



**SBN Member Update  
July 2020**

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Dear SBN Members and Partners:

We trust you remain safe and well.

We are excited to welcome the latest member to the SBN community: National Securities and Stock Market Commission of Ukraine (NSSMC) joined this July. SBN now represents 40 emerging markets. SBN members are committed to advancing sustainable finance in line with international good practice.

COVID-19 continues to impact SBN members. Some countries are reaching a new normal and others are feeling the second wave of the pandemic. We remain inspired by your continued energy and commitment in advancing sustainable finance despite the current crisis. In a growing number of countries, we are also seeing that sustainable finance transitions are being leveraged enthusiastically as a way to respond and rebuild social and economic resilience. As a result, this update is filled with new developments and achievements from members. It also includes updates on initiatives by the SBN secretariat to facilitate knowledge sharing and to support member efforts virtually. As always, we welcome your feedback and updates.

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## **1. Welcome to new SBN Member, National Securities and Stock Market Commission of Ukraine (NSSMC)**

**The National Commission on Securities and Stock Market (NSSMC) joined SBN in July 2020.** NSSMC is a state collegiate body subordinated to the President of Ukraine and accountable to the Verkhovna Rada of Ukraine. NSSMC is committed to promoting sustainable finance in Ukraine by developing a Sustainable Finance Roadmap and adopting green finance guidelines. The focuses include green bonds and other sustainability bonds, as well as environmental, social, and governance (ESG) Disclosure Guidelines and ESG Scorecard. For more information, visit [www.ifc.org/sbn](http://www.ifc.org/sbn).

As sustainable finance deepens in many emerging markets, the scope of sustainable finance has expanded beyond banking. NSSMC's joining increases SBN's member base of the capital market regulators. With more diverse member composition, SBN is better positioned to promote sustainability in the entire financial ecosystem. SBN and IFC look forward to supporting Ukraine in these efforts through global knowledge sharing as well as country-level technical assistance.

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## 2. Responding to COVID-19: initiatives from SBN members

- **The Central Bank of Egypt shared their comprehensive pandemic response as an SBN Case Study.** Actions include new initiatives and adjustments on interest rates, as well as direct mandates for banks to extend credit limits to finance companies, and to develop support plans for the most impacted economic sectors.
- **Featured SBN Member Webinar: National Treasury of South Africa, IFC, Carbon Trust, and National Business Initiative in June** jointly hosted the webinar “**Green Recovery: Stimulating Post-COVID Economic Competitiveness in South Africa – Exploring the Role of a South Africa Taxonomy.**” The webinar recording is available at [www.ifc.org/sbnwebinars](http://www.ifc.org/sbnwebinars).
- **Featured SBN Member Webinar: Kenya Bankers Association** will host a webinar on “**Green Finance Supply and Demand Dynamics in Times of COVID**” on 4 August at 2:30 pm to 4 pm Kenya Time. The webinar will feature contributions from SBN, Bangladesh Bank, and the Kenya Climate Innovation Center. [Click here to register for the webinar.](#) For more information, visit [www.ifc.org/sbnwebinars](http://www.ifc.org/sbnwebinars).

We invite you to share your ideas, experiences, and initiatives in handling the crisis as case studies and/or in other formats. Please email us at [SBN\\_Secretariat@ifc.org](mailto:SBN_Secretariat@ifc.org).

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## 3. Responding to COVID-19: steps taken by international organizations

- **IFC and the European Bank for Reconstruction and Development (EBRD)** jointly published **a series of Interim Advice for IFC and EBRD Clients on COVID-19**, which provides guidance on actions that clients might take to meet their obligations under EBRD Performance Requirements (PR) and IFC Performance Standards (PS) with respect to specific risk management actions, such as Company Leadership on Crisis Response, Stakeholder Engagement, and Emergency Preparedness and Response Plan.
- Gender violence and harassment increase during public health emergencies such as the COVID-19 pandemic, further compounding the adverse impacts on employees’ wellbeing, health and safety, and productivity. Responding to clients’ requests, **IFC, EBRD, and the CDC Group** (UK’s development finance institution) launched a new good practice note: **Addressing Gender-Based Violence and Harassment Risks (GBVH)**, with three sector-level briefs for the **public transport, manufacturing, and construction** sectors. Furthermore, IFC issued a new **COVID-19 gender-based violence specific guidance document**.

For more COVID-related activities and reports by international organizations and SBN members, visit **SBN “COVID-19 On the Radar”** ([www.ifc.org/sbncovid19](http://www.ifc.org/sbncovid19)).

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## 4. New SBN Report: *Necessary Ambition: How Low-Income Countries Are Adopting Sustainable Finance to Address Poverty, Climate Change, and Other Urgent Challenges*

- This report provides a first-ever, in-depth investigation of the drivers and innovation that underpin market-level efforts to advance sustainable finance in low-income countries. Its findings are timely as the world responds to COVID-19. They confirm that:
  - **Continuous and significant progress** is being made by the poorest countries in the SBN network.
  - Building sustainability into financial systems not only helps manage environmental, social, and climate risks, but also **de-risks markets to enable greater investment flows and deepened financial market development**.
  - Low-income countries are **aligning and integrating their sustainable finance efforts with lending to SMEs and women, investment in agriculture, and financial inclusion** as essential components for resilience.
- The report features rich insights, 16 case studies, 8 country profiles, and practical decision-making tools that will benefit any countries planning to leverage green and inclusive stimulus to rebuild their economies while supporting climate action and sustainable development.
- The report-launch webinar “**Rebuilding Resilience through Sustainable Finance**” featured the report findings and country experiences from **Bangladesh, Kenya, Mongolia, and Nigeria**. Watch the recording [here](#).

