



**Sustainable Finance in the Time of COVID-19:**

**Advocacy in Changing National & Regional Landscapes**

**Monday, 7 September, 14:00 – 16:00 (UTC/GMT +7 hours)**

**1. Background**

In Asia, COVID-19 has had a huge negative impact on economies, further exacerbating socio-economic challenges already borne by some of the poorest and most vulnerable populations in the world. The massive loss of lives and livelihoods in the region continues to surge, particularly in those countries struggling to strike the right balance between containing the virus and keeping economic activities afloat.

As some Asian leaders begin to set post-COVID recovery objectives, it is important to ensure that we no longer resume business as usual practices and take into account the critical areas for change brought to light by the pandemic. Financial institutions (FIs) in the region have a key role to play in integrating sustainable finance policies and initiatives to build back better post-COVID, rather than using the pandemic as a pretext to further delay ESG accountability initiatives.

Within the context of Fair Finance Asia (FFA) program implementation at the national and regional levels, COVID-19 has certainly brought new challenges and risks, but it also enabled some successes and opened new doors of opportunities for further engagement. The session was designed to bring together FFA coalitions and Executive Team representatives to review some of the year's key wins as well as challenges in sustainable finance advocacy.

The objectives of the webinar were to:

1. Highlight key successes and challenges in sustainable finance advocacy at the FFA national and regional levels in the context of COVID-19;
2. Jointly reflect on changing financial sector landscapes across Asia and identify strategic interventions by the FFA network to contribute to regional building back better initiatives.

**2. Speakers**

The webinar was moderated by Richard Welford from CSR Asia and was kicked off with a welcome from **Asa Heijne from the Swedish Embassy in Bangkok**. She emphasized the importance of fair finance to Sweden in the development of Asia, making the point that we need to address both sustainable finance and inclusive finance.

**Discussants: Bernadette Victorio, Regional Program Lead, Fair Finance Asia, Yuki Tanabe, representing Fair Finance Japan, Sarinee Achavanuntakul from Fair Finance Thailand, Dia Mawesti from ResponsiBank Indonesia, Hoang Thu Trang from Fair Finance Vietnam, Solinn Lim, representing**



Fair Finance Cambodia, Victoria Caranay from Fair Finance Philippines and Shreya Kaushik from Fair Finance India

### 3. Discussion Highlights

Following the introductory presentation, there was a lively and informative discussion about a number of issues between the presenters and webinar participants, based on the questions posed through the webinar platform.



*Audience response when asked to describe their experience conducting sustainable finance advocacy in time of COVID-19. Collected via Poll Everywhere.*

#### Successes, despite the many challenges posed by COVID-19

**Yuki** highlighted the coalition's experience of successful engagement with a number of Japanese financial institutions. It is clear that there is a positive movement by many Japanese banks in particular in adopting sustainable finance principles. Yuki outlined the example of new policies of Japanese banks with respect to coal financing to illustrate this, and provided a snapshot of how this developed through extensive shareholder activism at Mizuho bank.

Successes were also shared by **Sarinee** who provided an update on the coalition's engagement with banks in Thailand as well as national regulators. This has included the launch of the [Fair Debt](#) initiative and a survey to examine the status and impacts of household debt in Thailand, often negatively impacting poor and vulnerable people.

#### Recurring themes in discussions with financial institutions, regulators, or other CSOs

*Community engagement.* The discussion also addressed some of the specific areas of work undertaken by FFA coalition members and progress being made at both sector and community levels, and in carrying out Fair Finance Guide (FFG) policy assessments. There was discussion relating to community



engagement and making sure that the interests of vulnerable populations are protected, such as smallholders and others impacted by the decreased financing towards certain industries. **Dia** provided updates of the coalition's work in Indonesia which included engagement with stakeholders around the palm oil sector. This has put an emphasis on smallholders and local communities linked to palm oil production. She also briefed the audience on the role of the financial regulator in Indonesia, OJK, in promoting sustainable finance across sectors and how they are mitigating key issues in the context of the pandemic.

*Financial institution engagement.* It was recognised that there is a number of opportunities to engage with banks at a national and regional level. It is clear that some banks are trying to differentiate themselves through communicating their commitment to a range of ESG issues. Nevertheless, the economic environment in the context of the pandemic, has posed challenges and progress has been hampered by cutbacks in some of the banks. It was stressed that climate change is going to pose huge challenges in the future, if the Asian financial sector do not take the opportunity during the pandemic to build back better. In a number of countries, it was noted that banks are increasingly willing to work with each other on sustainable finance and ESG issues. There are opportunities here for FFA to engage with the emerging banking associations. A number of FFA coalition partners have been using the Fair Finance Guide (FFG) assessment to engage financial institutions on particular policy issues. **Trang** illustrated this through feedback received on their FFG assessments and engagement with Vietnamese financial institutions which has helped them to build relationships with many of the banks and continuously push them towards improvements in their approach to sustainable finance and ESG accountability.

