.'s ETM transaction amounting to P17.4 billion, completed in November 2022 – the first such transaction in the world.

In this transaction, ACEN divested its stake in South Luzon Thermal Energy Corp. (SLTEC), owner of a 246-MW coal plant set to retire by 2040, and received P7.2 billion for reinvestment in renewable energy projects.

The mechanism supports a "just energy transition" by reducing dependence on fossil fuels and expanding investments in solar, wind and other clean energy technologies. This transaction, which drew equity investment from pension and insurance funds, demonstrated how innovative financial structures can align investor returns with environmental sustainability goals.

• Gender bonds

ESG finance extends beyond environmental concerns to social development and inclusion. In 2023, the Asian Development Bank supported the Philippines' first gender bond issued by ASA Philippines Foundation Inc. The organization raised P5 billion through a five-year gender note

whose proceeds are intended to expand financing for women entrepreneurs and improve their economic opportunities.

This landmark bond highlights the “Social” dimension of ESG by promoting gender equality, women’s empowerment and financial inclusion. It also demonstrates how capital markets can be used to address social challenges while providing investors with opportunities to generate positive societal impact.

• Green and sustainability bonds

In 2016, AP Renewables, Inc. issued a P10.7 billion climate bond – described by the ADB as the first in Asia and the Pacific – for its Tiwi-MakBan geothermal facilities. Sustainable bonds outstanding in the Philippines have expanded significantly, reflecting increasing investor demand for ESG-focused investments.

BDO Unibank is one of the country’s pioneers in sustainable finance through its Sustainable Finance Framework, which supports green, social, blue and gender-related financing projects. The framework aligns with international sustainability standards and supports projects in renewable energy, climate action, community development and women’s empowerment.

In recent years, BDO Unibank has emerged as one of the most active sustainability bond issuers in the country. It has launched six issues of its ASEAN Sustainability Bonds since January 2022, raising an aggregate P518.7 billion. Proceeds are earmarked for eligible assets under its Sustainable Finance Framework.

In August 2024, Bank of the Philippine Islands (BPI) issued P33.7 billion in Sustainable, Environmental and Equitable Development Bonds. Proceeds were intended to finance and refinance projects under BPI’s Sustainable Funding Framework, including renewable energy, energy efficiency, green buildings, water management, and lending to micro, small and medium enterprises.

The Philippine government has become a regional leader in sovereign sustainable finance. In August 2024, the Republic of the Philippines issued a $2.5 billion triple-tranche global bond offering, which included a 25-year Sustainability Bond issued under the government’s Sustainable Finance Framework.

The issuance represented the country’s sixth G3 ESG bond offering and attracted strong international investor demand. Proceeds from sustainability bond issuances have been allocated to projects supporting renewable energy, climate adaptation and resilience, food security, health care and education, infrastructure development, among others.

Challenges facing ESG adoption
Despite significant progress, several challenges remain:

• Limited ESG data and disclosure consistency across companies.

• Variations in ESG reporting standards.

• High implementation costs for smaller businesses.

• Need for greater ESG awareness among investors and corporate leaders.

• Balancing sustainability goals with economic growth priorities.

Addressing these challenges will require collaboration among regulators, corporations, investors and civil society organizations.

Future outlook
The future of ESG in Philippine finance appears promising.

Emerging trends include:

• Greater use of green and sustainability-linked financing.

• Enhanced corporate sustainability reporting.

• Increased investments in renewable energy and climate-resilient infrastructure.

• Stronger regulatory support for sustainable finance.

• Expansion of ESG-focused investment products.

As these trends continue, ESG will play a crucial role in shaping a more resilient, inclusive, and sustainable financial system in the Philippines.

While challenges remain, Philippine examples such as sustainable banking initiatives, renewable energy investments, green financing programs and financial inclusion efforts demonstrate that ESG is no longer a niche concept. Rather, it has become a strategic framework and an integral component of investment strategy, risk management and sustainable economic development. It is reshaping the future of finance and creating opportunities for sustainable economic growth while supporting the evolution of Philippine capital markets to address both environmental and social challenges.

CCC IN THE NEWS:

ABS CBN

Climate Change Commission pushing for unified ASEAN climate action
By: Jervis Manahan

MANILA — The Climate Change Commission is pushing for a unified ASEAN climate action amid threats posed by climate change.

CCC Commissioner Albert dela Cruz said Southeast Asia remains one of the most vulnerable regions in the world to climate change, and countries must coordinate their response to help their citizens.

"At the midst of climate change, we don't want only to survive, but most especially to thrive," Dela Cruz said.

Among the things they are pushing for is a unified carbon market.

"Tayo ay may kakayahang maglinis ng hangin. Dahil dito, ang mayayamang bansa ay kailangang sila ay magbayad at bumili ng ating kakayahan na iyan in a form of carbon market," Dela Cruz said.

"Ngayon, kung ang sampung bansa sa ASEAN ay magkaroon ng unified carbon market, magkaroon ng unified pricing at magkaroon ng unified platform, magkakaroon tayo ng tinatawag nating bargaining power," he added.

Dela Cruz said Southeast Asian countries emit little carbon but receive all the climate abnormalities.

"Kasi kapag fragmented ang market, hindi nagkakaroon ng ugnay-ugnay, ang buyer ang magse-set ng price tag, which is happening now," he said.

"What we want to happen, since we own the biodiversity, we own the tropical rainforest we should be the one, the ASEAN carbon market unified platform, should be the one to set the price and the parameters on how to deal with it," he added.

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