

WSBI



ESBG

WSBI-ESBG, TOWARDS A MEANINGFUL CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

MAY 2021



The members of the **World Savings and Retail Banking Institute (WSBI) – European Savings and Retail Banking Group (ESBG)** enjoy a **long history of socially responsible banking**. They have a strong commitment to sustainable development and address their corporate social responsibility (CSR) as an integral part of their business.

On 25 September 2015, countries adopted **a set of goals to end poverty, protect the planet, and ensure prosperity for all**, as part of a **new sustainable development agenda**, ranging from ending world poverty to fighting climate change. One of the most important aspects of the Sustainable Development Goals (SDGs) is that they recognise the critical role that business and finance will play, alongside national governments, in mobilising collaborative action to tackle critical socio-economic impediments to creating prosperity. It has been estimated that \$2.5 trillion per year will be needed by developing countries alone to successfully deliver the Goals.

Implementing strategies to deliver the SDGs will engage banks at all levels, as they have a key role to play in delivering the 2030 Agenda. In December 2015, the Paris Agreement was adopted at the 2015 United Nations Climate Change Conference, COP 21, an historic agreement to combat climate change and unleash actions and investment towards a low carbon, resilient and sustainable future.

The Sustainable Development Goals and the Paris Agreement are a robust response to three main global agenda topics, which act as moving forces and shape stakeholders' strategy to address related challenges. These are the climate change challenge, the current situation with Human Rights and a much-needed collaboration with third parties to reach common goals. Against this background, WSBI-ESBG works towards empowering its members in their contribution to the achievement of the objectives of the Paris Agreement and the SDGs targets.

These efforts are underpinned by WSBI-ESBG commitment since 2006 to the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption, as well as the recent WSBI-ESBG adherence to the United Nations Environmental Programme-Finance Initiative. The latter is a crucial step to continue WSBI-ESBG work to reinforce a pluralistic banking model, an enabling environment for financial inclusion and models that adapt to environmental challenges and climate change. Moreover, the **WSBI-ESBG Charter for Responsible and Sustainable Business**, set up in 2008 and frequently updated (most recently in 2020), remains the main driver of this holistic commitment by which WSBI-ESBG favours an inclusive form of globalisation that seeks to reduce inequalities.



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION
5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS 			

WSBI-ESBG efforts showcase how the financial sector is working towards the achievement of the objectives set by the Sustainable Development Goals. WSBI-ESBG contribution can be particularly seen in:

- SDG 1: ERADICATION OF POVERTY** 
- SDG 4: ENSURING INCLUSIVE AND EQUITABLE QUALITY EDUCATION, PROMOTING LIFE-LONG LEARNING OPPORTUNITIES FOR ALL** 
- SDG 5: ACHIEVE GENDER EQUALITY AND EMPOWER WOMEN AND GIRLS** 
- SDG 7: ENSURING ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE ENERGY FOR ALL** 
- SDG 8: PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL** 
- SDG 10: REDUCING INCOME INEQUALITY WITHIN AND AMONG COUNTRIES** 
- SDG 13: ON ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS** 
- SDG 17: PARTNERSHIPS FOR THE GOALS** 

WSBI-ESBG members work to fulfil the expectations of stakeholders when carrying out their services and ambitiously increase their contribution to achievement of the Goals, addressing the main challenges of the global agenda.

EXAMPLE: Erste Group Sustainability Strategy

WSBI-ESBG FOCUS ON FINANCIAL INCLUSION



Increasing **financial inclusion** for individuals is encompassed in SDGs 1, 2, 3, 4, 10), small and medium sized enterprises in SDGs 5, 8. Increasing financial inclusion implies providing access to secure payment and remittance facilities, savings, credit and insurance. WSBI and ESBG members are committed to building a **financially inclusive society**, by providing access to adapted financial services to all groups of the population, including poor and low-income

households and small entrepreneurs. This enables smoothing of cash flows and consumption over time, as well as provides financial protection and supports more efficient allocation of capital.

