

World Bank supports Philippine agriculture with USD70 M climate risk co-insurance pool

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The Philippine government, with the backing of the World Bank, is set to roll out a five-year, USD70 million initiative in 2026 to protect the country's agriculture sector from escalating climate-related risks.

The project aims to establish a co-insurance pool that will provide financial protection to 750,000 small farmers and fisherfolk by 2030. Under the program, the World Bank will leverage its loan to mobilize between USD300 million and USD500 million in climate protection for farmers, fisherfolk, and agri-based micro, small, and medium enterprises (MSMEs).

Agriculture Secretary Francisco P. Tiu Laurel Jr. highlighted the initiative as a critical step toward ensuring the resilience of the nation's agricultural producers. Secretary Tiu Laurel emphasized that this initiative will enable producers to recover more quickly from climate shocks, such as droughts and floods, and minimize disruptions to food production.

“The World Bank plans to leverage its loan to mobilize between USD300 million and USD500 million in climate protection for farmers, fisherfolk, and agri-based MSMEs. This will allow our producers to bounce back faster after climate shocks and resume production with minimal delay.” said Agriculture Secretary.

The co-insurance pool will involve collaboration between public and private insurers, combining the expertise of Philippine Crop Insurance Corp. with the technical and financial resources of private insurers, including the National Reinsurance Corporation of the Philippines.

The Department of Finance will act as the borrower for the loan, while the Department of Agriculture (DA) will oversee the implementation of the program. Secretary Tiu Laurel noted that the co-insurance framework will reduce the risks associated with agricultural lending, encouraging banks to extend more credit to farmers. This, in turn, will help producers invest in advanced technologies, adopt climate-smart practices, and enhance productivity.

The initiative aligns with President Ferdinand Marcos Jr.’s vision of modernizing Philippine agriculture and ensuring food security for the nation. Secretary Tiu Laurel underscored the importance of protecting farmers as a means to stabilize the country’s food supply.

The project reflects a broader commitment to strengthening the agricultural sector’s resilience in the face of climate change. By integrating public and private resources, the co-insurance pool aims to create a robust safety net for farmers, enabling them to withstand climate-triggered disasters and continue contributing to the nation’s food security. This initiative is a pivotal step toward achieving a food-secure Philippines while supporting the livelihoods of its agricultural workforce.