

# ESG Reporting: from Values to Value

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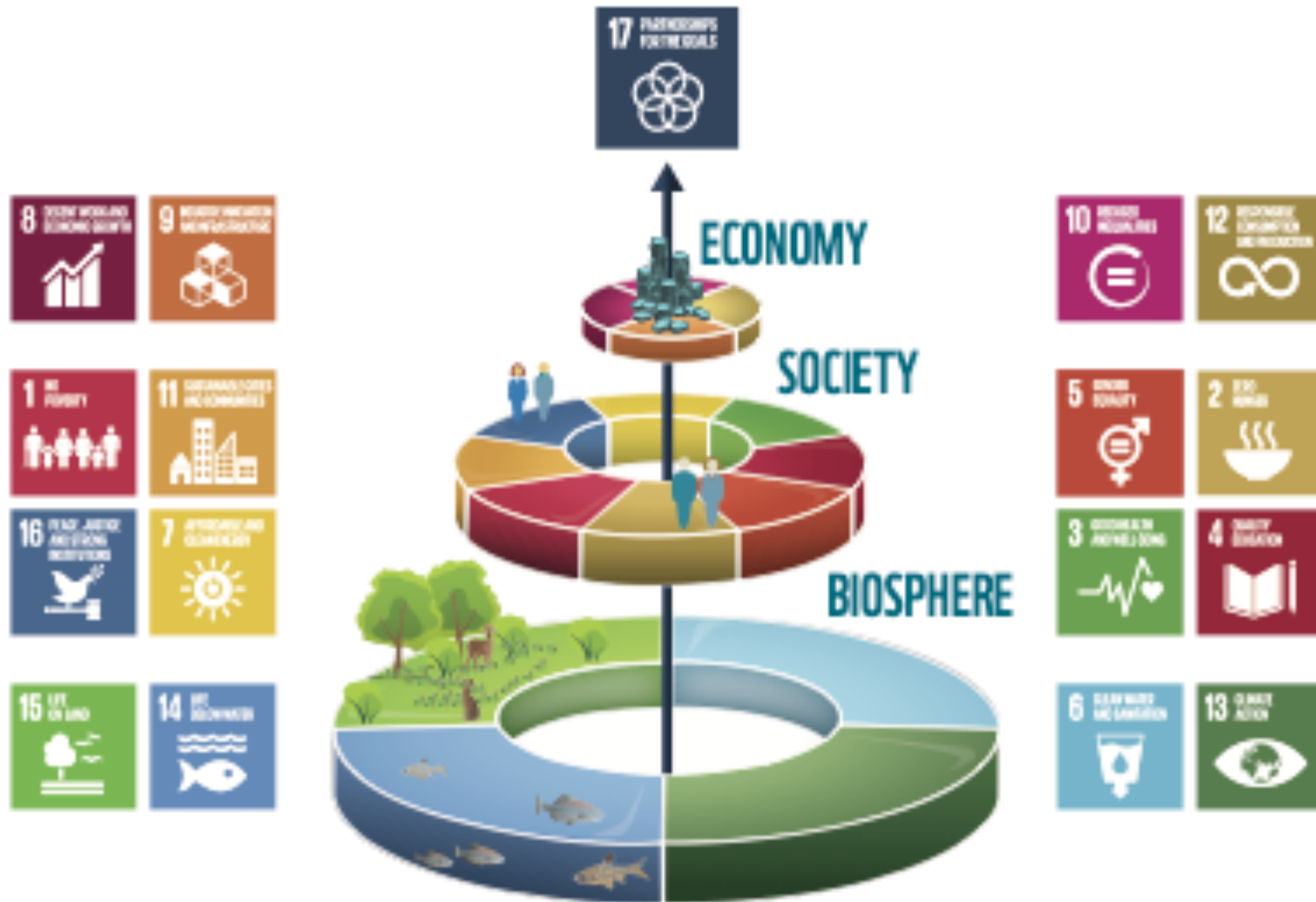