Financial inclusion is indeed the most important policy objective for WSBI-ESBG and its members, as illustrated by several Declarations, such as the **Marrakech Declaration**: “An Account for Everyone, or the **WSBI 2015 Washington Declaration** , which takes into account the importance and influence of digitisation to increase financial inclusion.

The Washington Declaration outlines WSBI-ESBG commitment to the **World Bank Group’s Universal Financial Access (UFA) 2020 Goal**, aiming **to reach 1.7 billion customers and 400 million new transaction accounts by the end of 2020**, based on current membership.

By the end of 2019, WSBI-ESBG member savings and retail banks present in some 70 countries had fulfilled their **Universal Financial Access 2020 pledge**, with more than 1.733 billion customers and 556 million new transaction accounts, surpassing the initial commitment and totalling 2.512 billion transaction accounts worldwide.

WSBI-ESBG acknowledges that financial services can improve the well-being of customers by helping to reach high-level outcome goals, such as building resilience and capturing opportunities. Financial health has become a useful framework for talking about whether financial services improve people’s ability to manage their financial lives. People, however, do not pursue financial health for their own sake but as a means to achieve livelihood goals. By shifting its focus to outcome goals, WSBI-ESBG hopes to support more effective measures that foster financial management capabilities and ultimately contribute to the well-being of its customers.

WSBI-ESBG ACTION TRANSLATED INTO THE GOALS



The above initiatives are of utmost relevance for the achievement of **Goal 1: Eradication of Poverty**; providing underserved people with access to financial services will allow them to make investments and manage unexpected expenses. Thus, financial inclusion contributes to the elimination of extreme poverty and supports productive activities, decent job creation, entrepreneurship, creativity and innovation, as well as encourages the formalisation and growth of micro-, small- and medium-sized enterprises.



Savings allow families to increase their capacity to invest in human capital, such as health and education. The UFA 2020 financial inclusion objective, to which WSBI-ESBG contributes, is to reach 1.7 billion customers and 400 million new transaction accounts by the end of 2020, and significant progress has already been achieved. In addition, WSBI-ESBG members ensure accessibility and proximity banking close at hand through their dense network of branches, including in low-populated and economically disadvantaged areas, and via a well-developed range of electronic access channels. In this respect, WSBI-ESBG members commit to making branches and distribution channels as accessible as possible to persons with physical disabilities and impairments.

SOME EXAMPLES:

- UFA 2020 COMMITMENT
- Chile: CUENTA RUT & CAJA VECINA
- Austria: Erste Group Social Banking programme across CEE region
- Colombia: Cuentamiga, cost-free current account offered to the mass market by Banco Caja Social
- Portugal: Montepio: Promotion of accessibility and financial inclusion
- Dominican Republic: APAP TODOS: First of its kind local initiative to financially include disabled people
- Chile: BancoEstado: Serving people in all the Chilean territory with CuentaRut and Caja Vecina
- Tanzania: Tanzania Post Bank (TPB), promoting savings to all members of the population
- Austria: Erste Group contribution to the SDGs,
- WSBI Scale2Save Programme

Financial Education remains a crucial tool to reinforce financial inclusion. WSBI-ESBG and its members recognise the importance of raising the levels of financial literacy of all citizens worldwide and continue to carry out a wide range of initiatives with the aim to not only prevent social and economic exclusion, but also to contribute to the commitment of providing citizens with a better knowledge of financial issues that will enable them to make informed choices. Thus, WSBI-ESBG believes that financial education leads to sound financial inclusion, ensuring the success of microfinance services. It is also a crucial means in promoting entrepreneurship and other relevant skills, such as literacy, numeracy, digital skills, and leads without a doubt to an overall improvement in education and therefore to more inclusive societies.