#### Key challenges or setbacks in advocacy due to COVID-19

Clearly the era of COVID-19 has posed a number of challenges for coalition members and **Solinn** talked about some of those particular challenges from a Cambodian perspective. This has included engagement on issues such as household debt, similar to engagements made in Thailand. She also spoke about the situation with respect to potentially increased coal dependency in Cambodia and the government's plan as a result of dwindling dam power efficiency, even though generation from electricity in that sector is unsustainable. She also spoke about particular COVID-related impacts on the Cambodian garment industry, due to a lack of demand in the retail sector globally.

It was pointed out that COVID-19 continues to have a huge impact on employment, job security and labour practices in the region. **Victoria** spoke about how COVID-19 has impacted labour practices, wages, gender issues and human rights in the Philippines. She also provided updates on the Central Bank's sustainable finance framework and their ongoing work on stress-testing and scenario analysis required of financial institutions. She outlined further work with local banks through FFG policy assessments and the coalition's plan to collaborate and engage with Philippine financial institutions on some of these specific social issues where FFA has particular expertise.

Challenges over governance, transparency and disclosure were also discussed and it was noted that there was an important role for government and regulators to play in encouraging (or mandating)



more ESG disclosure. The role of the media and of journalists, in bringing more attention towards sustainable finance and increasing public awareness was also discussed.

*Human rights and supply chains.* Human rights and the openness of banks in the region in discussing some of these challenges was another topic of discussion. Although in most FFA countries such issues are still sensitive, banks are opening up to some of the discussions, for example around modern slavery. The impact that COVID-19 has had on global supply chains and how this has affected human rights and the livelihoods of people in the region was also touched upon. It was recognised that this is an immense challenge and has related impacts on labour practices and added ESG risks to monitor more closely, moving forward.

*Audience response when asked to share what they think FFA’s contribution should be in ensuring sustainable finance is prioritized in the Asia’s post-COVID recovery initiatives.*

*Collected from Poll Everywhere.*

**Evidence-based studies with specific findings on the impacts - particular social and economic impacts and recommendations for actions**

**FFA can continue to provide capacity building to financial institutions on evidence that integration of ESG is essential for sustainable growth.**

**Promote more environmental and social friendly investments**

**Develop learning hub for Asian regulators**

**Promoting investment in inclusive, stakeholder-based economic development**

**Protection and promotion of labour rights**

**Strengthening the role of regional financial sector actors**

**Showing the long term benefits and profitability of financing in sustainable initiatives and reconstruction/support for inclusive lending**

**As a regional network and collective voice of CSOs, FFA can promote changes also in IFIs, regional stakeholders**

**Support regulators to cover loopholes and strengthen financial institutions**

**Stronger media engagement & dissemination of knowledge nationally and internationally**

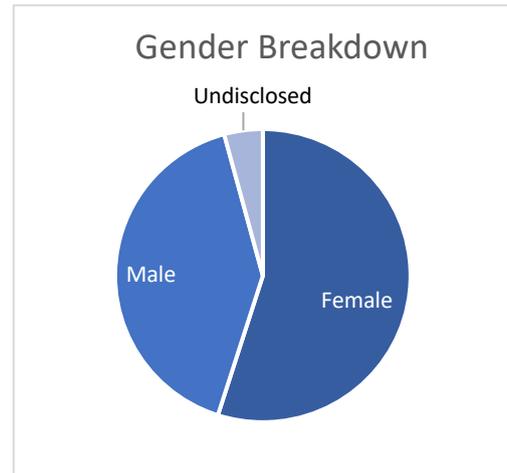
**Highlight evidence of social issues and risks**

**Advocacy towards clean energy investments and transition**



## 4. Participant Profile

A total of 71 participants joined the webinar.



## 5. Feedback from Participants

12 participants provided detailed feedback after the webinar. In-depth statistics are available for reference, but a summary of responses highlighted the following:

- 76% of the respondents that provided feedback were from civil society organizations, 8% were from financial institutions, and 16% were from other sectors including academia and consultancies.
- 76% of the respondents strongly agreed that the topics discussed were relevant to their organization's line of work.
- 63% of respondents felt that they would be able to leverage the lessons learned towards engaging with financial institutions and strengthening their own organization's engagement.
- 73% of respondents agreed or strongly agreed that the speakers were able to deliver their messages effectively, and answer questions clearly.
- More than 83% of respondents felt that the quality of the webinar was high or very high.

For future webinars, respondents stated that officers and staff from financial institutions should be included as speakers in order to support greater understanding of participants. They would also appreciate a greater focus on addressing challenges related to national and regional advocacy efforts. Respondents shared additional feedback that the webinar was very well moderated, and the discussion was very insightful. Further, respondents would appreciate if the context of the discussion was broadened to include the global Fair Finance International network and expanded to include other countries.