Federal Ministry  
for the Environment, Nature Conservation  
and Nuclear Safety

# Presentation Outline

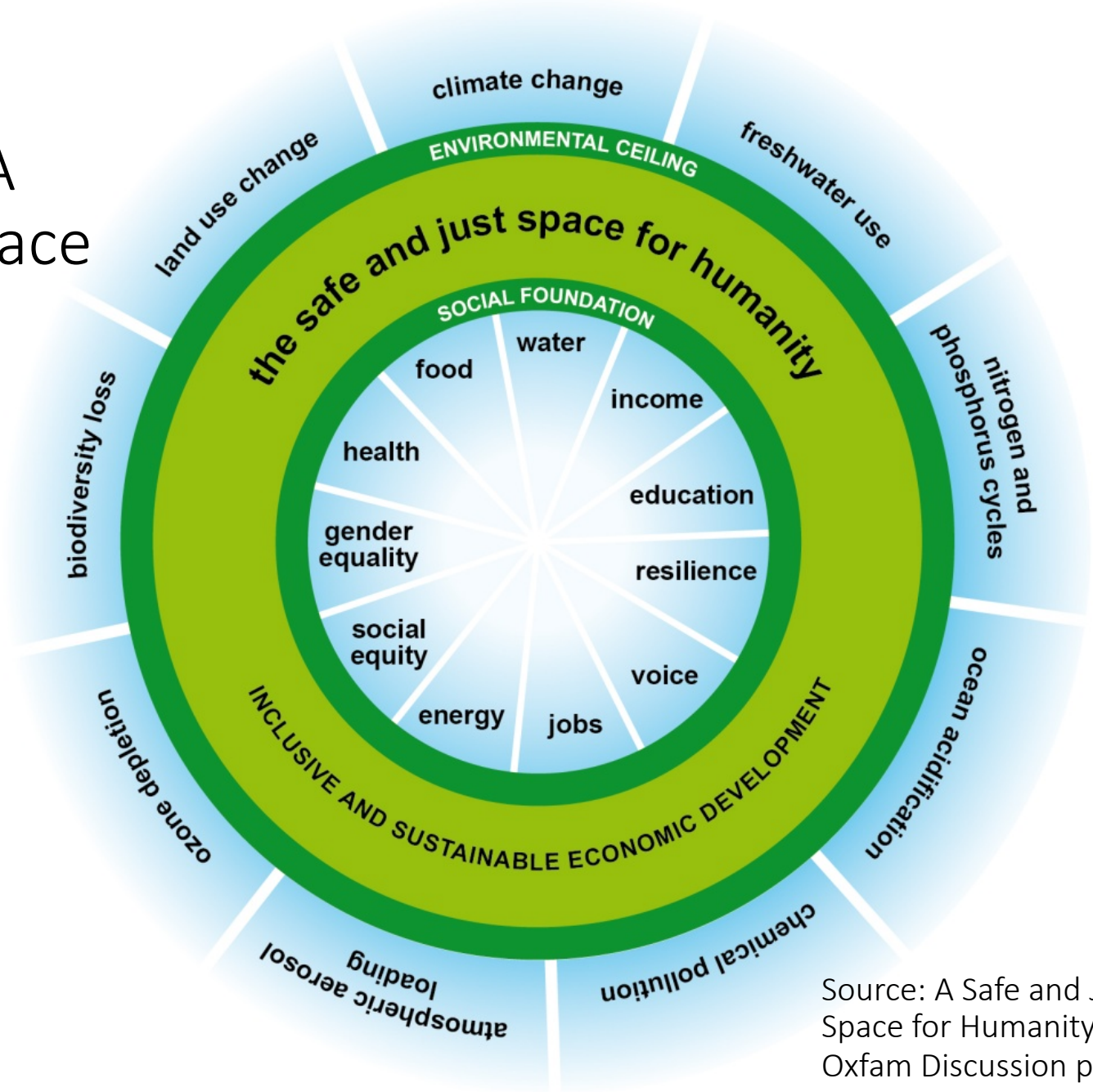
- Evolution of ESG reporting
- Financing Gaps
- ‘Whole of nation’ approach to sustainable financing
- ESG Reporting: Which to use?