Financial education is thus, instrumental in **ensuring inclusive and equitable quality education, promoting life-long learning opportunities for all**, objectives encompassed in **SDG 4**, and therefore in contributing to reduce inequalities. WSBI-ESBG members' financial education programmes follow a multi-stakeholder spirit to ensure neutrality and effectiveness in such a way that they foster collaborations across the industry, as well as they provide best practices to improve financial literacy in schools. WSBI-ESBG members' financial education programmes are addressed, amongst other, to families to enable them to improve their household planning and therefore, help to finance education costs, by expanding the access and use of personal savings and loan products. Financial Education is also instrumental to empower SMEs, as financial education programmes can be dedicated to increase business management knowledge.



In particular during the Covid-19 pandemic, financial education programmes have been shifted online where possible, to continue to reach a wide audience. Physical information in the form of brochures have continued to be made available to those who do not have access to digital channels.

SOME EXAMPLES:

- Germany: [Geld und Haushalt](#)
- Kenya: [PostBank Kenya Promotion of accessibility and financial inclusion](#)
- France: [Finances & Pédagogie](#) longstanding work in financial education
- Sweden: [Swedbank and Swedish Savings Banks' Young Economy initiative](#)
- Spain: [Ceca yearly conference on financial education](#)
- Portugal: [CGD Saldo Positivo](#)
- Austria: [Erste Financial Life Park](#)
- Spain: [Unicaja Edufinet project](#)
- Uganda: [Centenary Bank, ILO partner to train over 200 youth in Business Skills](#)
- Morocco: [Financial Education within AL BaridBank](#)
- [The European Stock Market Learning](#)
- [The World Savings Day](#)
- [WSBI Scale2Save Programme](#)

WSBI-ESBG ACTION TRANSLATED INTO THE GOALS



Against this background, WSBI-ESBG members work towards **achieving gender equality and empowering women and girls (SDG 5)**. This implies the design of products related to savings, credit and insurance aimed at enabling women (particularly in high growth markets) to establish and grow businesses, both in urban and rural environments. This is also reflected in initiatives aimed at increasing the share

of women on company boards and senior roles. Financial education of young girls has been a focus during the 2021 Global Money Week, to give girls the same confidence growing up to make sound financial decisions and grow their money in a risk-calculated way.

PROPOSED EXAMPLES:

- Vietnam: LienVietPostBank- Vi Viet e-wallet: An innovative payment solution for Vietnamese women
- Germany: German Savings Banks Finance Group: Give and Take: The S-Mentoring Programme
- Austria: Erste Women in IT
- Uganda: Centenary Bank, PSFU Partner to elevate Financial status of Women
- WSBI Scale2Save Programme



Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all: WSBI-ESBG activity in this respect is of relevance, notably when it comes to ensuring equal rights to economic resources, as well as access to basic services and inclusive finance, including microfinance. WSBI-ESBG are relevant

contributors to the development of microfinance and generally serve viable SMEs and entrepreneurs contributing to job creation and promoting inclusive growth. Some WSBI-ESBG members have

developed innovative approaches of personal microcredit, which consists of providing financial access to individuals facing financial exclusion, in order to finance a project. WSBI-ESBG members' current involvement in microfinance differs from country to country, ranging from initiatives that increase financial inclusion and financial education, products to finance micro- and small-enterprises and programs that support excluded individuals in creating their own jobs and enterprises, often in co-operation with microcredit and business support actors.

SOME EXAMPLES:

- Spain: **MicroBank**- a CaixaBank initiative for financial inclusion and promoting entrepreneurship
- Peru: **FEPMAC CMAC Trujillo**'s initiative to include local skilled women entrepreneurs in global value chains
- Spain: **ABANCA Programme "Aceleración ABANCA Innova"** for technology start-ups
- **WSBI Scale2Save Programme**

MOVING TOWARDS SUSTAINABLE FINANCE: A PERSPECTIVE OF LOCAL BANKS

WSBI-ESBG members work towards offering socially and ecologically responsible investment products, following social, ethical and financial criteria. Such investments have a positive impact on the communities and the environment. This is underpinned by the **WSBI-ESBG Charter for Responsible and Sustainable Business on the environment-friendly business principle**, which reflects the increasing work and commitment from WSBI-ESBG member institutions to adapt to global developments, market realities and challenges. WSBI-ESBG members work towards achieving **SDG 13 on action to combat climate change and its impacts**.