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## 5. SBN member country achievements and activities

- Under **Vietnam’s Chairmanship of the Association of Southeast Asian Nations (ASEAN)**, the ASEAN Capital Markets Forum (ACM) has launched its **five-year Roadmap for ASEAN Sustainable Capital Markets**, setting out a comprehensive approach to catalyze sustainable finance in ASEAN capital markets.
- **South Africa's Reserve Bank**, the central bank of the country, published the working paper “**Climate change and its implications for central banks in emerging and developing economies**” (June 2020), which explores how emerging market and developing country central banks might develop policy responses.
- **South Africa’s Johannesburg Stock Exchange (JSE)** widened the instructions and expanded its Green Bond Segment to **a new Sustainability Segment**, which makes it easier to list and trade sustainability-related instruments.
- **Central Bank of Mongolia** announced its national **Green Loan Statistics (unofficial English translation)**, calculating the amount and ration of green loans in the portfolio based on the taxonomy.
- **IFC's regional advisory program on Environmental and Social Risk Management (ESRM)** and the **University of Ghana Business School (NGBS)** this July signed a cooperation agreement to build capacity on ESRM in Ghana. The partnership will result in a specialized curriculum, research, and sensitization for stakeholders, including graduate and

post-graduate students, researchers, and businesses.

- **Kenya Bankers Association** is hosting an Africa Regional **e-Conference for Women in Banking and Finance** in partnership with the private sector on October 15<sup>th</sup> and 16<sup>th</sup>, 2020. The event features speakers from 10 countries and targets women in management and leadership positions on the Continent. International attendees with an interest in Africa are welcome.
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## 6. Key international developments

- The **International Capital Market Association (IMCA)** released its **new Sustainability-Linked Bond Principles** and **updated Social Bond Principles** in June in response to the changing bond markets amid the coronavirus pandemic. The new Sustainability-Linked Bond Principles cover a broader set of objectives than the previously defined green, social, and sustainability bonds.
  - The **World Bank** has released **a guide** to help countries develop their national green taxonomies. The recommendations are based on the World Bank Group's experience in supporting similar initiatives in many emerging markets.
  - The **Network for Greening the Financial System (NGFS)** published four related reports on climate change. They are 1) **The macroeconomic and financial stability impacts of climate change: research priorities**; 2) **Climate change and monetary policy: initial takeaways**; 3) **Guide to climate scenario analysis for central banks and supervisors**; and 4) **NGFS climate scenarios for central banks and supervisors**.
  - The **European Central Bank (ECB)** has released the **consultation version of its Guide on Climate-Related and Environmental Risks: Supervisory Expectations Relating to Risk Management and Disclosure**. It outlines 12 supervisory expectations for banks to integrate climate and environmental risks in business strategy, governance, risk management and disclosure.
  - The **European Banking Authority, Securities and Markets Authority, and Insurance and Occupational Pensions Authority** hosted a public hearing in July on their **proposed environmental, social, and governance (ESG) disclosure standards** for financial market participants, advisers, and products. Comments are invited until September 1, 2020.
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## 7. What we are working on

- **Survey of members on support needs and working groups:** we will launch a survey this summer to check in with all members about your current and future needs for support from the network, with consideration for the impact of COVID-19. **We will also ask you to confirm which SBN working groups you will participate in over the next 2 years.** This is one of the top ways for members to collaborate, share knowledge, and help shape common pathways.

- **Measurement Working Group:** The SBN Secretariat has initiated development of the 2021 Global and Country Progress Reports, including an update of the Measurement Methodology to reflect collective advances of the SBN community, such as policy and industry initiatives to address climate risk and responding to COVID-19. Working Group and member consultation will start this summer.
- **Green Bond Working Group:** As part of ongoing implementation following the “Creating Green Bond Markets” report and associated tools, SBN and IFC are supporting a number of member countries as they develop national green finance taxonomies.
  - **National Bank of Georgia** and **National Treasury of South Africa**, facilitated by SBN and IFC, held a knowledge exchange session to share experiences in the development of national green finance taxonomies. An SBN Issue Brief on Taxonomy Developments is planned for later this year.
- **Bringing the events to you: SBN Webinar Series.** All SBN Webinar details, recordings, and presentations are available at [www.ifc.org/SBNwebinars](http://www.ifc.org/SBNwebinars), including:
  - **Rebuilding Resilience through Sustainable Finance** – showcasing sustainable finance initiatives in low-income countries (June 25, 2020)
  - **Environmental Information Disclosure by Financial Institutions and Green Bond Issuers** (April 2, 2020)
  - **Trends in Taxonomy Development and Lessons from Emerging Markets** (February 20, 2020)
- **Featured SBN Webinars:** To overcome the travel constraints imposed by the pandemic, the SBN Secretariat is bringing our member-knowledge-exchange online through webinars hosted by us and by members. We invite members to share with us your webinars and related online events at [SBN\\_Secretariat@ifc.org](mailto:SBN_Secretariat@ifc.org).

**In addition to the public, knowledge-sharing webinars, the SBN secretariat is available to help organize closed-door webinars for SBN members on specific topics, subject to availability of speakers on the subject matter. Please email your requests to [SBN\\_Secretariat@ifc.org](mailto:SBN_Secretariat@ifc.org).**

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Thank you to everyone who shared their stories in this cycle, please continue to do so. We would also love to hear your questions and concerns and to offer assistance where we can. If you are interested in setting up a direct conversation with the SBN global coordinator and working group coordinators, or with the SBN regional and country coordinators and IFC topic experts, please email us @ [SBN\\_Secretariat@ifc.org](mailto:SBN_Secretariat@ifc.org).

Stay up to date with latest developments in the SBN community, global trends, and technical resources, follow the [SBN LinkedIn page](#) or visit our website: [www.ifc.org/sbn](http://www.ifc.org/sbn).

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