# Evolution fo ESG Reporting



Sustainable  
Development: A  
safe and just space  
for all

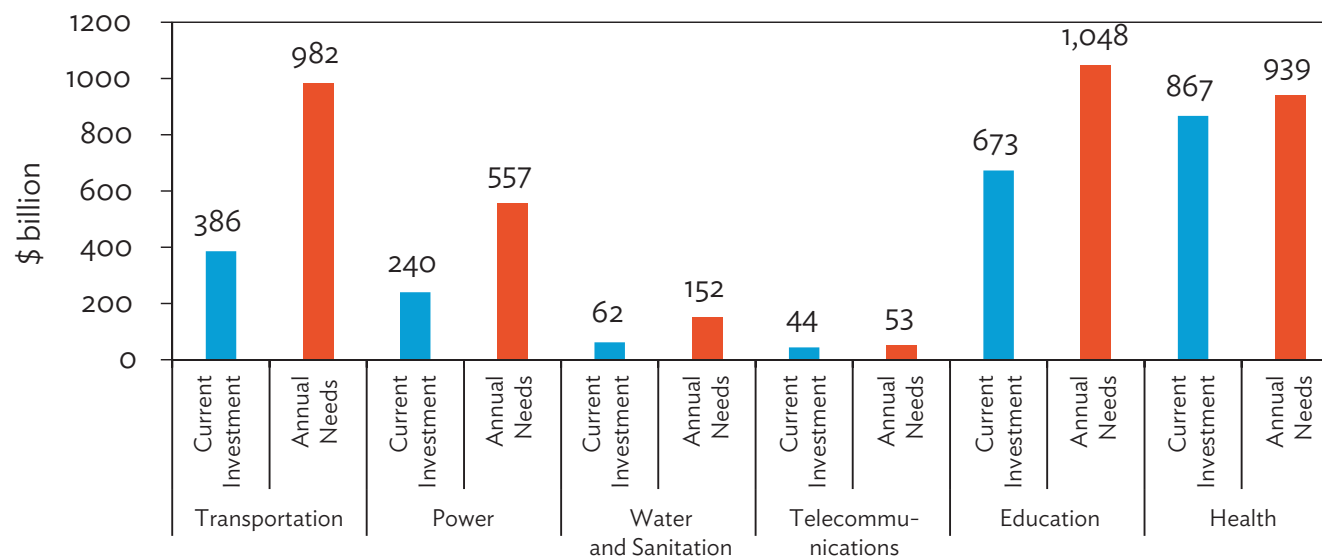
Power of  
finance



Source: A Safe and Just  
Space for Humanity:  
Oxfam Discussion paper

# Infrastructure Financing Gap

Figure 3: Infrastructure Investment, Current and Projected, by Sector



Notes:

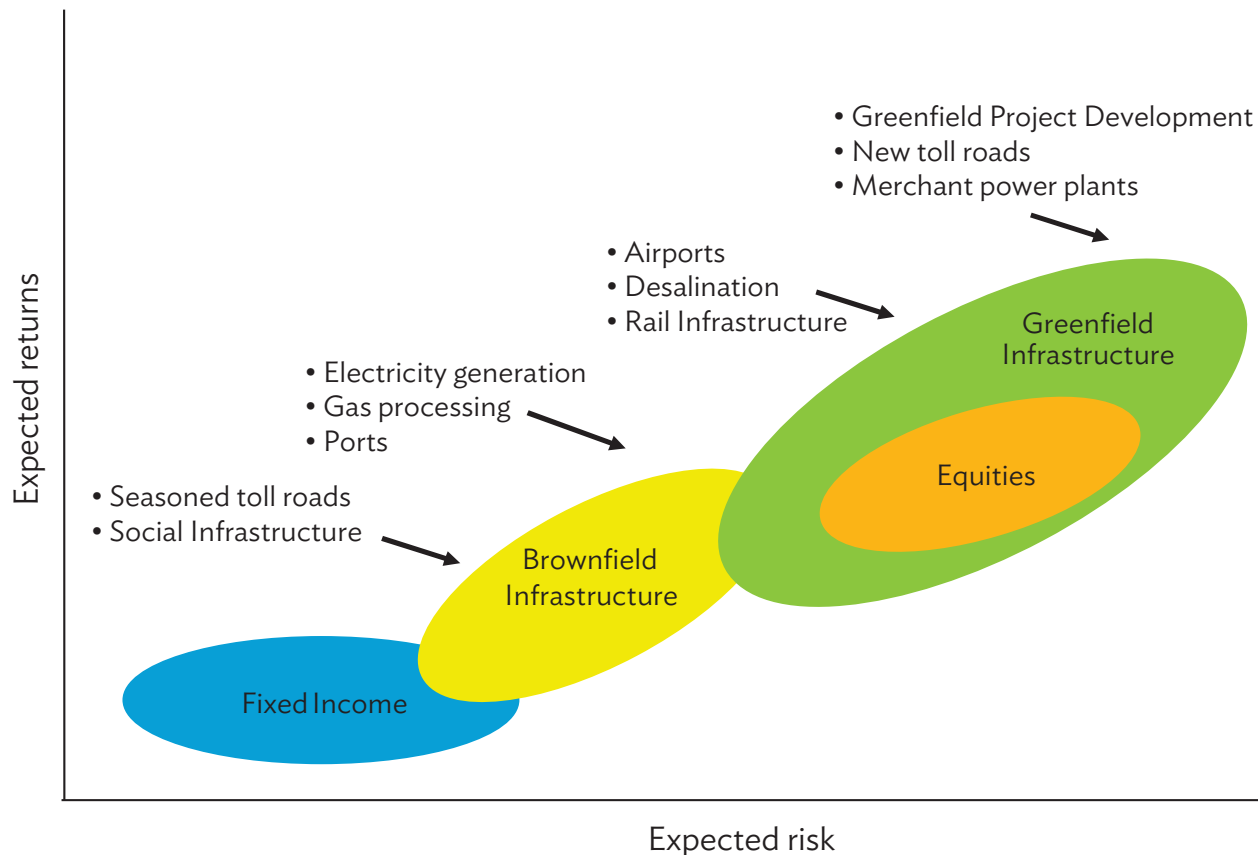
- 1 For Transportation, Power, Water and Sanitation, Telecommunications: Current Investment is based on 2011 figures. Investment needs are for 2016–2030 divided by 15 years.
- 2 For Education and Health: Figures only include 18 DMCs; Year coverage: 2009 (Education) and 2013 (Health) for the Philippines; 2013 for Fiji, India, Thailand, and Viet Nam; 2014 for Armenia, Bangladesh, Bhutan, Indonesia, Nepal, Pakistan, Sri Lanka, and Timor-Leste; 2011 (Education) and 2014 (Health) for Mongolia; 2015 (Education) and 2014 (Health) for Kazakhstan; 2014 for the Kyrgyz Republic; 2012 for Georgia; and 2012 (Education) and 2014 (Health) for the People’s Republic of China.

Source: Asian Development Bank (2017a).