In this respect, WSBI-ESBG members acknowledge risks and opportunities and work to integrate climate risks into investment analysis and decision-making. They look into the impact of their business on the environment, both in terms of their own operations and indirectly on customers and suppliers. They equally work to take steps to measure, reduce and report climate exposure and progress on actions to confront climate change, increasing where appropriate levels of transparency and consistency of sectoral reporting and using their sphere of influence to encourage other companies and stakeholders to disclose environmental impacts.



Additionally, WSBI-ESBG members work towards doubling the global rate of improvement in energy efficiency. They promote projects in energy efficiency, green transport and green energy, mainly via the loan business, contributing also to **ensuring access to affordable, reliable, sustainable energy for**

all (SDG 7). As supporting institution of the **UNEP FI principles**, **WSBI-ESBG aims to support members in their endeavour to address climate change.**

Locally-focused WSBI-ESBG urge G20 leaders to integrate retail and local banks within the international negotiation on aspects of financing, in particular due to their role in households and SME financing. In other words, local banks should be included in the international negotiations on sustainable finance; a dedicated task force or at least a specific session should be dedicated to them.

SOME EXAMPLES:

- France: [BPCE International](#), a leading role in financing the energy transition
- China: [Postal Savings Bank of China strategy to support green credit](#)
- Spain: [Bankia 2015-2019 Energy Efficiency Plan](#)
- [WSBI Scale2Save Programme](#)

WSBI-ESBG members also contribute to **reducing income inequality within and among countries (SDG 10)**, particularly with its strong position on remittance topics.



WSBI-ESBG works with policy makers and members worldwide to continuously improve remittance transfers, including lowering their cost, whilst enabling wider financial inclusion through remittance-linked products and services.

SOME EXAMPLES:

- WSBI supports IFAD report released on eve of International Day of Family Remittances
- El Salvador: Remittance-secured Financing Enables Credit for El Salvador's Microenterprises, Lower-income People
- WSBI Scale2Save Programme



SDG 17: WSBI-ESBG and their members continue to work to **strengthening the means of implementation and revitalising the global partnerships for sustainable development**. In this respect WSBI-ESBG and their members engage in multi-stakeholder initiatives with the view to advance sustainable development, such as the UN Global Compact or the United Nations Environmental Programme for

Financial Institutions. In addition, adopting good practice principles and guidelines, such as the **WSBI-ESBG Charter for Responsible and Sustainable Business**, is crucial to better align business practices with the Sustainable Development Goals. WSBI-ESBG will continue to foster partnerships with relevant stakeholders, in order to provide the industry perspective and particularly the one from savings and retail banks, to contribute to set industry goals and principles aligned to the achievement of the SDGs.

SOME EXAMPLES:

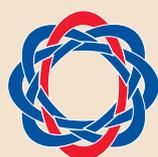
- WSBI-ESBG becomes UNEP FI supporting institution
- WSBI-ESBG adhesion to the UN Global Compact
- Portugal: GEOfundos, a fund for success supported by Associação Mutualista Montepio
- Spain: Human Age Institute and Ibercaja sign an agreement to boost talent and employability
- WSBI Scale2Save Programme

WSBI-ESBG efforts to contribute to the objectives of the SDGs and Paris Agreement seek to align with and further support relevant European and international developments aimed at promoting a more thoughtful and responsible finance. Some examples of these are:

- the **UNEP FI Principles on Responsible Banking**, which will seek to set the global benchmark for sustainable banking and will further direct banks' efforts to align with society's goals as expressed in the SDGs and Paris Agreement;



- the European Commission **Action Plan on Sustainable Finance**, which sets out a comprehensive strategy with numerous legislative and non-legislative initiatives to further connect finance with sustainability.



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