International Labour Organization | Social Finance

Capacity building workshop for financial sector actors in the Philippines

Integrating Just Transition considerations and principles in financing activities

Manila - November 27-29, 2024

Registration deadline: November 22, 2024 - COB

November 2024

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Financial institutions are central to enabling the shift towards a sustainable economy, both by allocating capital and by guiding other sectors through sustainable practices. With funding from the European Union and the Ministry of Foreign Affairs of Finland, the International Labour Organization (ILO) is organizing an in-person capacity-building workshop in Manila.

Situated at the core of economic activities, financial institutions face the impacts of both climate change and climate transition strategies. Adopting a just transition lens allows financial institutions to uncover and manage sustainability-related and reputational risks in client portfolios while addressing regulatory, legal, shareholder, and stakeholder concerns. It also contributes to identifying commercial opportunities associated with being at the forefront of the green transition, reaching underserved markets, accompanying sustainable transformation in rapidly growing emerging markets and developing economies, and benefiting from inclusive economic development in regions undergoing transition.

To equip financial sector actors in the Philippines with the knowledge and tools to promote just transition objectives as part of their core operations and to finance sustainable initiatives effectively, the ILO is organizing this capacity-building workshop. The workshop will build upon recent findings from a just transition and financial sector mapping in the Philippines and leverage ILO research, expertise and tools such as the Just Transition Finance Tool for banking and investing activities and the Just Transition Finance – Pathways for Banking and Insurance specifically targeted at the financial sector actors. A combination of presentations, group exercises and case studies will provide participants with practical insights to develop actionable plans to integrate just transition considerations into financing activities and core operations of financial institutions.

Background and Objectives

Climate change and environmental degradation pose significant challenges to economic growth and employment today. And in the medium- to long-term related impacts will even further manifest. Continued global warming will lead to increased heat stress which could result in losses of 2.2% of total working time by 2030, equivalent to 80 million full-time jobs. At the same time, if properly managed, climate action can facilitate more and better jobs. For example, adopting climate-neutral and circular economies could generate 100 million new jobs by 2030.

A just transition is crucial for effective climate action. This shift to a sustainable future must not only be environmentally responsible, but also equitable and just for all, and involve all concerned stakeholders: workers and businesses, communities, affected groups, and vulnerable populations.

The Philippines is among the world's most vulnerable countries to climate change. Increases in the frequency and intensity of typhoons, changes in rainfall patterns, rising sea levels, and increasing temperatures pose a serious threat to the nation's ecosystems and population. Transitioning to sustainable practices across different economic sectors is essential to protect the country's agriculture, fisheries, and coastal communities, which are integral to its economy and food security. The Philippine Energy Plan (PEP) 2023-2050 outlines the vision of a sustainable energy future for the country that benefits communities, drives economic growth, and improves the well-being of people. The plan also touches on financing the energy transition and prompts the private financial sector to participate.

The transition to a low-carbon and climate-resilient economy requires substantial investments to address both environmental and social challenges. Investments are needed from both the public and private sector. The country's financial sector, in particular, has a pivotal role to play in facilitating financial flows towards an inclusive and just transition. Recently, the Republic of Philippines has developed a Sustainable Finance Roadmap (2022) and adopted a Sustainable Finance Framework (2021). Both aim at mainstreaming sustainable finance into the country's efforts to achieve its sustainability commitments and provide a foundation for capital-raising through sustainable finance instruments to support this transition.

A just transition approach that integrates environmental and social aspects into the strategies and operations of financial institutions is essential. Since the implementation of the Philippines' sustainable finance ambitions is still at an early stage, stakeholders across the financial ecosystem need the tools and knowledge to effectively facilitate a just transition.

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Target audience:

- Executives, managers and sustainability officers from financial institutions (banks, investment firms, insurance companies, microfinance institutions) and development financial institutions
- Executives from financial sector associations, industry bodies, supervisors and regulators

Focus areas:

- Low-carbon transition dynamics and just transition principles
  - Dynamics and pathways of the Philippines' low-carbon transition
  - Prominent social considerations and key stakeholders of the climate transition
  - Concept and importance of a just transition in the context of sustainable development
- Integrating just transition considerations into financial sector activities
  - Relevance of just transition to the financial sector, the role and the levers of the financial sector for supporting it
  - Applicable sustainable finance policies and regulations
  - Practical steps to embed just transition considerations into strategies and operations of financial institutions
- National and international just transition-aligned initiatives and funding mechanisms
- Collaboration and partnerships with other financial institutions, civil society, and government agencies

About Organizers

This capacity building activity is organized by the International Labour Organization (ILO) with financial support of the European Union and the Ministry of Foreign Affairs of Finland and with conceptual and technical support provided by WeESG.

The ILO embodies a profound commitment to enhancing labour rights, social justice, and decent work. It emphasizes the interconnectedness of environmental sustainability, decent work, and social justice amid the triple planetary crises. Leveraging the Just Transition Guidelines, the ILO advocates for a just transition that fosters inclusive and environmentally sustainable economies, that leaves no one behind. Through its Social Finance Programme, the ILO engages with the financial sector to enable it to contribute to decent work and social justice.

WeESG is a global provider of sustainable finance training, founded by former University of Cambridge CISL colleagues. The organization delivers skills development programs tailored to the needs of financial institutions, multilateral development banks, corporates, and stakeholders in global financial markets. To date, WeESG has trained over 25,000 practitioners from 200 institutions across more than 35 countries.

About the Project

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