Constraints to Investments	Solutions
Philippines too small to attract global investors	Participate in a regional supermarket e.g. create ASEAN asset class
Cross-border rules vary; lack of standardization	Harmonized laws and regulations on ESG reporting
“Short termism” by investors	role of asset managers, credit rating agencies
Information asymmetry about projects, risks, actual demand	Mandatory reporting on material risks and returns
Risk-return profiles not comparable within and across countries	Uniform reporting, comparing “apples-to-apples”
Future risks from climate; extreme weather, natural hazards	Forward looking scenario risk analysis, e.g. TCFD
Lack of bankable projects	Technical support to pipeline Ratings by credit rating agency
High risk for public goods, early phase, long-maturity	Blended finance strategies

# Risk Return Profiles of infrastructure investments

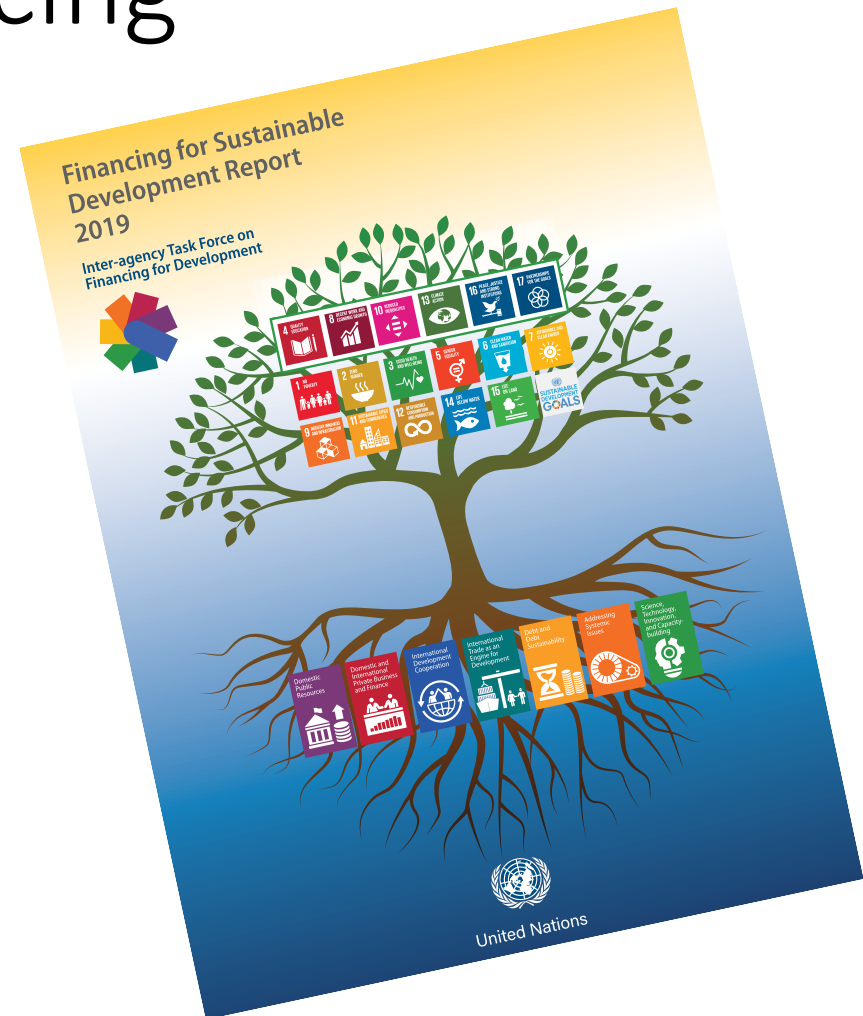
Figure 8: Risk–Return Profiles of Infrastructure Investments in Relation to Traditional Asset Classes



Source: Russ and Foscarl (2010).

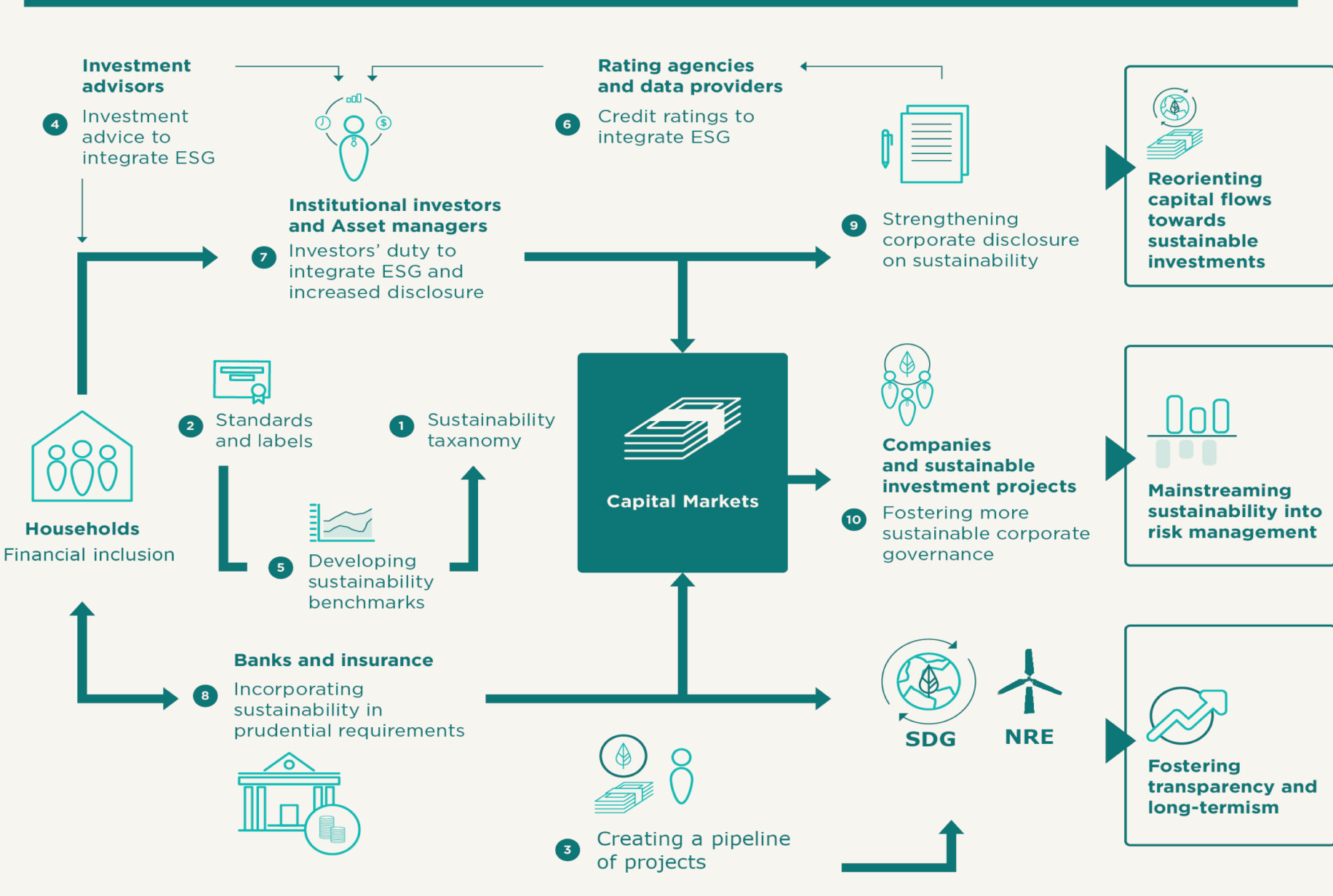
# Whole of Nation approach to Sustainable Financing

- Aligned with SDG targets, *Ambisyon Natin 2040*
- Funds sourced from public, private, ODAs, Multi-laterals
- Whole of nation approach to be led by inter-government agencies (NEDA, DoF, BSP, CCC)





# SUSTAINABLE FINANCE ROADMAP



# ESG reporting: Which to use?

